

## GeM – Transforming Government Procurement Spectrum Through E-Commerce

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### ABSTRACT

The Government e Marketplace (GeM), launched in August 2016 under the Ministry of Commerce and Industry, marks a significant policy intervention to reform India's public procurement system. Designed to replace a paper-based, fragmented, and opaque framework, GeM represents an end-to-end digital procurement platform that aligns with global best practices in e-governance. This study examines the efficacy of GeM in addressing systemic inefficiencies, reducing transaction costs, and enhancing transparency, accountability, and inclusivity in procurement processes. Drawing on secondary data from the GeM portal, government reports, and extant literature, the analysis evaluates GeM's contributions to efficiency gains, vendor participation, and alignment with international procurement benchmarks. Evidence from recent studies suggests that GeM has strengthened governance, broadened opportunities for marginalized vendors, and achieved cost-effectiveness, though challenges persist regarding adoption barriers and last-mile implementation. By synthesizing theoretical perspectives with practical insights, the paper highlights GeM's role as a transformative engine of procurement reform and sustainable development in India, while offering policy recommendations to enhance its long-term effectiveness.

**KEYWORDS:** Public Procurement, E-Governance, Government e Marketplace (GeM), Transparency, Digital Procurement

**JEL Classification:** H57, L81, O33, D73

### 1. INTRODUCTION AND BACKGROUND

Public procurement is a vital function of governance, and the launch of the Government e-Marketplace (GeM) marked a decisive shift from India's fragmented, paper-based processes to a unified, technology-driven platform (World Bank, 2019). General Financial Rules (2017) stipulated that all ministries, departments, public sector enterprises, and state governments should adhere to the GeM portal for public procurement (WTO, 2021). GeM has since become the cornerstone of procurement reform, dovetailing digital tools, data analytics, and traceable workflows while focusing on the core objectives of efficiency, transparency, and inclusivity (ADB, 2021). The aim is to bring down costs and delays, accelerate the procurement process, and empower marginalized vendors by bringing them into the mainstream and providing equal opportunity to participate in nation-building (World Bank, 2020). Its integration of stakeholders across the procurement chain has revolutionized the ecosystem, aligning with the government's vision of "Minimum Government, Maximum Governance" (WTO, 2020). Though the initiative is touted as a successful venture, GeM continues to evolve, resolving bottlenecks and focusing on the need for further refinements (World Bank, 2022). This study evaluates the portal's impact, identifies challenges, and proposes strategies to strengthen its role in India's public procurement landscape.

### 2. RESEARCH GAP, RESEARCH QUESTIONS AND OBJECTIVES

#### 2.1. Research Gap

Although the Government e Marketplace (GeM) has been widely acknowledged as a transformative initiative in India's public procurement ecosystem, the existing body of literature is largely descriptive and conceptual. Prior studies tend to focus on theoretical frameworks, policy narratives, or general procurement trends, with limited empirical evidence that links GeM's strategies to measurable outcomes such as cost savings, efficiency gains, vendor inclusivity, and governance improvements. Moreover, few studies provide a holistic assessment of GeM's performance by integrating multiple dimensions—efficiency, transparency, inclusivity, and global

benchmarking—into a unified analytical framework. Comparative insights into how GeM stands vis-à-vis other international e-procurement platforms (such as ChileCompra, KONEPS, and GeBIZ) are also scarce. This creates a gap in understanding GeM's global standing, its replicability, and the specific reforms required for long-term sustainability.

## 2.2. Research Questions

This paper provides a comprehensive assessment of GeM's operational effectiveness, impact on stakeholder inclusivity, and its potential to serve as a model for e-governance-led procurement reform globally. The endeavor is to examine the evidence on overall impact of GeM and to answer the pertinent research questions which are as under -

- 1) Has GeM been able to bring about the desired changes in the procurement eco-system?
- 2) To what extent GeM has been able to address cost and time efficiencies?
- 3) Has GeM been able to promote inclusivity for marginalized vendors such as MSMEs, women, and SC/ST entrepreneurs?
- 4) In terms of global best practices, where does GeM stand?
- 5) How can GeM be more effective and impactful and what all is required to be done?

