



PROCUREMENT



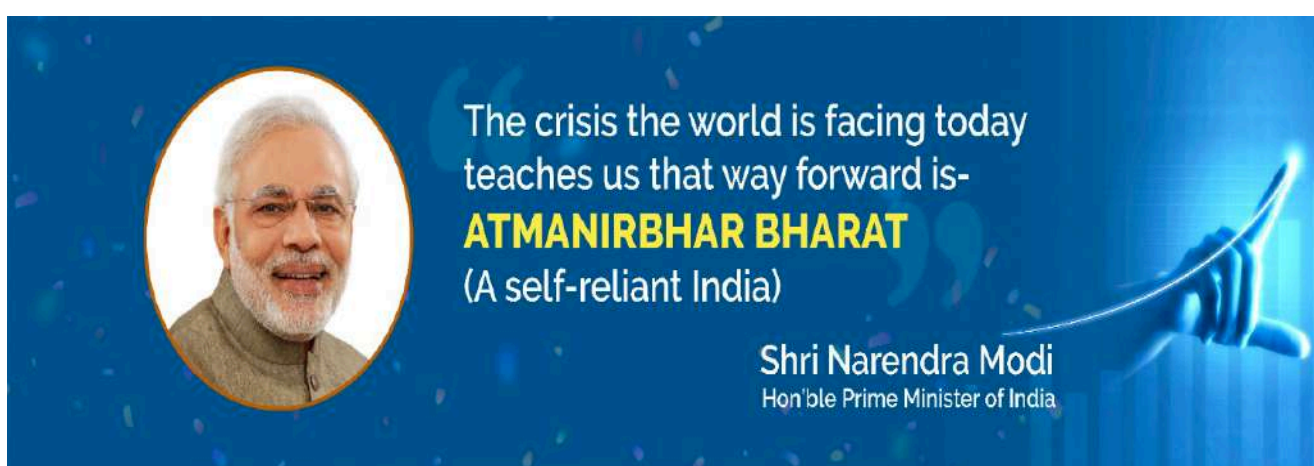
GeM
Government
e Marketplace

Efficient • Transparent • Inclusive

Government e Marketplace: A Game Changer

Government e Marketplace: A Game Changer

1. Public procurement involves the purchase of goods and services by government with an aim to not only carry out day-to-day tasks but also create social and economic infrastructure. The sector bears the responsibility of utilizing taxpayers' money efficiently. If used well, public procurement could have a multiplier effect at national, local and hyper-local levels. In India, public procurement accounts for roughly 20-22% of the GDP. Therefore, efficient public procurement is an important aspect of achieving accelerated growth and development in the country.
2. Previously, public procurement in India had been characterized by tags like being inefficient, opaque, and time-consuming manual processes conducted offline, complicated by a fragmented and complex policy landscape. Buyer organizations were limited by the lack of competitive prices, unreliable quality of products/services and the burden of manual process flows. Suppliers/service providers faced issues like cumbersome vendor registration processes, non-transparent verification, and procurement processes, in addition to long and protracted payment cycles. The Government of India set up the Government e Marketplace (GeM) in 2016 as an e-marketplace to revolutionize public procurement in India.



3. In the last 6 years, GeM has successfully transformed the public procurement space in India through its technology-driven innovations and other strategic interventions. It has made significant strides towards the pursuit of its three fundamental pillars, i.e., inclusivity, transparency and efficiency in public procurement, since its launch. GeM is an example of how digital platforms created with a strategic and clear intent to reinvigorate and reimagine legacy processes can bring about lasting change for the nation as well as the underserved. In order to fully realize the immense advantages accruing in terms of ease of procurement through an open and transparent procurement platform, all Central and State Government organisations and Union Territories are mandatorily procuring goods and services from GeM. Triggering the largest transformation exercise in India – through technology, digitization of processes, digital integration of all stakeholders and use of analytics, GeM has revolutionized the ecosystem of public procurement in the country for buyers and sellers alike. GeM has been effectively contributing to the government's commitment of "Minimum Government, Maximum Governance".

