

Government e-Marketplace (GeM)

GMV crosses Rs One lakh Crore in FY 2021-22; up 2.5 times over FY 2020-21

Three-fold increase in number of sellers on GeM in FY 2021-22 over previous year

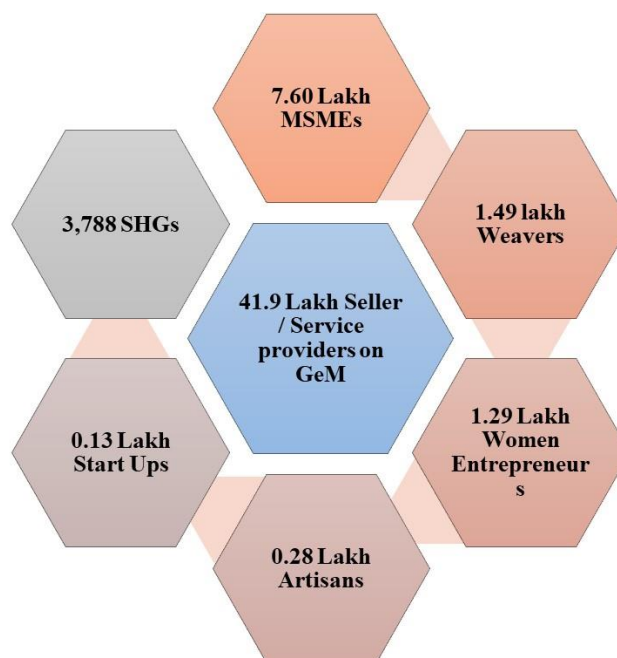
GeM Mandate expanded to allow procurement by Cooperatives

(Ministry of Commerce & Industry)

June 03, 2022

Government e-Marketplace (GeM) is an online platform for public procurement in India which was envisaged by Prime Minister Narendra Modi. The initiative was launched on August 09, 2016 by the Ministry of Commerce and Industry with the objective to create an open and transparent procurement platform for government buyers. In pursuance of the Cabinet decision dated April 12, 2017, the **GeM SPV (Special Purpose Vehicle) was set up on May 17, 2017.**

Created in a record time of five months, GeM facilitates online procurement of common-use goods & services by government organisations. At present, the platform is open for procurement by all government buyers: central and state ministries, departments, public sector enterprises, autonomous institutions, local bodies, etc. As per the existing mandate, GeM is not available for use by private sector buyers. Suppliers (sellers) can be from across all segments: the government or private.



The portal has transformed public procurement in India by driving its **three pillars viz. inclusion, usability & transparency, and efficiency & cost saving.** According to an independent assessment made by the World Bank, the average savings for buyers in the Government e-Marketplace portal is about 9.75% of the median price. GeM has taken a host of steps to onboard products of Self-Help Groups (SHGs), tribal communities, craftsmen, weavers, and MSMEs with a view to making the platform more inclusive.

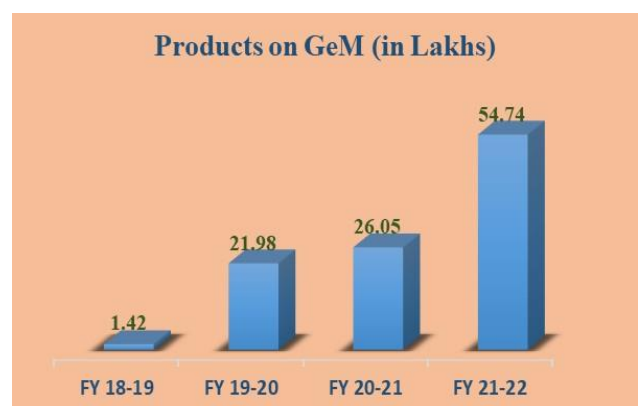
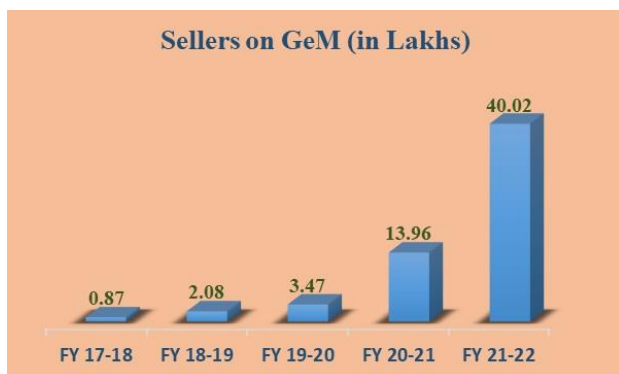
On June 01, 2022, Union Cabinet, chaired by Prime Minister Narendra Modi has given its approval for expanding the mandate of GeM to allow procurement by Cooperatives as buyers on GeM. More than 8.54 lakh registered cooperatives and their 27 crore members would be benefitted from this initiative. The approval is also expected to enhance the overall "Ease of Doing Business" for cooperatives while providing a larger buyer base to the GeM registered sellers also.

