

AIR Spotlight - Government e-Marketplace (GeM)

AIR Spotlight is an insightful program featured daily on the All India Radio Newsonair. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation. In this article, the latest developments on the GeM are discussed.

Participants:

- Prashant Kumar Singh, CEO of GeM.
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Context:

The article will discuss the features, achievements, and advantages of Government e-Marketplace (GeM).

What is GeM?

- GeM is an online platform for public procurement in India. The initiative was launched in 2016 by the Ministry of Commerce and Industry.
- GeM provides a complete end-to-end contactless, cashless and paperless procurement system.
- **Know more about [Government e-Marketplace](#) in the link.**

The objectives of GeM:

- To create an open and transparent procurement platform for government buyers.
- To increase access for procurement - broader outreach, a wider variety of goods and services.
- To increase transparency and efficiency (time & cost) of procurement.
- To encourage small business units/individuals to do business with the Government.
- To make procurement data easily available for auditors, administrators, vigilance, etc.

Who are the users?

- The Central and state governments, PSUs, defense, railways, and other autonomous statutory bodies and it is also now focusing on the local level which is the Panchayat level.

Progress of the GeM Portal:

- Every startup or a unicorn wants to achieve a hockey stick growth which implies sudden and extremely rapid growth after a long period of linear growth. GeM is now on the path of hockey stick growth.

- GEM has attained an annual procurement of Rs 1 Lakh crore in the 2021-22 financial year and this figure is likely to surge to Rs 1.5 lakh crore in 2022-23.
- The share of PSUs has witnessed a 500% growth in terms of buying. Uttar Pradesh is at number one place among the states.

Buying modes:

The GeM platform provides the following primary buying modes:

Direct Purchase:

- The Direct Purchase mode is allowed for low-value transactions and allows the buyer to directly procure from any available seller on GeM that meets the requisite quality, specification, and delivery period as specified by the buyer.

Direct Purchase with L1:

- The Direct Purchase with L1 mode shall be allowed for mid-value transactions and shall allow the buyer to directly procure from the L1 seller after comparing all available sellers on the platform that meet the requisite quality, specification, and delivery period as specified by the buyer.
- The comparison must be made between goods/services of at least three different manufacturers/OEMs and three different sellers.

E-bid/reverse auction:

- The E-bid/Reverse Auction mode allows buyers to conduct an electronic bid for the goods and services on the platform.
- The buyers can raise requirements for further customization of the bid's terms and conditions in line with the standardized GeM catalogue.
- This is in line with GeM's objective of maintaining standardization and objectivity throughout the procurement process.

Proprietary Article Certificate (PAC) Buying:

- The GeM platform shall allow buyers to procure on a proprietary basis by using the PAC filter provided on the GeM platform, which allows the selection of a specific model/make from a particular seller that is available on the platform.

Advantages of GeM:

Following are the advantages of GeM for buyers:

- Rich listing of products for individual categories of Goods/Services
- Search, Compare, Select, and Buy facility.
- Buying Goods and Services online, as and when required.
- Transparent and ease of buying.
- The continuous vendor rating system.
- User-friendly dashboard for buying and monitoring supplies and payments.
- Easy return policy.

Following are the advantages of GeM for sellers:

- Direct access to all government departments.
- Price discovery.
- One-stop-shop for marketing with minimal effort.
- One-stop shop for bids/reverse auctions on products/services.
- The New Product Suggestion facility is available to Sellers.
- Dynamic pricing: Price can be changed based on market conditions.
- Seller-friendly dashboard for selling and monitoring supplies and payments.
- Consistent and uniform purchase procedures.

Way Forward:

- GeM is a transparent portal and its objective is to maintain transparency with zero corruption.
 - States which are not part of the portal will be made aware of the benefits of the portal and the goal should be to include more participation.
 - The portal is inclined towards the growth of MSMEs, and local and village entrepreneurs so that they can grow effectively. The process will be made easier with the help of training facilities for buyers as well as for sellers.
 - In terms of logistics, there will be an option for sellers to use the services of India Post for packaging, and delivering the products to the buyers. This will help in the reduction of logistics barriers.
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