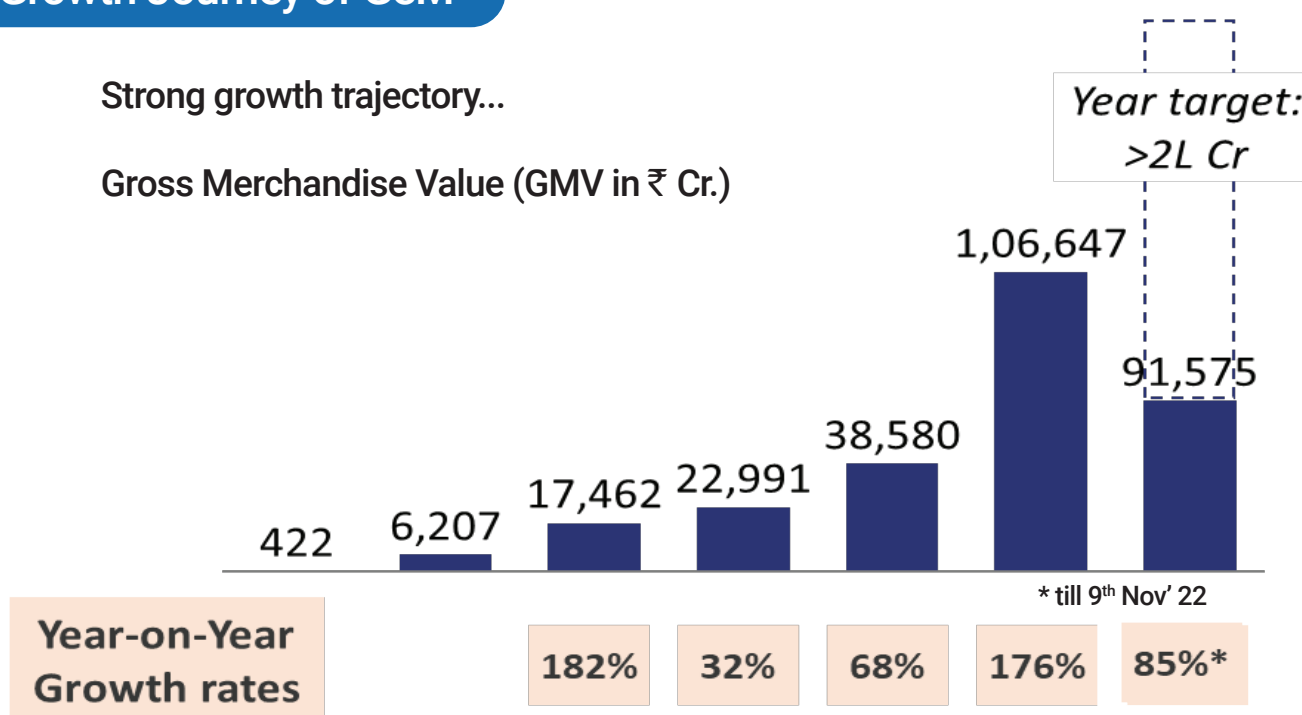


- In FY 2021–22 alone, GeM achieved a Gross Merchandise Value (GMV) upwards of INR 1 lakh crore - an impressive 176 percent growth compared to FY 2020–21. The portal has more than 10,000 product categories with over 5 million listed products. We have over 250 service categories and over 2 lakh service offerings. There are over 5 million sellers and service providers on the platform, and the total number of orders has recently surpassed 1 crore.

Growth Journey of GeM

Strong growth trajectory...