## 2.3. Research Objective

The objective of the study is to evaluate the Government e-Marketplace (GeM) mechanism critically as a transformative e-governance initiative in public procurement by examining its impact on cost and time efficiencies, inclusivity of marginalized stakeholders, and overall effectiveness, while benchmarking its performance against global best practices to derive insights and propose strategies for enhancing its future sustainability and impact.

## 3. RESEARCH METHODOLOGY

**3.1. Research Design:** This study adopts an exploratory qualitative research design, appropriate for investigating complex, underexplored phenomena where theoretical understanding is still emerging. The goal is to map the overall effectiveness of GeM by evaluating its impact on cost – time efficiencies, inclusion of underprivileged stakeholders and global benchmarking from existing literature and other secondary sources.

## 3.2. Analytical Framework

The analysis employs an exploratory approach to evaluate the efficacy of GeM based on the following framework:

- **Overall impact:** By comparison of the periodic changes on the procurement eco-system (World Bank, 2020; OECD, 2021).
- **Cost and time effectiveness:** Through evaluation of available inputs rendered through other studies and literature (ADB, 2022; Singh & Lal, 2022).
- **Inclusivity of marginalized sections:** Verification of data provided in GeM reports and literature (Joshi, 2024; WTO, 2021).
- **Upliftment of Women:** Promotion of women entrepreneurs and its impact through evaluation of available inputs and data (Geeks for Geeks, 2023; UN Women, 2022).

## 3.3. Data Sources

The research relies entirely on secondary data collected from credible and verifiable sources. These include:

- **Corporate Reports:** Annual performance reports of various financial years from 2017–18 to 2023–24 available on GeM portal (Government e-Marketplace, 2023).
- **Academic Literature:** Peer-reviewed journal articles, books, and conference proceedings on GeM and its performance (Joshi, 2024; Falcón Cortés et al., 2021).
- **Reputable News Outlet:** Press Information Bureau of India (Press Information Bureau, 2022).
- **Loksabha Questions:** Answers given in Loksabha against questions by Members of Parliament (Lok Sabha Secretariat, 2021).
- **Public Databases:** Industry-specific statistics and market data available in the public domain (World Bank, 2020; WTO, 2021).

**3.4. Limitations:** The study's reliance on secondary data has potential limitations, including the absence of proprietary performance metrics and the risk of bias in inputs available in open domain. Furthermore, the non-availability data metrics in the open domain limits generalizability, although the depth of analysis offers valuable insights for theory-building and resolution strategies.

#### 4. ANALYSIS CRITERIA

##### 4.1. Transforming the traditional Procurement work flow

GeM has been able to bind all the procurement and seller entities on a singular platform to enable smooth and seamless procurement. While evaluating the data of inclusion of various stakeholders, it can be seen that all States and Union Territories have been mapped in the GeM portal and have been onboarded. In addition, 806 districts have also been onboarded with specific emphasis to promote the concept of “One District One Product” which will bolster the market spread of such products on a national level (Government e-Marketplace, 2023). Towards this, it can be seen that the impact on GeM is substantial as shown in Figure 1.

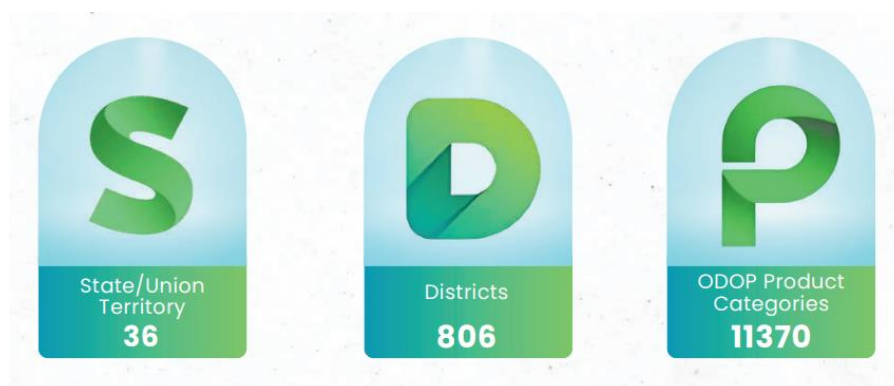


Figure 1: “One District One Product”(GeM Annual Report 2023-24)