Owing to continuous persuasion by the Government, Financial Year 2021-22 witnessed a major uptick in GeM transactions which has resulted in the annual **Gross Merchandise Value (GMV) in GeM crossing Rs One lakh crore which was nearly 2.5 times the GMV in FY 2020-21** and also higher than cumulative GMV from the launch of the platform in 2017-18 till FY 20-21.

The sellers on GeM have also increased to **40.02 lakh in FY 2021-22, witnessing a nearly three-fold increase** during FY 2021-22 over the previous year.

The **number of orders has also surpassed 33 lakh in FY 2021-22**, with growth at the rate of 22%. The cumulative number of transactions done on GeM crossed the 1 crore mark in April, 2022.

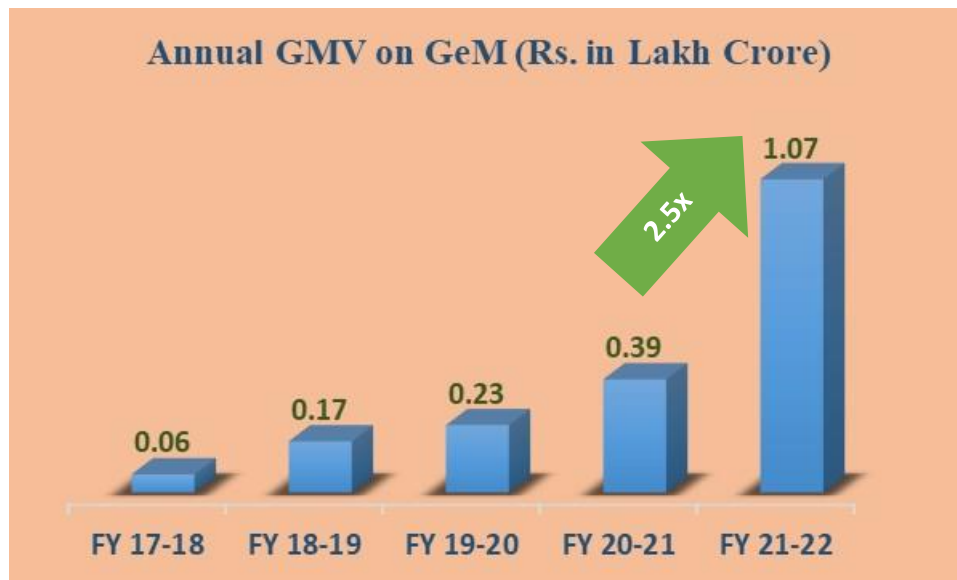
Since its inception, GeM has shown impressive growth year on year with better prices, thus helping the state exchequer save substantial money. In an analysis in the Economic Survey 2021-22, a cost comparison of various commodities on GeM with those of popular online platforms such as Amazon and Flipkart showed that GeM prices were 9.5% lower. 10 out of 22 commodities in the sample were cheaper on the GeM portal as compared to other platforms.