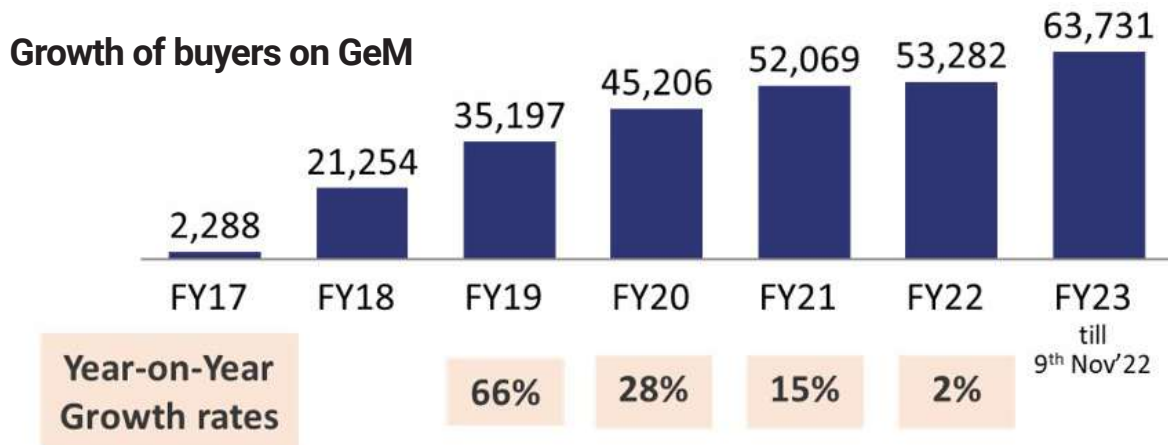
Gross Merchandise Value (GMV in ₹ Cr.)