**4.2. Administrative Lead Time:** GeM has been a major disruptive enabler in the procurement ecosystem of India. Transparency and process velocity are the main gains seen post implementation. During the evaluation of efficacy comparing GeM and the conventional process, significant variation in terms of days clearly bringing out the advantage of GeM was noticed. Administrative Lead Time for GeM-based bidding was found to have been brought down to 10 days against 21 days observed in the conventional method (Government e-Marketplace, 2021). The difference is primarily due to the in-built comprehensive end-to-end procurement enabling Buyers to handle all procurement-related activities in the portal itself. In the conventional method, even if the bidding is done through e-procurement through the Central Public Procurement Portal, it was seen that the timelines incurred are much higher, as it does not envisage end-to-end solutions (World Bank, 2020). Whenever queries are required to be answered, they increase the lead time as the facility to render clarifications is not available, unlike GeM, where all issues related to procurement including response to queries can be handled on the GeM platform itself. Also, as per the impact evaluation, it has been confirmed that the average cost reduction in overall financial effect to the Buyer is a minimum of ten percent vis-à-vis the erstwhile cost (Asian Development Bank, 2022).

**4.3. Comparison with Global platforms:** There are several countries that have implemented National Procurement E-Commerce Portals to speed up procurement and make it more transparent. The most prominent ones are ChileCompra of Chile, KONEPS (Korean Online E-Procurement System) of South Korea, and GeBIZ of Singapore. During the recent evaluative comparison of global government e-commerce platforms, it was seen that GeM, with orders worth over 9.21 lakh crores, has surpassed the leading global platform KONEPS in terms of value and quantum of transactions (Keshri, 2024; World Bank, 2019). GeM has streamlined government procurement into a unified platform used by a nationwide network of sellers and service providers. The services segment led the growth, with a GMV of over Rs 80,500 crore, a 330% rise from the previous year. Central Ministries, including CPSEs, procured goods worth over Rs 1 lakh crore, with CPSEs contributing Rs 91,000 crore (Sen, 2024). The transactions on ChileCompra are far less in terms of value and volumes vis-à-vis GeM (Neumann, 2024; WTO, 2021). When compared with GeM, the e-commerce platform of Singapore, GeBIZ, also fades in comparison on account of sheer volume of procurement and the number of products and vendors (Government of Singapore, n.d.).

Table 1: Comparison of Global E-commerce platforms

Feature	GeM (India)	CompraNet (Mexico)	TED (EU)	GeBIZ (Singapore)
<b>Launch</b>	2016	1996	2004	2000
<b>Scope &amp; Functionality</b>	End-to-end with e-bidding, auctions, analytics.	Started as info-only; limited functionality.	Publishes tenders; transactions offline.	Publishes tenders, submissions & awards; fewer advanced tools.
<b>Inclusivity &amp; Vendor Base</b>	23+ lakh sellers incl. MSEs, startups, women.	~25,000 suppliers by 2002; regional focus.	EU-wide access; mostly large firms.	Tens of thousands of vendors; SME-friendly, micro barriers remain.
<b>Impact &amp; Effectiveness</b>	₹13.6 lakh cr. GMV, 2.86 cr. orders (2025); 9–10% savings.	~20% cost savings; better transparency.	Harmonizes EU rules; not transaction-focused.	Boosts transparency & efficiency; lacks analytics/auctions.
<b>Global Standing</b>	Among most advanced, inclusive global platforms.	Latin American pioneer; less digital depth.	Strong in legal harmonization; less tech-driven.	Asian leader; good SME focus, less robust than GeM.

Comparative studies, such as OECD reports and Falcón Cortés et al. (2021), show that GeM's integrated features outpace many global counterparts in transparency and vendor empowerment as shown in Table 1. When compared with international models like Compra-Net (Mexico) and TED (EU), GeM stands out for its uniqueness and specific features which promote inclusive approach and deep integration with national ID and taxation systems (Falcón Cortés et al., 2021).

