Government e Marketplace: A Game Changer

1. Public procurement involves the purchase of goods and services by governments 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 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.

"Have you heard of a government running a successful e-commerce platform? It has happened in India. We have the Government e Marketplace, also called GeM. It is a platform where small traders and businesses fulfil the government's needs. Technology has helped small businesses find a big customer. At the same time, this has reduced the scope for corruption. Similarly, technology has helped with online tendering. This has accelerated projects and boosted transparency."

— Narendra Modi, Prime Minister

3. In the last 6.5 years, GeM has transformed the public procurement space in India through its technology and strategic interventions. It has made significant strides towards the pursuit of its three fundamental pillars, i.e., inclusion, transparency and efficiency in public procurement, since its launch. GeM is an example of how digital platforms created with the intent to reimagine legacy processes can bring about lasting change for the nation as well as the underserved. In order to realize the immense advantages of demand aggregation and ease of procurement through an open and transparent procurement platform, all Central Ministries, Central Public Sector Enterprises, State Government and Union Territories are procuring goods and services through 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".
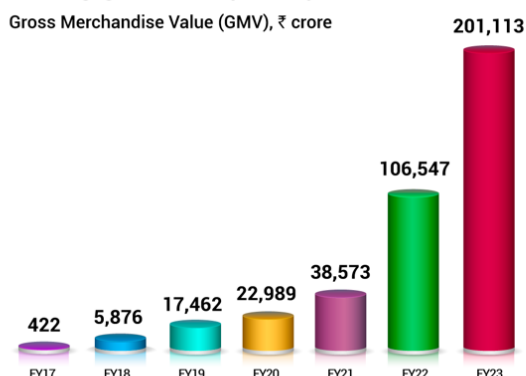
4. In FY 2022–23 alone, GeM achieved a Gross Merchandise Value (GMV) of more than INR 2 lakh crore. The portal has more than 11,500 product categories with over 3 million listed products. We also have over 275 service categories offering more than 2.8 lakh services. The portal is also home to more than 67,500 buyer organizations and over 6 million sellers and service providers. The total number of orders has recently surpassed 1.5 crore, with a cumulative GMV of more than 4 lakh crore since inception.

5. GeM's transparent practises, such as competitive bidding, have helped government departments and public sector undertakings save about INR 40,000 crore of taxpayers' money. Such initiatives have helped the government substantially raise welfare expenditures without compromising fiscal health.

Growth Journey of GeM
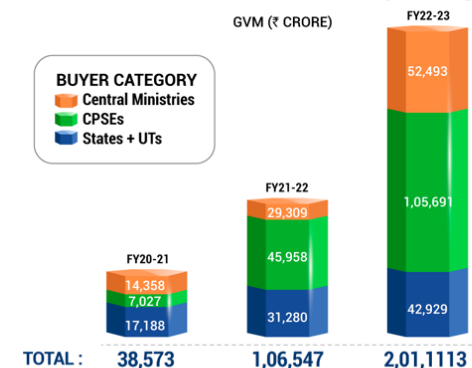
BUSINESS OVERVIEW | Breaching the ₹2 lakh crore mark in record time

Strong growth trajectory...

Gross Merchandise Value (GMV), ₹ crore

...with contribution across buyer segments

FY	GMV
FY17	422
FY18	5,876
FY19	17,462
FY20	22,989
FY21	38,573
FY22	106,547
FY23	201,113

GVM (₹ CRORE)

BUYER CATEGORY
- Central Ministries
- CPSEs
- States + UTs

	FY20-21	FY21-22	FY22-23
Central Ministries	14,358	29,309	52,493
CPSEs	7,027 / 45,958	45,958	1,05,691
States + UTs	17,188	31,280	42,929
TOTAL :	**38,573**	**1,06,547**	**2,01,1113**

Since its inception, GeM has processed orders worth more than ₹ 3.9 lakh crore
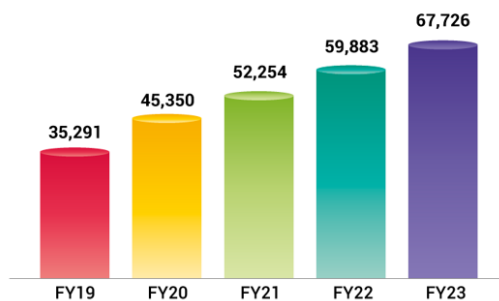
Source: GeM Transactions and Finance data

1. The GeM platform enables multiple procurement modes (direct purchase, L1 Procurement, Bidding, Reverse Auction, Forward Auction, Single packet bidding, Push Button Procurement, etc). 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.