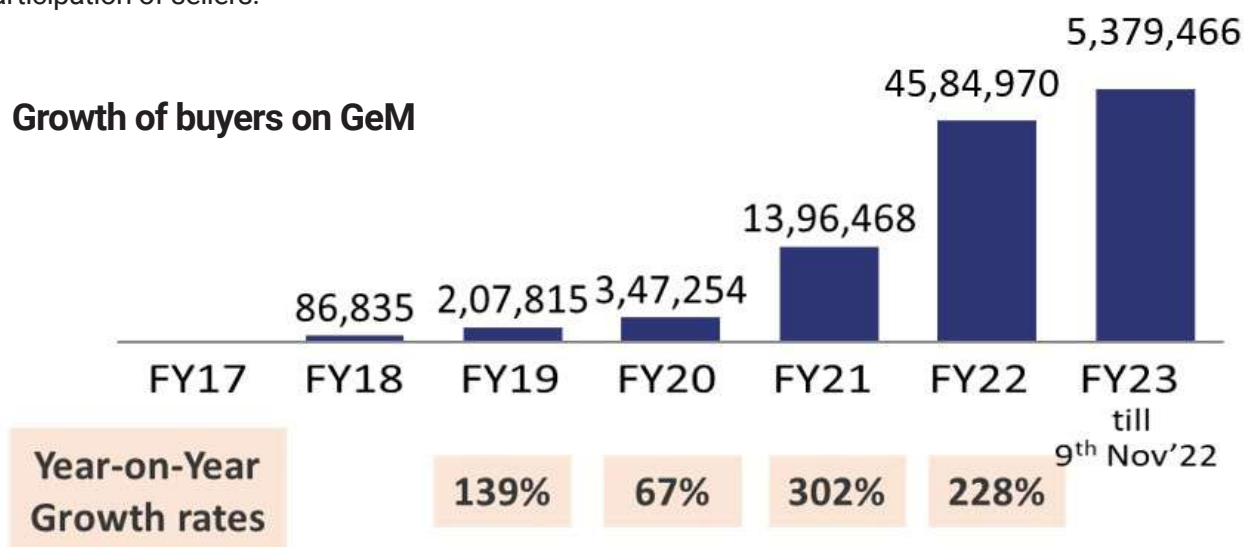
*Growth over last year same period

- The GeM platform enables multiple procurement modes (direct purchase, L1 procurement, bidding, reverse auction, bid followed by reverse auction). GeM has evolved as a trust-based platform and is contactless, paperless and cashless, where authentication of users is done through API integration with respective domain databases, i.e., Aadhaar, PAN, Start Up, GSTN, MCA21, etc. The marketplace includes policies for automated market adjustments as well as end-to-end digital processes that support a thriving buyer-seller ecosystem. GeM has ushered in automation and digitization of processes enabled by technology and analytics, leading to higher process efficiencies, better information sharing, improved transparency, reduced process cycle time and a higher level of trust among bidders, which in turn have resulted in greater competition and higher savings. These innovations in GeM have also brought down waiting times and prices for buyers significantly and have ensured timely payments to sellers.
- Given the sheer scale and complexities involved in realigning the procurement processes of the entire spectrum of Central and State Government departments, this has likely been one of the largest change management exercises undertaken by any agency globally. Another key aspect of this has been the comprehensive onboarding of all buyers and sellers on the GeM platform. The platform's focus on inclusiveness meant that it was especially critical to accommodate marginalized communities or groups who have limited digital access and capacities. This has required a thoughtful outreach and training strategy while developing both business processes and software functionalities that make it user-friendly.
- Buyer organizations benefit from a diverse and rich range of products and services at competitive prices with assured quality, along with a range of statistical tools to assess price reasonability. All relevant information that is required for decision making by buyers and for participation by sellers is coherently digitized, easily accessible and seamlessly consumable in the most secure forms for e-procurement. The strategic use of innovative functionalities and processes has brought down waiting times and prices for buyers significantly and has ensured timely payments to sellers, greater competition and higher savings. Consider a new functionality implemented by GeM that promotes greater discipline and timeliness in

payment to vendors through the automatic generation of receipts and the levying of penal interest on delayed payments. This gives digital form to a policy imperative and is a radical deviation from business as usual and underlines the platform's commitment to overhauling the government procurement ecosystem.



- GeM's focus on inclusiveness is multifaceted, involving not only making the platform usable and trusted by every type of seller but catering particularly to the unique contexts and limitations of marginalized seller segments like small and medium enterprises, women entrepreneurs, startups, and artisans. GeM has achieved this through a thoughtful strategy focused on many aspects, in alignment with the government's Make in India initiative and policy to promote local MSMEs. We are providing these MSMEs with easy market access, which is especially important given that the majority of Indian MSMEs lack a digital footprint and only a small percentage of MSMEs sell or promote their business online. This is why GeM is spearheading the onboarding of MSMEs registered with the Ministry of MSMEs as sellers on GeM. The GeM platform has also seamlessly given effect to the Make in India [PPP-MII] and the Public Procurement Policy/Preference for MSE [PPP-MSE] of the government. Further, a range of features and functionalities have been added to the platform to ensure that MSMEs are able to participate in public procurement and do business with the government—for example, enabling filters for buyers to reserve procurement from MSEs. An advanced bid search module has been introduced to enable sellers to look for additional opportunities, diversify their businesses and grow with GeM, which in turn will result in wider seller participation and better price discovery for buyers due to the increased participation of sellers.



Promoting Innovation and Social Inclusion

- Social inclusion is a core value at Government e Marketplace [GeM] and is focused on increasing the participation from under-served sellers such as MSEs, women and tribal entrepreneurs, Divyangjan [persons with disabilities], Startups, self-help groups, artisan and weavers, and HunarHaat Craftsmen who face challenges in accessing public procurement markets.

- a. Vocal for Local - Creation of 210 ODOP product categories for listing unique products from each district in the country.
- b. GeM is collaborating with Self-employed Women's Association [SEWA] to train, assist and enable 21 lakh+ women-led micro and small enterprises, women entrepreneurs and self-help groups [SHGs]. They are made familiar with processes related to seller registration and onboarding on the platform, product and service catalogue upload/ updates, acceptance of orders, participation in bids floated by Govt buyers, fulfilment of orders and invoice generation to receive payments directly into their bank accounts.
- c. GeM is working with 5.2 lakh+ CSC e-Governance Services India Ltd. [CSC- SPV], and 1.5 lakh+ India Post offices, for the advocacy, outreach, mobilization and capacity-building of last-mile Govt buyers, sellers and service providers in public procurement.
- d. 40 lakh+ MSEs have seamlessly registered on GeM through this API-integration and are now in various stages of their seller journey in public procurement.