**4.4. Inclusivity of marginalized and woman entrepreneurs:** Inclusivity of marginalized sections of the society into the mainstream and providing an opportunity to take part in the national procurement is a major transformation brought in with the advent of GeM (World Trade Organization, 2021). Micro, Small and Medium Enterprises have been able to join the procurement process, thereby becoming stakeholders on the national stage (World Bank, 2019). Also, another major beneficiary of GeM is women. There is a specific focus to promote women entrepreneurs through special promotional schemes and comprehensive support measures, which resulted in substantial enhancement of participation from women entrepreneurs (Government e-Marketplace, 2022; Asian Development Bank, 2023).

**4.5. Growth Trajectory of GeM:** The details of the procurement published in GeM portal for Fin year 2023-24 illustrates the quantum GeM in the Tenders published, Price Bids opened and Contracts awarded by various Buyers on GeM portal. Figure 2 is self-explanatory and provides a glimpse of the growth and penetration of GeM in rapidly transforming itself to an extremely reliable and versatile procurement platform.

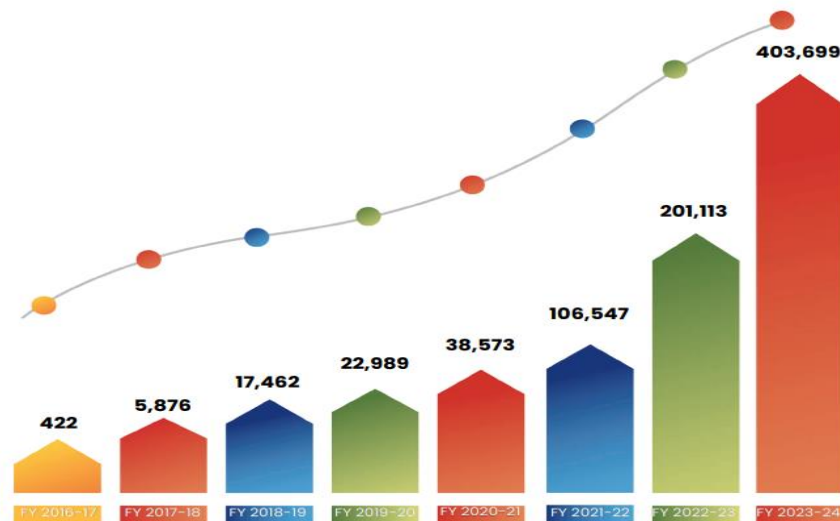


Figure 2: Growth Trajectory of GeM (Annual GeM Report 2023-24)

## 5. IMPACT ANALYSIS

**5.1. Overall Impact:** In his article on the disruptive impact of GeM, Joshi (2024) estimates that more than ₹40,000 crore has been saved due to competitive pricing and elimination of intermediaries. Further, Mehra et al. (2020) also found significant reductions in procurement lead times for critical medical supplies. Sethi et al. (2023) noted improved compliance and audit readiness in hospitals using GeM versus conventional tenders. According to Singh and Lal (2022) and the Centre for Public Impact (2020), GeM has onboarded over 60,000 government buyers and more than 50 lakh sellers and service providers, with MSMEs constituting a substantial share as shown in Figure 3. Lakshmi and Visalakshmi (2023) highlight GeM's contribution to inclusive growth by enabling marginalized groups to access government contracts, reinforcing India's SDG commitments. Similar trends of digital procurement strengthening inclusivity and efficiency have been emphasized in global evaluations, including the World Bank (2020), WTO (2021), and the Asian Development Bank (2021).