2. 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 to 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.
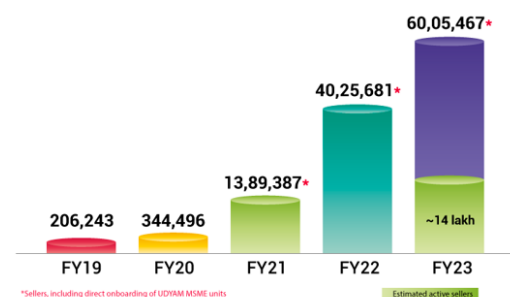
3. Buyer organizations benefit from a diverse and rich range of products and services at competitive prices with assured quality, along with a range of statistical tools to assess price reasonability. All relevant information that is required for decision making by buyers and for participation by sellers 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.

Consistent growth in Buyer and Seller ecosystem

Growth of buyer organizations of GeM

- FY19: 35,291
- FY20: 45,350
- FY21: 52,254
- FY22: 59,883
- FY23: 67,726

Growth of sellers and service providers opnGeM

- FY19: 206,243
- FY20: 344,496
- FY21: 13,89,387*
- FY22: 40,25,681*
- FY23: 60,05,467*
- FY23: ~14 lakh

*Sellers, including direct onboarding of UDYAM MSME units   Estimated active sellers

Source: GeM Transactions and Finance data

4. 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.
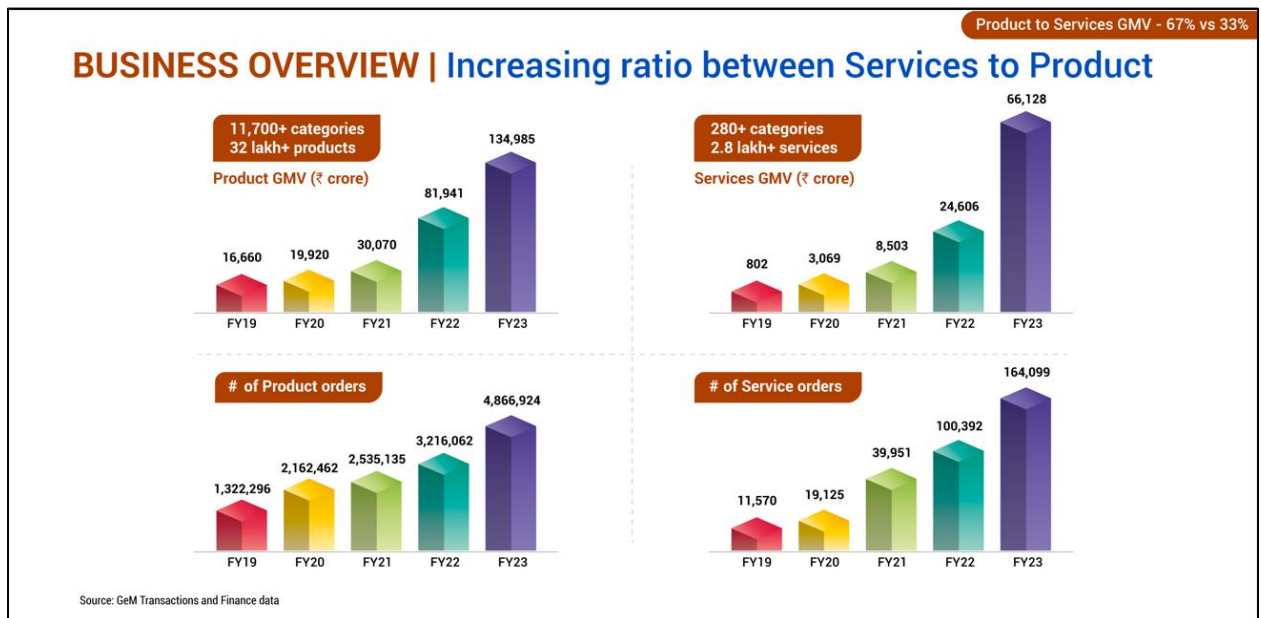
Promoting Innovation and Social Inclusion

1.   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 Hunar Haat 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.

e.   8.5 lakh+ MSEs are registered on the GeM portal and have received orders worth more than 2 lakh crore, contributing to more than 50% of GeM's cumulative GMV since inception.

f.   Further, 1.38 lakh+ women MSEs are registered on GeM, and they have fulfilled 6.29 lakh+ orders worth INR 12,692 crore

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. More than 13,000 Startups have registered on GeM and have processed orders worth more than 14,000 crore in Gross Merchandise Value.

