

**STATISTICAL REPORT 2014, 2015 AND 2016
ON PUBLIC PROCUREMENT
ACCORDING TO THE
AGREEMENT ON GOVERNMENT PROCUREMENT**

Communication by the European Union

The European Union (EU) is pleased to submit to the GPA Committee its statistical report for the years 2014, 2015, and 2016. For the purpose of this report, and with the intention of further increasing transparency by a comprehensive use of electronic means, the EU resorts, for the first time, to the opportunity offered by Article XVI, paragraph 5 of the Revised GPA.

Unlike previous reports, which were based on detailed statistics regarding the above-thresholds procurement of all administrative levels as well as of Annex 3 entities (Utilities), this report contextualises and complements the published datasets extracted exclusively from Tenders Electronic Daily (TED), the online version of the 'Supplement to the Official Journal' of the EU, dedicated to European public procurement.

The EU considers that statistical reports are a crucial element of GPA notification policy and of the monitoring of the Agreement. Therefore, the EU opted to accompany the required information about the datasets and how these data can be used to calculate the government procurement statistics in line with Article XVI, paragraph 6 with its own estimates of the main procurement indicators.

Both the TED datasets and the EU's complementary estimates refer to all administrative levels covered by the GPA. The EU invites all Parties not to limit their reports to procurement at central level, but to report in detail on above-thresholds procurement for all administrative levels covered by the GPA, in particular at local and regional level, where an important part of procurement is performed.

1. Datasets and key figures

The relevant datasets on contract award notices registered on the Tenders Electronic Daily platform are available under the following links:

- TED – contract award notices 2014:
<https://data.europa.eu/euodp/en/data/dataset/ted-csv/resource/9e3c0d22-223a-4320-84f0-93b9d167595d>;
- TED – contract award notices 2015:
<https://data.europa.eu/euodp/en/data/dataset/ted-csv/resource/bb42d08d-554d-42f3-b4ea-6f2e524cb5c4>;
- TED – contract award notices 2016:
<https://data.europa.eu/euodp/en/data/dataset/ted-csv/resource/35605adc-3185-4db8-a84e-d39f017249e1>.

These datasets contain variables that allow the identification of contract award notices covered by GPA for the years 2014, 2015, and 2016.

In each .csv file, one compound variable (GPA_coverage) groups all the information needed to identify the contracts covered by GPA. This variable takes five values:

- 1 – contract award notices covered by GPA. This refers to contracts above threshold awarded by contracting authorities/ entities covered by the EU's GPA schedule, and for goods, services and works covered by the EU's GPA schedule. In addition, contracts fulfilling these criteria but lacking a contract value or stating an unrealistically low contract value below EUR 4500 in TED have been classified in this category¹.
- 2 – contract award notices issued by entities not covered by the EU's GPA schedule.
- 3 – contract award notices issued by entities that are covered by the EU's GPA schedule, but for which the goods, services or works concerned are not covered.
- 4 – contracts not covered by GPA because their value is below threshold.
- 5 – contracts not covered by GPA because the buyer is not a contracting authority/entity.

The above-mentioned variable, as well as other variables linked to GPA coverage (whether or not the entity is covered by the EU schedule, and whether the contract is covered; the main CPV code; etc.) are presented in a codebook, along with methodological notes. This is available at:

¹ An explanation for this specific aspect is provided in section 2 of this document *Methodological issues for the estimated values*

[https://data.europa.eu/euodp/repository/ec/dg-grow/mappps/2019/TED\(csv\) data information v3.2.pdf](https://data.europa.eu/euodp/repository/ec/dg-grow/mappps/2019/TED(csv) data information v3.2.pdf).

A more detailed methodological note can be downloaded at:

<https://data.europa.eu/euodp/repository/ec/dg-grow/mappps/TED advanced notes.pdf>.

Based on the dataset referenced above and the methodology described in section 2, the following table summarises key figures for the years 2014, 2015, and 2016. For ease of reference, and to facilitate an assessment of relevant values over time, also figures reported in the EU's statistical report for 2013 are provided. In this regard, it should be noted that the figures on covered procurement for the years 2014, 2015, and 2016 are based on the Revised GPA – in force since 2014 – whereas figures up until 2013 were based on the GPA 1994. Among other changes, utilities in the EU railway sector are covered under the Revised GPA, but were not covered under the GPA of 1994.