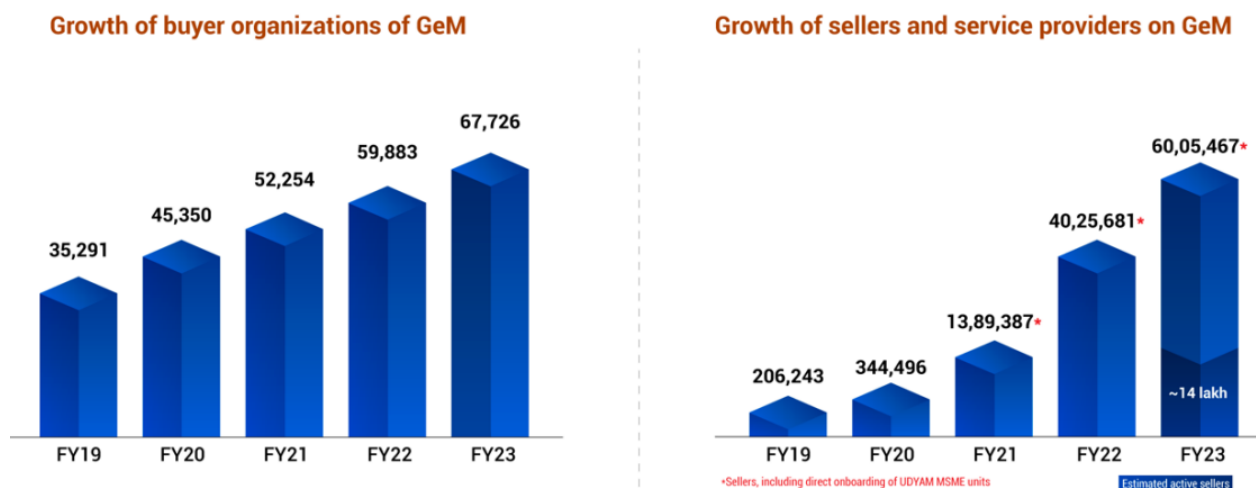


Figure 3: Growth of Buyers & Sellers (Annual GeM Report 2022-23)

## 5.2. Stakeholder Perspectives

Stakeholder feedback on the efficacy and value provisions of GeM has been a mixed bag. Though there have been certain criticisms with respect to the quality of goods obtained through GeM, most of the inputs have been positive and encouraging in terms of the value proposition and savings on account of money and effort. Procurement officers from a wide spectrum of domains have appreciated the benefits of various features and tools on the portal, such as real-time tracking, standardized processes, and reduction in paperwork (Joshi, 2024; Mehra et al., 2020). On the other hand, vendors especially MSMEs and cooperatives though satisfied with the benefits of greater market access, have expressed certain concerns about digital literacy and platform glitches, which GeM is attempting to address through training and complaint resolution mechanisms (IGI Global, 2020). Vashisht et al.



(2025) reported an issue of rural healthcare centers facing last-mile delivery hurdles despite ordering efficiency. Last-mile connectivity and timely delivery to remote locations have been raised as an area of concern on multiple occasions in the meetings of the Standing Committee on GeM. Alaya Legal (2019) discusses potential legal conflicts when mandatory GeM procurement overlaps with competition law provisions, raising questions about vendor rights and fair play. Nonetheless, Singh and Lal (2022) conclude that GeM has strengthened trust in public procurement. These patterns resonate with international experiences documented by the World Bank (2020), WTO (2021), and ADB (2021), which note that while e-procurement platforms enhance transparency and efficiency, digital adoption barriers, inclusivity gaps, and last-mile delivery challenges remain universal concerns. Figure 4 illustrates the overall inclusivity holistically.



Figure 4: GeM Inclusivity Matrix Annual GeM Report 2023-24)

### 5.3. Challenges and Limitations

Any change is bound to face resistance from the environment, and GeM has been no exception. GeM has brought about a major disruption in the way government procurement was carried out in India and has revolutionized the ecosystem by bringing a transformative, digitally enabled, and end-to-end procurement platform. However, the fact remains that the expectations of a vast number of stakeholders with varying needs and different objectives cannot be fully satisfied in one stroke. There are several areas where the aspirations of the stakeholders and the methodology of GeM are not aligned. Challenges do persist, specifically with respect to infrastructure gaps in rural areas, which hinder digital adoption (Vashisht et al., 2025). The IGI Global study (2020) highlights various barriers hampering enhanced adoption of GeM, such as lack of IT skills among small suppliers and intermittent internet connectivity in distant areas and villages. Bhatia Kalluri (2021), while discussing the subject, points to the need for targeted training programs for rural micro-entrepreneurs.