Before GeM only 3000 suppliers

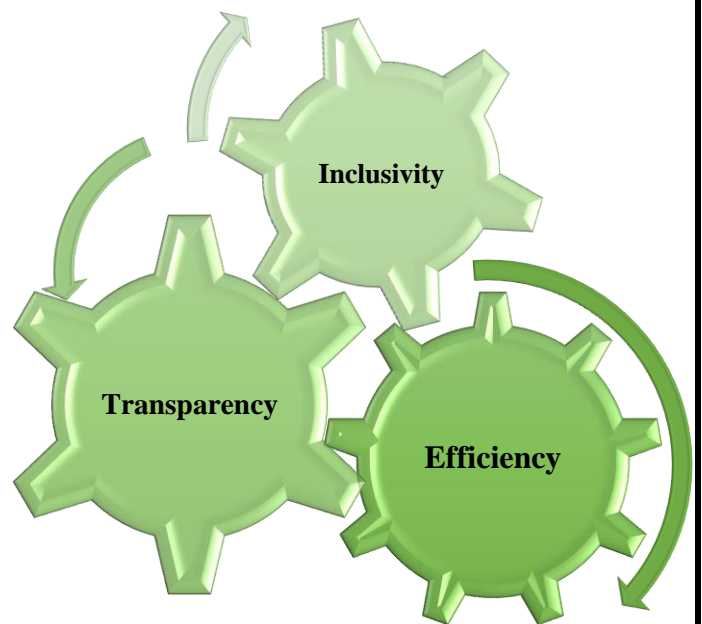


Now almost 40 Lakh suppliers



Inclusivity

- GeM is **integrating with Panchayati Raj Institutions** to allow online buying and selling by the Panchayats at the grassroots level. The pilot in Gurgaon district panchayats has been successfully completed.
- GeM has completed online integration with **India Post** for extending logistics services at the grassroots level. Sellers in the remotest part of the country can opt for availing of logistics services online. There will be complete online visibility of the goods in transit.
- **GeM SAHAY app** is an initiative to facilitate small sellers to avail of credit financing from various integrated Lenders for the Orders received on GeM Portal.



Transparency

- The **Forward auction** module has been launched facilitating government auctioneers to auction assets using multiple auction modes and monitor the complete selling life cycle of their assets.
- GeM platform supports an **advanced analytics** framework to identify anomalous behavior and transactions, market intelligence, demand/price forecasting, and procurement planning/monitoring.
- **Integration with CPSEs:** GeM now has integration with 24 CPSEs ERP systems for post order information exchange. In total over Three lakh orders worth Rs. 42,000 crore were exchanged via the integration.

Efficiency

- GeM has implemented **Natural Language Processing** based search to understand the users' intent thereby allowing the display of relevant and more accurate search results when they search for products or services on GeM.

- GeM has enabled the **Buyback mechanism** through which the buyer will be able to float a bid to replace old products with new ones and get some additional discount/buyback on the old products.
- **BoQ Item-wise evaluation:** GeM has enabled schedule-wise evaluation for BoQ (Bill of Quantities) bids. The Buyers can now publish and evaluate item-wise, group-wise, and consignee-wise for the BoQ Bids.

Improvement in GeM portal performance

The days of slow portal performance and frequent interruptions are over. The platform is capable of handling more than 0.5 petabytes of data with a daily growth of more than 250 GB of data every day. The platform is having 9,000+ views per minute and handling 35,000 + queries per second, 1.5 million+ interactions per day with concurrent users more than 13,000.

The following major tech improvements were carefully planned and rolled out in a time-bound manner:

- Improved Security Posture** - GeM implemented 119 security directives in 2021-22 resulting in improved security for GeM platform. STQC certification was obtained for the first time since the inception of GeM.
- Site resilience and reliability** - Dedicated focus on GeM platform stability and performance improvement with 125+ items implemented in the last 1 year resulting in 99.9% uptime and stable response time despite 70% increase in user load.
- Enhanced monitoring** - In addition to platform technical monitoring, GeM implemented Google Analytics to measure user behaviour and experience.
- Platform Modernization** - Platform modernization on various technologies across 25+ Micro Services, with no business disruption, preparing the landscape for the next growth spurt
- Business Continuity Measures** - Successfully completed Data Centre-Disaster Recovery (DC-DR) drill for the first time to ensure business continuity, without any functional disruption.
- Procurement Rich features** - 300+ features rolled out including key features such as Forward Auction, Demand Aggregation, MoPR Integration, India Post Integration, NLP based search.

