Impact of GeM on India's Economy

Why in News?

In the last financial year, GeM order volume reached 62,86,543, with an order value of Rs. 4,03,305 Crore.

What is GeM?

- **GeM** - Government e-Marketplace (GeM) is the Public Procurement Portal for procurement of goods and services for all Central Government and State Government Ministries, Departments, Public Sector Units (PSUs) and affiliated.
- It was launched in 2016 by the Ministry of Commerce and Industry.
- **Objective** - To create an open and transparent centralized and unified public procurement procurement platform for government buyers and suppliers of goods and services.



- **Core principles of GeM**
  - **Openness** - GeM shall be an open marketplace wherein it promotes access to information on sellers, goods, and services.
  - **Fairness** - GeM allows sellers, big and small, to gain direct access to Government buyers fairly provided with a level playing field.
  - **Inclusiveness** - GeM shall promote inclusiveness, which means that all Government buyers and sellers shall be accepted on the platform.



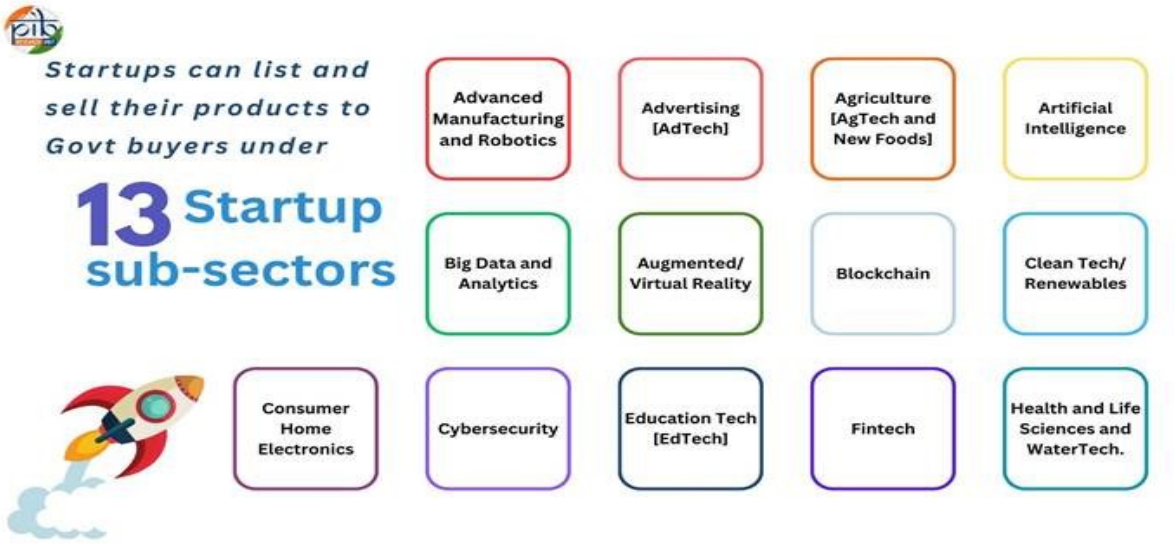
What are the key features of GeM?



- **SWAYATT** – To enhance ease of doing business and establish direct market linkages for startups, women entrepreneurs, Micro & Small Enterprises (MSEs), Self Help Groups (SHGs) and youth, especially those from backward sections of the society.

  Startups, Women & Youth Advantage through eTransactions (SWAYATT) initiative was launched in 2019.

- **Startup Runway 2.0** – To enable Startups to showcase their innovative products and services to Government buyers and engage in public procurement.



- **Womaniya** - To showcase products made by women entrepreneurs and women self-help groups [WSHGs], and spur Women entrepreneurship.



- **MSME SC/ST entrepreneurs** – GeM mandates procurement of 25% from MSMEs and a sub target procurement of 4% goods and services from MSME entrepreneurs within SC/ ST communities.
- **SARAS Collection** - It is a pristine handcrafted collection of handicrafts, handloom textiles, furnishings, accessories from top of the line SHGs in India.

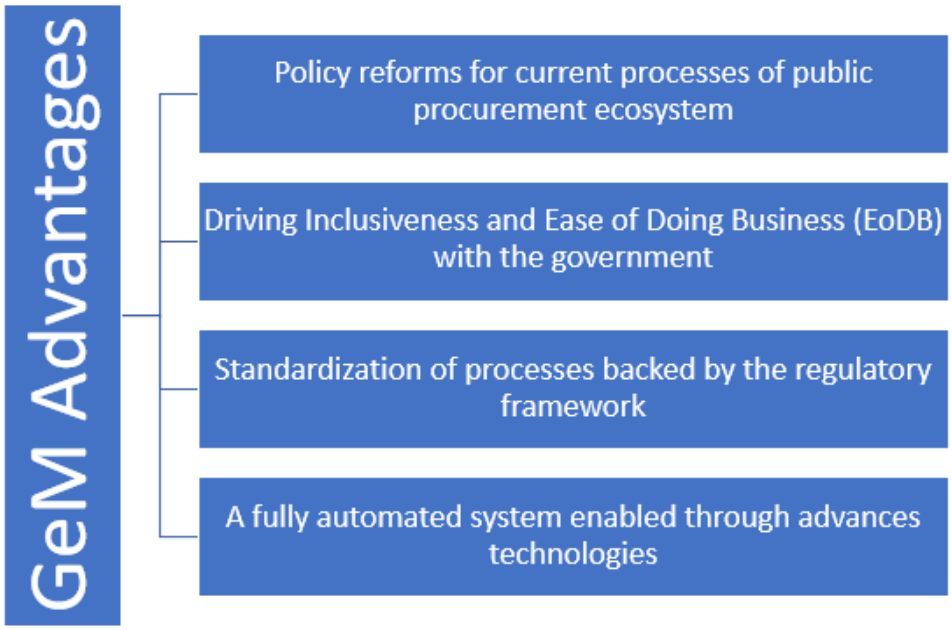


What are the impacts of GeM?

- **Economic growth** - Public procurement plays a crucial role in a nation's economic growth, directly impacting the lives of its citizens.
- **Effective use of public funds** - When governments purchase goods and services efficiently and transparently, it ensures the effective use of public funds.

  In the 2023-24 financial year, the order volume reached 62,86,543, with an order value of Rs. 4,03,305 Crore.

- **Drives employment** – Procurement by the government stimulates economic opportunities for businesses of all sizes and employment for citizens.
- **Inclusive growth** – GeM is an open and inclusive platform that benefits not just government buyers but also local entrepreneurs, startups, and small businesses.
- **Promotes innovation** - GeM has enabled startups to fulfil orders worth Rs. 35,950 Crore.
- **Women empowerment** - Women entrepreneurs comprise 8% of the total seller base on GeM, with cumulative 1,77,786 Udyam-verified women micro, and small enterprises (MSE).



Reference

PIB | GeM

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