GeM has also invited adverse criticism from certain business entities on its insistence on rigid compliance and terms and conditions heavily loaded in favor of the buyer. It has further been stated that GeM promotes monopoly through its insistence on mandatory registration and uploading of products on the portal, along with strict restrictions on pricing mechanisms. Legal critiques from Alaya Legal (2019) caution against rigid compliance, which may stifle innovation and flexibility. The changes introduced through GeM have still not fully percolated down to the grassroots level, particularly for vendors conducting their business in traditional ways with manual bids and paper-based transactions. Globally, as Falcón Cortés et al. (2021) state, public procurement reforms often struggle with entrenched interests resistant to change. Determined efforts, unflinching drive, regular feedback, stakeholder engagement, and capacity building are essential to address these constraints.

### 5.4. Policy and Practice Implications

GeM has been a game changer and has had a stellar impact on India's digital governance landscape. It illustrates the potential and power of a digital platform to bring sweeping changes rapidly to a large population of stakeholders in a vast and diverse country like India. It also stands as an example of how e-commerce platforms can curb corruption and foster inclusive economic growth (Singh & Lal, 2022; Centre for Public Impact, 2020). Ministries and departments at various levels need to emphasize conducting regular training sessions for stakeholders, focusing on bridging the digital divide through computer literacy and infrastructure upgrades (Bhatia Kalluri, 2021; Lakshmi & Visalakshmi, 2023). Regulatory frameworks should balance compliance with flexibility, ensuring that mandatory GeM use does not conflict with competition laws (Alaya Legal, 2019). Collaboration

with global bodies such as the Organization for Economic Co-operation and Development (OECD) can help benchmark practices and adopt innovations like blockchain for further transparency (Curado et al., 2020).

## 6. FUTURE SCOPE FOR RESEARCH, RECOMMENDATIONS AND CONCLUSION

### 6.1. Future Scope for Research

This study is based on secondary data drawn from open sources, research papers, and relevant articles, which constrains the ability to generate primary quantitative evidence. Future research could:

- Conduct multi-case studies across different sectors, regions, and verticals on the GeM portal to validate its impact and broader ramifications (Sethi et al., 2023; Joshi, 2024).
- Employ quantitative methods to measure benefits through performance indicators such as lead time, service levels, inclusivity, and financial outcomes (Mehra et al., 2020).
- Explore shortcomings and identify pain points to institute remedial measures for enhancing system efficacy (Vashisht et al., 2025).
- Benchmark GeM against global government-controlled e-markets and e-procurement systems more objectively on multiple aspects (Falcón Cortés et al., 2021; Curado et al., 2020).

### 6.2. Recommendations

- Incorporating stakeholder-driven changes, enhancements, and modifications should remain a Key Result Area to sustain trust and relevance (Centre for Public Impact, 2020).
- Special focus should be accorded to further onboarding stakeholders from weaker sections of society to further strengthen inclusivity (Lakshmi & Visalakshmi, 2023).
- Incentives through supportive government policies should encourage vendor registration and onboarding of products onto the GeM portal (Bhatia Kalluri, 2021).
- Excellence should remain a constant pursuit, with global performance benchmarks used as a reference to continuously raise the bar (OECD, 2020; IMF, 2025).
- Grievances and complaints should be given priority and resolved in the shortest possible time to enhance user confidence (Alaya Legal, 2019).

### 6.3. Conclusion

GeM has proven beyond doubt that a well-administered e-commerce platform can revolutionize the procurement ecosystem and mitigate inefficiencies (Singh & Lal, 2022). It has addressed the lack of transparency and ambiguity in purchase decisions through the elimination of excessive human intervention and the adoption of a digitally driven decision management system (Centre for Public Impact, 2020). GeM has expanded opportunities for sellers, enabling participation in government procurement regardless of geographical distance or location. Its inclusive approach has ensured participation of all sections of society, particularly the weaker and underprivileged (Lakshmi & Visalakshmi, 2023). Empirical studies confirm notable gains in cost savings, stakeholder trust, and vendor diversity (Joshi, 2024; Sethi et al., 2023). While challenges remain, continuous upgrades, sustained stakeholder engagement, and robust policy support will ensure GeM's long-term sustainability and establish its replicability as a global best practice in procurement reform, positioning India's public procurement system on a stronger and more inclusive foundation than ever before.

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