PM Modi: GeM has helped SMEs find big customers, reduced scope for corruption, boosted transparency

Ease of doing business for MSMEs: Launched in August 2016, GeM has processed 12.15 million orders so far worth Rs 3.29 lakh crore from 63,887 buyers on the platform.

Written by **Sandeep Soni**

November 16, 2022 13:51 IST

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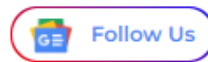
2.   GeM has revamped the bidding process to make it more transparent and to curb unfair or unjust rejections during technical evaluation. GeM now enables buyers to seek clarifications from sellers, allowing bidders to raise queries and challenge rejections within a specified time window. Another functionality 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

About 1,49,429 Weavers And Handloom Firms On-Boarded On GeM Portal: Govt

👍 Follow

The minister said that the handloom weavers or agencies are facilitated to sell their products online and 23 e-commerce platforms have been associated with the Ministry of Textiles under a policy framework

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MOU

GeM inks MoU with Self Employed Women's Association

BY **PSU CONNECT** - DATE: 19-05-22

GeM has sought to address the twin challenges of "access to markets" through GeM Outlet Stores and "access to finance" through GeM Sahay application for such under-served seller groups.

THE HINDU
businessline.

Companies / Markets / Portfolio / Opinion / **Economy**

◉ Companies ○ News

Home » Economy

Government e-Marketplace achieves a GMV of ₹1.5 Lakh crore in FY23

February 02, 2023 - Updated 08:47 pm IST | New Delhi

Govt e-marketplace GeM achieves Rs 1 lakh crore GMV in FY23 alone

Cumulatively, GeM has surpassed the Rs 3 lakh crore GMV since inception, and the total number of transactions on GeM also recently surpassed 1.2 crore, according to GeM CEO PK Singh. GeM (or e-Marketplace) has over 63,000 government buyer organisations as well as over 54 lakh sellers and service providers, offering a wide range of products and services.

Now GeM sellers can use India Post, CSC services to deliver goods in the hinterland

Ease of doing business for MSMEs: "We are democratising GeM further with its integration with Common Service Centres & India Post," said Commerce Minister Piyush Goyal announcing the rollout at an event.

Written by **Sandeep Soni**

December 22, 2022 13:21 IST
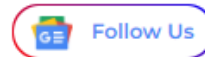
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Union Cooperation Minister Amit Shah E-Launches Onboarding of Cooperatives On GeM Portal

Union Home and Cooperation Minister **Amit Shah** e-launches onboarding of **cooperatives on GeM Portal**

AffairsCloud

GeM: Public procurement crosses Rs 3 lakh crore; doubles in 12 months

Ease of doing business for MSMEs: In comparison to pre-Covid transaction value, which stood at Rs 35,462 crore during October 2019, the growth has been nearly 800 per cent.

Written by **Sandeep Soni**

October 13, 2022 18:24 IST
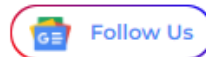
We are extremely conscious of empowering MSMEs, handholding them and helping in getting business as well: GeM CEO

Ease of Doing Business for MSMEs: Launched in August 2016, GeM has added over 61,000 government organisations and departments as buyers while nearly 47 lakh MSMEs are registered on the portal as sellers.

Written by **MSME Desk**

July 12, 2022 10:00 IST

Piyush Goyal @PiyushGoyal · Mar 31

A true **GeM** of India!

A landmark achievement for the nation as @GeM_India crosses Gross Merchandise Value of ₹2 lakh crore in 2022-23.

Under PM @NarendraModi ji's relentless pursuit to ensure transparent procurement, **GeM** is emerging as a trusted platform for buyers & sellers.

7/75 Azadi ka Amrit Mahotsav

KUDOS TEAM GeM
FOR ATTAINING NEW LAURELS!

