

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 platform for government buyers and suppliers of goods and services.

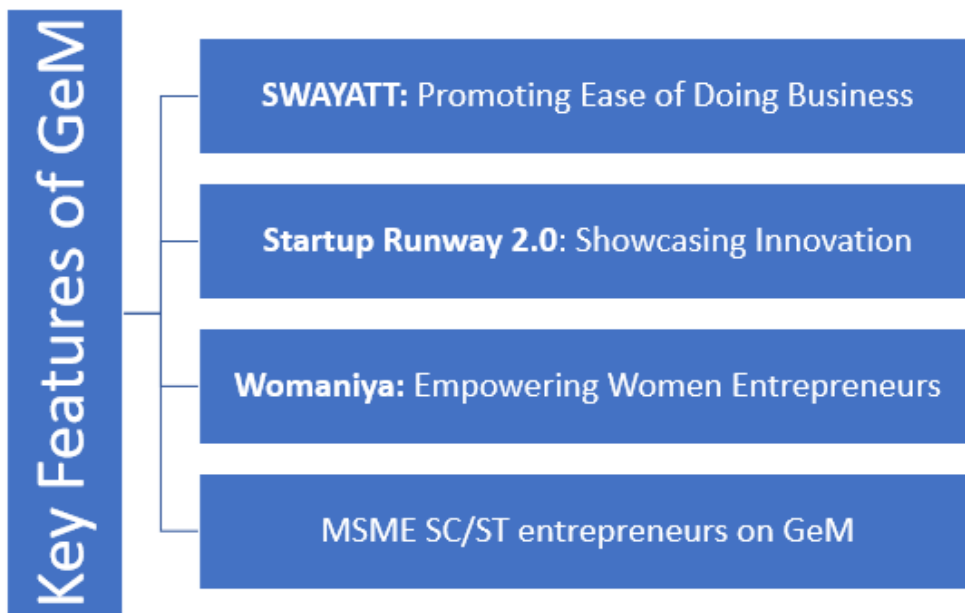


• Core principles of GeM

- **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.

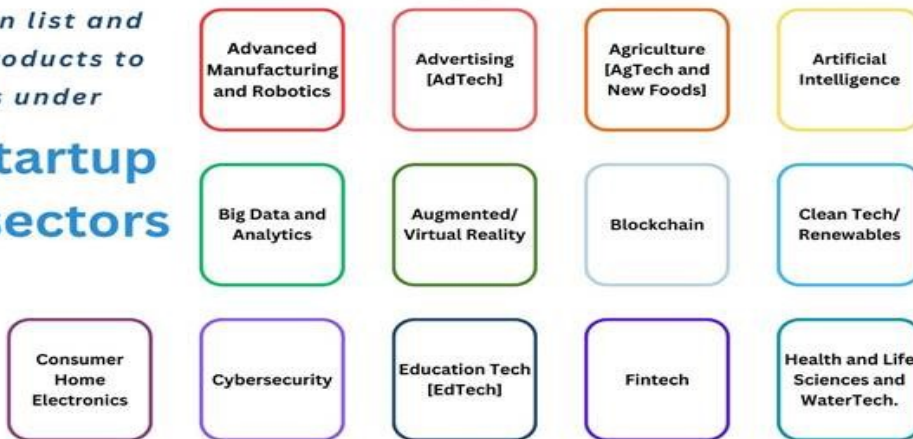
Startups, Women & Youth Advantage through eTransactions (SWAYATT) initiative was launched in 2019.

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



Startups can list and sell their products to Govt buyers under

13 Startup sub-sectors



- **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.

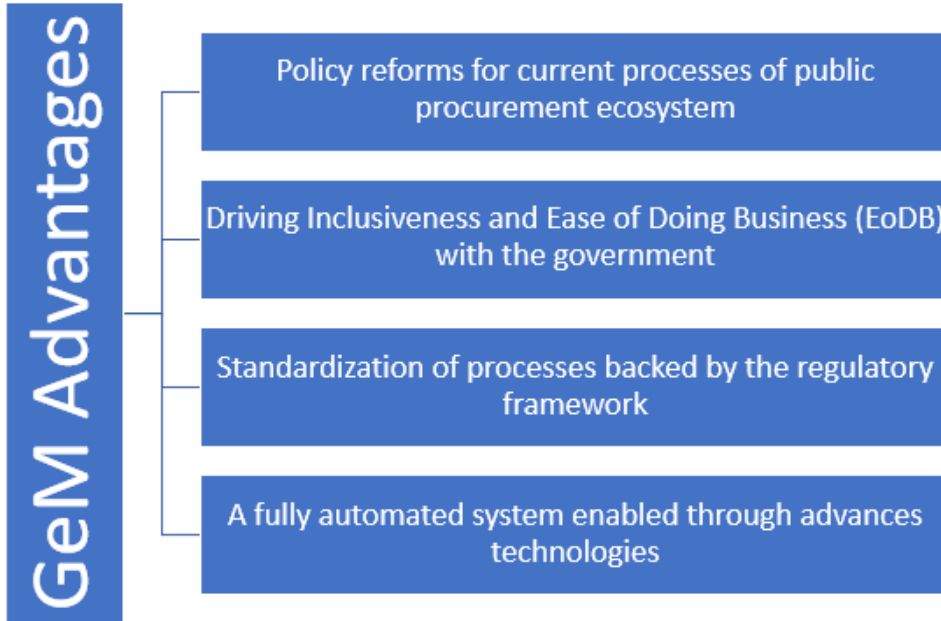


What are the impacts of GeM?

- **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](#)