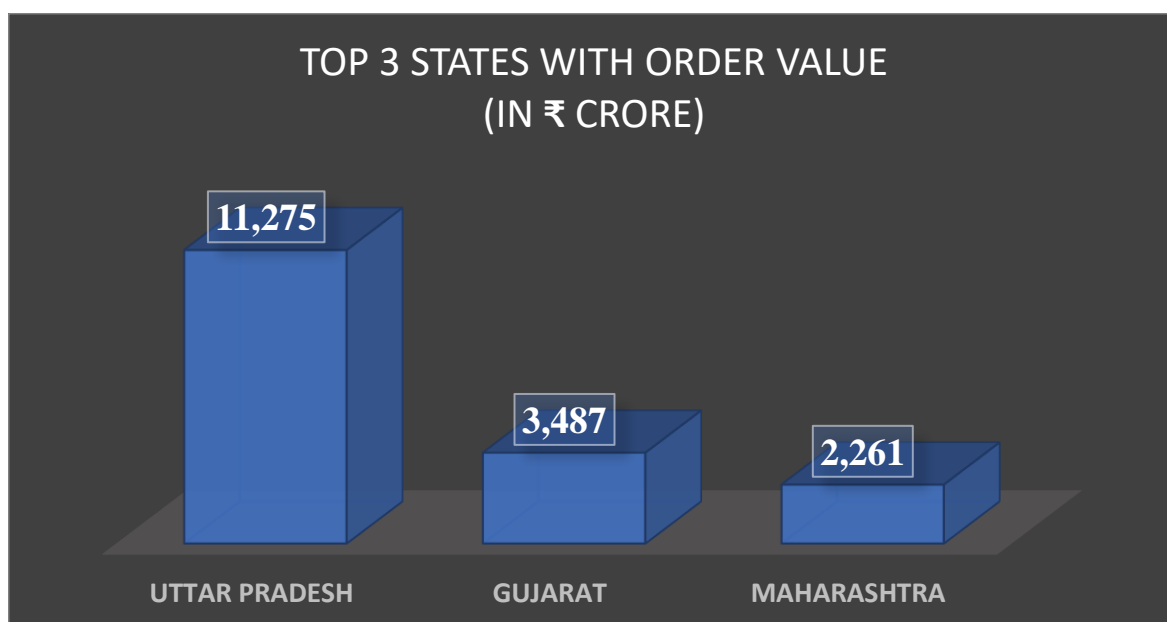
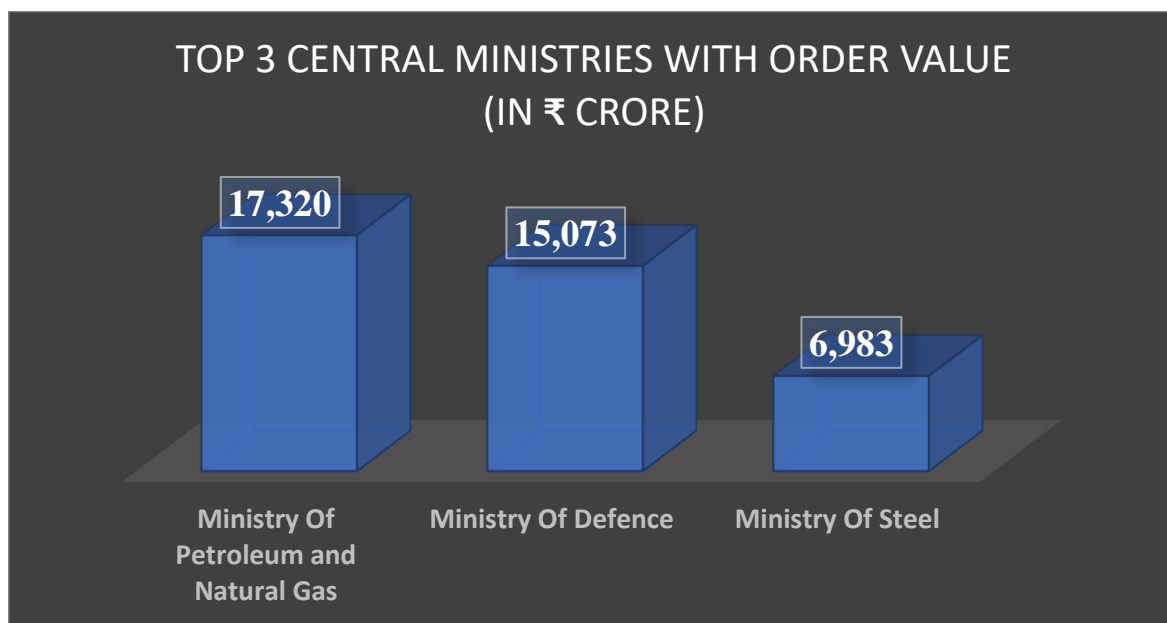
A further advantage of the GeM system was that subsequent Government agencies procuring a particular product or service would have access to the **price history** of that product or service and would thereby be able to arrive at a reasonable price for it.