GEM HAS REACHED AN ALL-TIME HIGH OF

₹2 LAKH CRORE
ORDER VALUE

IN A SINGLE FINANCIAL YEAR (2022-23)

Piyush Goyal @PiyushGoyal · Mar 31

By bringing down costs & increasing efficiency, Government e-Marketplace (GeM) has brought transparency & has democratised government procurement of goods & services.

@GeM_India's growth has created large scale opportunities for several startups & MSMEs across the country.

💬 11   🔁 85   ♡ 282   📊 20.3K   ⬆

PMO India ✔ @PMOIndia · May 6, 2022   ···

जब से Govt e-Marketplace यानि **GeM** पोर्टल अस्तित्व में आया है, सारी खरीद एक प्लेटफॉर्म पर सबके सामने होती है।

अब दूर-दराज के गांव के लोग, छोटे दुकानदार और स्वयं सहायता समूह सीधे सरकार को अपना product बेच सकते हैं।

आज **GeM** पोर्टल पर 40 लाख से अधिक sellers जुड़ चुके हैं: PM
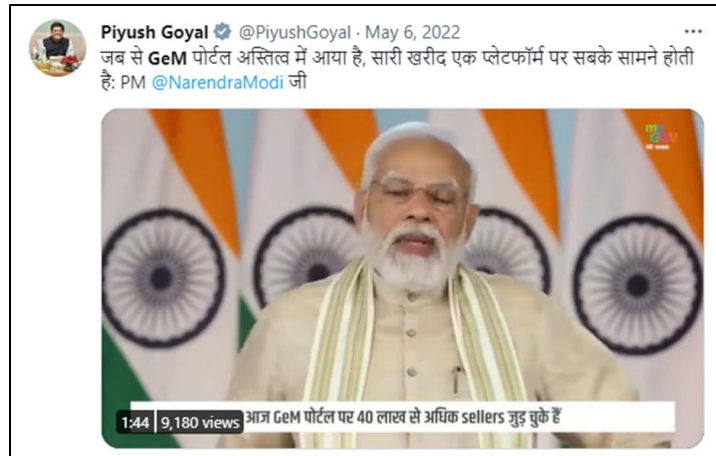

Piyush Goyal ✔ @PiyushGoyal · Nov 29, 2022   ···

Stellar Performance!

₹1 lakh crore Gross Merchandise Value clocked on **@GeM_India** till today for FY23.

PM **@NarendraModi** ji's vision of democratised & transparent public procurement has created a platform which has emerged as a trusted partner for businesses especially MSMEs.

1:44 | 9,180 views | आज GeM पोर्टल पर 40 लाख से अधिक sellers जुड़ चुके हैं

GeM of a MILESTONE
Government E Marketplace Acing Procurement
₹ 1.5 Lakh Crore
Gross Merchandise Value

Piyush Goyal ✔ @PiyushGoyal · Aug 2, 2022

Scripting Success with @GeM_India!

10 lakh orders clocked on Govt. procurement platform in 121 days in FY 22-23 against 207 in 2020-21.

Value of orders rises over three & a half times signaling healthy business especially for MSMEs.

GeM Government e Marketplace
Efficient • Transparent • Inclusive

75 Azadi Ka Amrit Mahotsav

YEAR-ON-YEAR
Growth of GeM
TO REACH
1 MILLION ORDERS

207 DAYS

159 DAYS

121 DAYS

₹13,972   ₹32,185   ₹49,638

FY 20-21   FY 21-22   FY 22-23

■ Number of days to achieve 1 Million orders
■ GMV in ₹ Crore

*AS ON 31ˢᵗ JULY 2022

Piyush Goyal ✔ @PiyushGoyal · Sep 22, 2022

कैसे **GeM** पोर्टल बना रहा है लोगों की जिंदगी को और बेहतर, आइये जानते हैं...

1:27 | 20.9K views

Piyush Goyal ✓ @PiyushGoyal · Jun 1, 2022

The @GeM_India family grows bigger!

Modi Govt. onboards cooperatives as buyers on Government e-Marketplace platform.

With access to larger seller base & transparent procurement system, over 27 crore members will benefit from improved 'Ease Of Doing Business'.

#GeMForAll

Narendra Modi ✓ @narendramodi · Nov 29, 2022

Excellent news! @GeM_India is a game changer when it comes to showcasing India's entrepreneurial zeal and furthering transparency. I laud all those who are displaying their products on this platform and urge others to do the same.