PM Modi: GeM portal giving MSMEs new business opportunities; boosting Vocal for Local mission

Ease of doing business for MSMEs: "You can imagine how the local economy of the country and our mission of Vocal for Local have benefitted through this (GeM). Through DBUs, many new opportunities will emerge in this direction. We will have to innovate in this direction," said PM Narendra Modi.

Written by [MSME Desk](#)

October 16, 2022 2:30:00 pm



- e. 8.16 lakh+ MSEs are registered on the GeM portal, and they have fulfilled nearly 56.90 lakh+ orders worth 1.52 lakh Crore which is approx. 55.28 percent [%] of the Gross Merchandise Value [GMV] of GeM.
- f. Further, 1.38 lakh+ women MSEs are registered on GeM, and they have fulfilled 6.29 lakh+ orders worth INR 12,692 Crore, and
- g. 41,238 SC/ST entrepreneurs have fulfilled approx. 1.14 lakh+ orders worth INR 2,039 crores.
- h. The platform offers Startups all the marketplace functionalities that are available to regular sellers and the objective is to spur "Make in India" procurement from India Startups. As on 25th Oct'22, 15,885 Startups have registered on GeM and have processed orders worth ₹9727 crores in Gross Merchandise Value.



More than 13 thousand startups have registered themselves on GeM portal: PM Modi

2. GeM has revamped the bidding process to make it more transparent and to curb unfair or unjust rejections during technical evaluation. GeM now enables buyers to seek clarifications from sellers, allowing bidders to raise queries and challenge rejections within a specified time window. Another functionality that our users are finding useful is the item-wise, consignee-wise bidding functionality—which allows for the sellers’ offer rates to be captured along multiple dimensions. For example, a buyer may like to know what a seller’s offer would be for a specific consignee location for an item instead of for all locations. It helps the buyer in procuring flexibly as per his requirements because some sellers may be more competitive in some consignee locations. A range of carefully considered and strategic measures were implemented to promote marketplace sanity on GeM platform with respect to price, catalogue, specifications which is a basic requirement of any e-commerce portal.
3. A range of features enable openness and transparency. All relevant information that is required for decision making by buyers and for participation by sellers is coherently digitized, easily accessible and seamlessly consumable in the most secure forms for e-procurement. GeM’s focus on inclusiveness is multifaceted, involving not only making the platform usable and trusted by every type of seller but also conducting active outreach to onboard marginalized and underserved seller segments including small and medium enterprises, women entrepreneurs, startups, and artisans, which is going to define India’s growth story. Through continuous engagement with its diverse and numerous stakeholders, the platform has been led by an approach focused on easing the journey of both buyers and suppliers on the platform.
4. Furthermore, one of the key advantages of moving to a digital platform has been the robust audit trails and the wealth of data—both operational and transactional—that is created on the platform. The approach is to leverage this data and emerging technologies like AI and ML to empower the platform’s stakeholders to make data-driven and informed decisions and optimize their procurement transactions.
5. Advanced technologies such as AI are proving to be ground-breaking in terms of their impact on key business outcomes including top-line impact, customer satisfaction, and bottom-line impact. Keeping with this trend, GeM is envisioning the use of AI across a wide range of business processes and functionalities. Some of the key areas where GeM plans to leverage AI are, but are not limited to: (1) Fraud, anomaly detection and market sanity; (2) Procurement planning, forecasting and monitoring; (3) Intelligent virtual assistant to aid buyer/seller journeys; (4) Catalogue management including automatic tagging and text description; (5) Customer service automation including helpdesk/call-center.
6. As we look ahead at the future of public procurement in India, a key focus for GeM is going to be the enhancement of the quality of the platform and the transactions therein, in parallel with building and sustaining the trust of buyers and sellers. Our plan to drive this involves four separate enablers: one, setting specific and objective metrics for quality aspects for both buyers and sellers and publishing periodic results for the same; two, developing an internal control framework to address