EU procurement: Key figures in billion Euros	2013	2014	2015	2016
Value of contracts covered by GPA*	303.87	334.94	361.91	402.60
Value of contracts above thresholds *	398.00	412.35	454.89	512.89
Estimate of total general government expenditures on goods, services and works (excluding utilities)	1880.5	1941.2	2026.5	2008.4

* EU Member States and EU Institutions

Contracts covered by GPA

This report presents the value of contracts procured in the EU in the following years: 2014, 2015, and 2016.

2014

In 2014, the total value contracted by the 28 Member States of the EU and covered by GPA was EUR 331.43 billion. In addition, the EU institutions (European Council, European Commission and the European External Action Service) contracted EUR 3.50 billion covered by GPA. In total, the contract value covered by GPA in 2014 was EUR 334.94 billion. Of the total covered procurement, goods accounted for EUR 87.16 billion, works for EUR 158.31 billion, and services for EUR 89.47 billion. The total value of covered procurement in 2014 was 10.2% higher than the total of EUR 303.87 billion in 2013 (EU Member States and institutions combined).

The greatest value of EU contracts covered by GPA in 2014 was procured by Annex 2 entities consisting of bodies governed by public law, local authorities and regional authorities: EUR 182.18 billion. Central government entities (European Union entities and central government authorities of EU Member States) contracted EUR 76.31 billion covered by GPA, and entities operating utilities in the covered sectors EUR 76.44 billion.

2015

In 2015, the total value contracted by the 28 Member States of the EU and covered by GPA was EUR 359.76 billion. In addition, the EU institutions (European Council, European Commission and the European External Action Service) contracted EUR 2.15 billion covered by GPA. In total, the contract value covered by GPA in 2015 was EUR 361.91 billion. Of the total covered procurement, goods accounted for EUR 104.57 billion, works for EUR 143.19 billion, and services for EUR 114.15 billion. The total value of covered procurement in 2015 is 8.1% higher than the total of EUR 334.94 billion in 2014 (EU Member States and institutions combined).

Also in 2015, the greatest value of EU contracts covered by GPA was procured by Annex 2 entities consisting of bodies governed by public law, local authorities and regional authorities: EUR 189.99 billion. Central government entities (European Union entities and central government authorities of EU Member States) contracted EUR 82.96 billion covered by GPA, and entities operating utilities in the covered sectors EUR 88.95 billion.

2016

In 2016, the total value contracted by the 28 Member States of the EU and covered by GPA was EUR 399.98 billion. In addition, the EU institutions (European Council, European Commission and the European External Action Service) contracted EUR 2.63 billion covered by GPA. In total, the contract value covered by GPA in 2016 was EUR 402.60 billion. Of the total covered procurement, goods accounted for EUR 133.16 billion, works for EUR 160.19 billion, and services for EUR 109.26 billion. The total value of covered procurement in 2016 is 11.2% higher than the total of EUR 361.91 billion in 2015 (EU Member States and institutions combined).

The greatest value of EU contracts covered by GPA in 2016 was again procured by Annex 2 entities consisting of bodies governed by public law, local authorities and regional authorities: EUR 251.81 billion. Central government entities (European Union entities and central government authorities of EU Member States) contracted EUR 82.67 billion covered by GPA, and entities operating utilities in the covered sectors EUR 68.12 billion.

Contracts above thresholds

The total value of above-thresholds procurements in the EU is greater than the value of contracts covered by GPA.

One reason for this difference is that not all procuring entities are covered by GPA. In particular, utilities in the fields of gas, coal, oil and gas exploration and extraction as well as postal services are not covered by GPA. Furthermore, Annex 1 and 2 entities in the fields of water, energy, transport and postal services are not covered by GPA unless they are covered in the EU Annex 3. Lastly, not all of the EU institutions are covered by the GPA.

Another reason for the higher total value of above-thresholds procurements in the EU is that not all types of contracts are covered by GPA. In particular, the following types of contracts are not covered by this report:

- Service contracts listed in Annex IIB of the 2004 EU Public Procurement Directive (2004/18/EC) and in Annex XIV of the 2014 one (2014/24/EU) (such as, for example, hotel and accommodation services);
- Procurements in the fields of defence and security (defence material and training, ICT, R&D, investigation and security services) by Annex 1 authorities in the field of defence and security.