Piyush Goyal ✓ @PiyushGoyal · Nov 29, 2022

Stellar Performance!

₹1 lakh crore Gross Merchandise Value clocked on @GeM_India till today for FY23.

PM @NarendraModi ji's vision of democratised & transparent public procurement has created a platform which has emerged as a trusted partner for businesses especially MSMEs.

MyGovIndia @mygovindia · May 2, 2022

#AatmaNirbharDefence 🇮🇳
The procurement orders by the @DefenceMinIndia through the @GeM_India portal have reached an all-time high.

Piyush Goyal ✔ @PiyushGoyal · Dec 21, 2022

विक्रेता **GeM** के सच्चे ग्राहक हैं।

Launched the integration of Common Service Centres & @IndiaPostOffice with @GeM_India & 'Seller Samvad' Booklet.

Delighted to hear the good experiences of sellers whose businesses have grown significantly with **GeM**.

🎬 youtube.com/watch?v=_FoAyT...

MyGovIndia @mygovindia · Jun 10, 2022

GeM Portal – ensuring transparency, efficiency and low costs in the public procurement process. #8YearsOfTechPoweredIndia

MyGovIndia @mygovindia · Jun 1, 2022
Good news for Cooperatives!
@GeM_India platform to onboard cooperatives as buyers.
#CabinetDecisions

ONLINE SHOPPING
STORE
GeM
Government
e Marketplace
Efficient • Transparent • Inclusive

Expanding the GeM mandate:
Cooperatives can be buyers now

Will benefit over **8.5 lakh** registered cooperatives & their **27 crore** members

GeM registered sellers, largely MSMEs, **to get a bigger buyer base**

Cabinet Decisions 1st June 2022

Invest India @investindia · Mar 24
#InvestInIndia

GeM supports MSMEs, startups and women entrepreneurs by creating an inclusive, efficient, & transparent platform to carry out procurement activities fairly & competitively.

Know more: bit.ly/II-Home

#GeM #EaseOfDoingBusiness #MSMEs @DoC_GoI

INVEST INDIA.GOV.IN

Government e-Marketplace Portal (GeM)
A Game Changer for Public Procurement

As on February 1, 2023

1 Crore + Total transactions

29 Lakh Listed products

66000 Government buyers

11000 Product categories

0:04 124 views

Microsoft Store

Piyush Goyal ✓ @PiyushGoyal · Dec 21, 2022
गांव-गांव **GeM**!

We are democratising @GeM_India further.

With its integration with Common Service Centres & @IndiaPostOffice, the public procurement platform will now service last-mile buyers, sellers & service providers in remote parts of the country.

GeM
GeM services through Common Service Centers & India Post
Will help bring last-mile Govt. buyers, sellers & service-providers in interior areas on platform

GeM
GeM services through Common Service Centers & India Post
HOW DO LAST-MILE BUYERS, SELLERS, SERVICE PROVIDERS GAIN?
Assistance with registration on GeM
Help with product catalogue upload & management, order acceptance & fulfilment

GeM
GeM services through Common Service Centers & India Post
WHO ALL BENEFIT
Local Bodies
Panchayati Raj
Women, Khadi and Tribal entrepreneurs

GeM
GeM services through Common Service Centers & India Post
WHO ALL BENEFIT
Self-Help Groups
Farmer Producer
Bamboo producers
Divyangjan

Dept of Commerce, GoI @DoC_GoI · Mar 1

Government e-Marketplace commemorates the success of "SWAYATT", an initiative to promote Start-ups, Women & Youth Advantage through e-Transactions on @GeM_India

MSEs on **GeM** secure business worth over Rs. 1.87 lakh crore spread across 68 lakh+ orders

📰 pib.gov.in/PressReleaseIf...

Dept of Commerce, GoI @DoC_GoI · Aug 18, 2022

🇮🇳 National flags worth over Rs 60 crore procured via **GeM** portal.

These procurement were carried out for the #HarGharTiranga campaign.

🔖 economictimes.indiatimes.com/news/india/nat...

@AmritMahotsav @GeM_India @CommercePib @MinOfCultureGoI @dgftindia

60 crore procured via GeM portal

THE ECONOMIC TIMES AUGUST 17, 2022

More than 2.36 crore national flags worth over Rs 60 crore were procured by different government departments and states from public buying portal GeM from July 1 to August 15, according to an official data. These procurements were carried out for the