procurement-related deviant behavior; three, improving the portal's efficacy; and finally, creating a more streamlined education and sensitization program on GeM and quality public procurement practices in general. As a digital platform, we will continue to enhance our use of data and related technologies like AI/ML, blockchain, etc., along with focused teams driving initiatives and programs around risk and fraud control. We are confident that our technology-led approach, underlined by our commitment to the principles of transparency, efficiency and inclusiveness, will slowly and surely usher in the highest standards of quality in public procurement in India while also providing the buyers and sellers a fair, competitive and feature-rich platform for engaging in procurement activities.

Media coverage on GeM

'This is significant': PM Modi lauds GeM achieving ₹1 lakh crore order value

1 min read . Updated: 24 Mar 2022, 10:45 AM IST

Livemint



Prime Minister Narendra Modi today lauded Government-e-Marketplace. (PTI)

SYNOPSIS

The GeM is the national public procurement portal for the procurement of goods and services for Central and State government organisations

PM appreciates Government e Marketplace (GeM) for achieving order value of Rs 1 Lakh Crore in a single year

24 Mar, 2022



The Prime Minister, Shri Narendra Modi has appreciated Government e Marketplace (GeM) for achieving annual procurement of Rs. 1 lakh crore in Financial Year 2021-22. He has also said that GeM platform is especially empowering MSMEs, with 57% of order value coming from MSME sector.

In a tweet, the Prime Minister said;

"Happy to know that @GeM_India has achieved order value of Rs 1 Lakh Crore in a single year! This is a significant increase from previous years. The GeM platform is especially empowering MSMEs, with 57% of order value coming from MSME sector."



Amit Shah
@AmitShah

There is immense potential in the cooperative sector and the onboarding of cooperatives on the GeM portal will surely help in the empowerment and expansion of this sector.

I urge all cooperatives to register themselves on the @GeM_India portal.



6:40 PM · Aug 9, 2022 · Twitter Media Studio

670 Retweets 4 Quote Tweets 1,705 Likes



Piyush Goyal Office
@PiyushGoyalOffc

Swacch Governance For Swachh Bharat!

'Swachhata Pakhwada' by @GeM_India encourages clean, paperless Govt. offices through digital & timely redressal of public grievances.



3:44 PM · Oct 8, 2021 · Twitter for Android

112 Retweets 263 Likes



Piyush Goyal
@PiyushGoyal

Big Win for Digital 🇮🇳!

In 2016, PM @NarendraModi ji decided to transform India's Public Procurement System with transparency.

Today, we mark an impressive milestone as @GeM_India clocks orders worth ₹50,000 Crore in 225 days of FY22 compared to 1416 days since inception. 🎯🔥



10:34 PM · Nov 12, 2021 · Twitter for Android

245 Retweets 7 Quote Tweets 1,299 Likes



Anupriya Patel
@AnupriyaSPatel

@GeM_India moves ahead speedily to realise the vision of Hon'ble PM @narendramodi ji towards a transparent, efficient & inclusive way of Government buying. I call on business-owners across India to join GeM for hassle-free Govt. purchase orders! @PiyushGoyalOffc @DIPPGOI @DoC_Gol



8:21 PM · Aug 31, 2021 · Twitter for iPhone

69 Retweets 2 Quote Tweets 168 Likes





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Published on Nov 10 06:58 PM IST

INDIA NEWS

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Amit Shah launches onboarding of 300 cooperatives on GeM portal. It is a first

India News

Published on Aug 09, 2022 06:27 PM IST

In the first phase, all eligible cooperatives with a turnover and deposits of ₹100 crore will be able to start placing orders on the GeM portal





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Government
e Marketplace

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