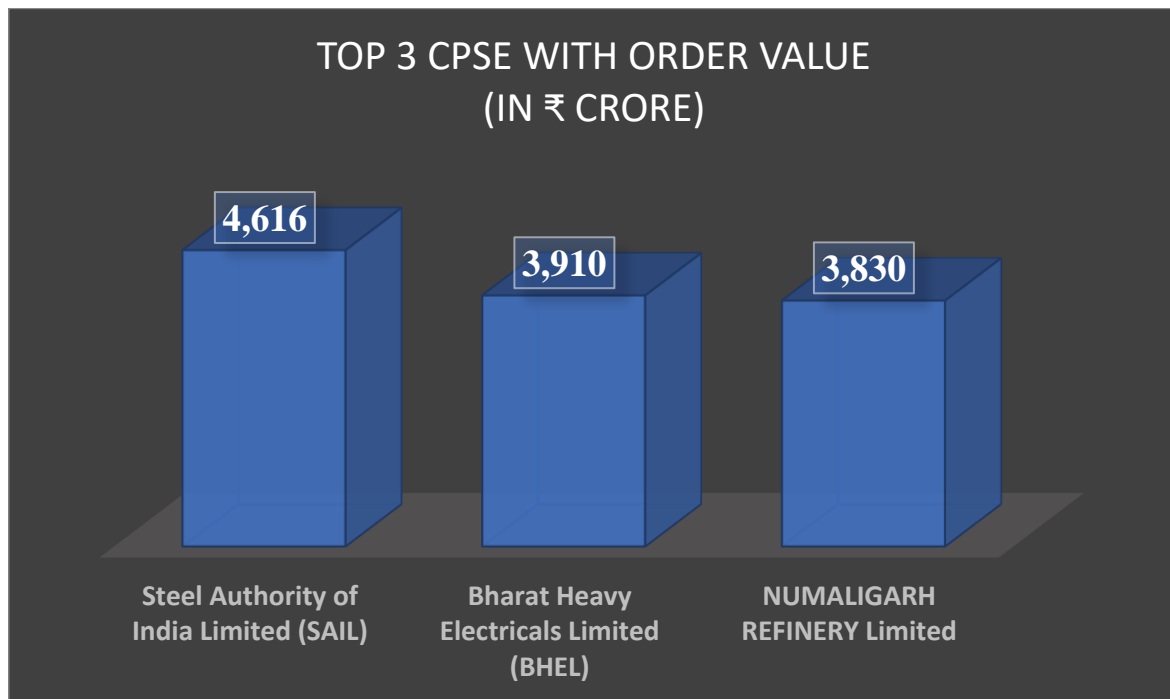
To ensure that business growth is supported by the platform with reliability and performance, GeM has implemented various improvements during 2021-22 like efficient caching, optimizing active storage, improving technology currency across the layers of programming languages to databases, and implementing enhanced security measures. While the load on the platform increased by 70%, the page response time has seen an improvement of 40%. On average, the number of bids per day has also increased from 1,100 in April 2021 to 2,800 in March 2022. Corresponding seller participation per day has also increased to 15,000 from 10,000 in the same period.

Rewards and Recognition

GeM was adjudged as the winner in the "Best Use of Digital Technology" category at the CIPS Excellence in Procurement Awards 2021 held at London. GeM emerged the winner in this category after competing with some of the biggest and best names in procurement across the public and private sector globally, including GEP, Jaguar Land Rover, Royal Dutch Shell, VenDigital and Shell.

GeM was also shortlisted as a finalist in two additional categories as well, i.e. 'Public Procurement Project of the Year' and 'Best Initiative to Build a Diverse Supply Base' where it was in the august company of some path-breaking organizations with great initiatives.





Facts & Figures

- Since inception the cumulative GMV reached Rs One Lakh crore over 4 and half years, on 23rd March 2021. GMV of GeM in the Financial Year 2021-22 surpassed Rs. One lakh crore (Rs. One trillion) in less than a year. This represents a 160% growth in FY 2021-22 compared to last FY.
- The number of transactions (order volume) has also surpassed 33 Lakh in FY 2021-22.
- CPSE procurement on GeM stands at approx. Rs. 43,000 Crore showing a growth of 550% in FY 2021-22 compared to last FY.
- CPSE contribution to total GMV is 43% in FY 2021-22 whereas it was a mere 18% in the last FY.
- Procurement from MSEs is at 57% of the total GMV currently with a growth of 143% compared to last FY.
- There is a 15% increase in Buyer onboarding in FY 2021-22 compared to last FY.
- There is a 187% increase in Seller onboarding in FY 2021-22 compared to last FY.
- There is a 44% increase in the number of Services in FY 2021-22 compared to last FY with a 25% contribution in the total GMV (Rs. 25,000 Crore)
- States continue to be an important stakeholder with 30% contribution to GMV in FY 2021-22.
- 57% of the total business on GeM has come through the MSME units and over 6% has been contributed by female entrepreneurs.
- At the time of launch, 13 States had been onboarded onto GeM. Within 6 months, all States had signed MoUs to be onboarded.

AG/HP/PPD