

## **Abstract**

Discriminatory procurement is usually practised by governments in most countries. However, with the increasing development of economic globalization, it blocks free trade in the government procurement market (GP market) remarkably. Under this circumstance, several rounds of international negotiations took place and culminated in an agreement regulating GP under the WTO (the WTO GPA) to promote trade liberalization in the GP market. However, the WTO GPA is criticized as the “rich club” for developed countries and most developing countries are reluctant to participate in it.

Since China started its accession negotiation to the WTO GPA in 2007, the practice of discriminatory procurement is to be prohibited to a large extent in many sectors. In light of consistent opposition from developing countries to the WTO GPA, it is significant for China, as a developing country, to research the effect of the WTO GPA membership. Taking this opportunity, the thesis examines relevant GP rules under the WTO, dominantly the WTO GPA, and reviews China’s GP legislation and legal practices.

In the beginning, by means of discussing the nature of GP and the general practices, the thesis finds discriminatory procurement constitutes an effective instrument of significance for countries to pursue a series of policy objectives. After reviewing the negotiating history to subject GP to international disciplines, the thesis concludes international GP rules, be it multilateral or plurilateral, should make an appropriate balance between free trade concerns and policy objectives with a view to absorb more membership. Through investigation of objectives pursued by GP rules at international and national levels as well as their sustenive regimes, it is found that it is possible to link international and national GP regulations.

In this context, the thesis examines GP rules under the WTO GPA and finds the WTO GPA is still far away from an international multilateral agreement. Besides, the

WTO GPA is short in several aspects. These defects not only undermine its implementation and erode market access opportunities, but also render the WTO GPA unattractive. Then, rationales behind the limited membership of the WTO GPA are probed. Against this background, the effect for developing countries after the WTO GPA is discussed. It finds the special and differential treatment provided by the WTO GPA to developing countries is not sufficient to protect domestic suppliers of developing countries in face of strong competition from foreign providers. Nonetheless, whether developing countries will benefit more than the loss or not should be considered separately.

Under this circumstance, China's GP legislation is reviewed. It finds the legal framework regulating GP in China features in inconsistencies and ambiguities. These flaws create considerable opportunities for circumvention and result in chaos in legal practices. In this context, although the Chinese government attaches great importance to support policy objectives through GP, domestic industries or suppliers are not protected well by means of GP as relevant GP legislation prescribes. Through investigation of legal practices and consideration on parameters for China's promise to accession to the WTO GPA as well as the legal framework of the WTO GPA, the thesis finds Chinese suppliers will not be damaged more seriously after accession to the WTO GPA. In contrast, accession to the WTO GPA may bring considerable benefits for China, such as market access opportunities abroad.

Based on these findings, the thesis provides recommendations on improvement of the WTO GPA rules and expansion of its membership. In the meantime, suggestions on China's responses to accession to the WTO GPA as well as the improvement of the existing legal framework regulating GP are offered. These considerations provide a reference to developing countries in considering accession to the WTO GPA.

## **Keywords**

Government Procurement (GP), Government Procurement Market (GP Market), Multilateral, Plurilateral, WTO GPA, Membership, Free Trade Concerns, Policy Objectives, Discrimination, “Buy-national” Policy, Foreign Market Access Opportunities