In 2014, the total value of above-thresholds procurements in the EU was EUR 412.35 billion. Thereof, the value of above-thresholds procurements contracted by entities not covered by GPA was EUR 11.40 billion. In addition, the value of other above-thresholds contracts not covered by GPA was EUR 66.01 billion.

In 2015, the total value of above-thresholds procurements in the EU was EUR 454.89 billion. Thereof, the value of above-thresholds procurements contracted by entities not covered by GPA was EUR 16.90 billion. In addition, the value of other above-thresholds contracts not covered by GPA was EUR 76.08 billion.

In 2016, the total value of above-thresholds procurements in the EU was EUR 512.89 billion. Thereof, the value of above-thresholds procurements contracted by entities not covered by GPA was EUR 26.69 billion. In addition, the value of other above-thresholds contracts not covered by GPA was EUR 83.60 billion.

Estimated total procurement

The total volume of the EU procurement market, including below-thresholds procurements, is estimated using the total general government expenditures on goods, services and works, excluding utilities². In 2014, the EU procurement market is estimated to be EUR 1941 billion, EUR 2026 billion in 2015, and EUR 2008 billion in 2016. This represents an increase of 6.8% compared to the EUR 1880.5 billion of 2013. These figures are based on Eurostat data on government expenditures on certain categories of purchases and are not exactly comparable to procurements. For example, these expenditures include direct purchases below thresholds (i.e. without a formal procurement).

² Due to difficulties to get a reliable update for the data on utilities procurement, the estimate of total general government expenditures does not include utilities. However, based on the EU GPA statistical reports for 2012 and 2013, the volume of utilities procurement in the EU could be estimated to around EUR 600 billion.

2. Methodological issues for the estimated values

Compared to previous reports, this statistical report for the years 2014, 2015, and 2016 introduces several methodological changes for the estimation of the procurement values. These methodological changes are due to the different source of data used.

Until 2013, the main data source were the statistical reports that EU Member States were obliged to compile and submit to the European Commission under the previous generation of EU public procurement directives from 2004. These data were complemented with data from TED where necessary. With the entry into force of the new EU public procurement directives in 2014, the reporting obligation of EU Member States was significantly scaled down. Therefore, as of 2014, TED is the only comprehensive and comparable source of data on public procurement in the EU.

Although the TED data is of reasonably good quality regarding the number of contracts recorded, some challenges remain regarding the reporting of contract values. These lead to either a lack of an actual contract value in the database or the use of an arbitrary low value. While it is the responsibility of each individual contracting authorities to correctly fill in the value of all contracts in TED, the European Commission and the Member States are working on several actions to remediate this situation.

The lack and manifest incorrectness of some contract values in the 2014-2016 TED data required the use of certain imputation methods. In order to ensure the comparability of procurement values over time, the imputation techniques used for this report build upon those applied in previous exercises.

The following adjustments were performed:

- Contract award notices were classified by GPA coverage (variable "GPA_coverage"), as explained in section 1 of this report. For this classification, the following elements were considered: the entity conducting the procurement; the type of good/service/work acquired (based on CPV codes); the value of the contract.
- All contracts with multiple CPV (Common Procurement Vocabulary) codes were systematically classified as works contracts, wherever one of the codes assigned was CPV 45, except for contracts with a CPV not covered by the EU's GPA schedule (Annexes 4 to 6).
- For contracts with missing or arbitrarily low contract values in TED, values were imputed, using the same imputation method systematically for all EU Member States. The imputed values are based on the medians of the contract values per Member State, GPA annex and per type of contract. Where a median appeared too high or too low, due to a relatively small number of contracts, certain assumptions were made to replace the median with more realistic values.

- Contract values below EUR 4500 were considered incorrect/missing and therefore imputed using the aforementioned methodology. The reasoning underlying this decision is that, while below-threshold contracts can be published in TED on a voluntary basis, the administrative work required would not be justifiable for very small contracts.

3. Description of annexes to the report

For additional transparency, the EU has generated data tables summarising its calculations based on the aforementioned methodology. The following tables are attached to this report:

- For each of the 28 EU Member States and each of the reporting years (2014, 2015, 2016), one table summarising the total values of above-thresholds procurement, broken down by types of contract (goods, works, services), GPA coverage, and GPA annex.
- An equivalent set of tables summarising the respective values for the aggregate of 28 EU Member States.
- A comparable set of tables summarising the values of above-thresholds procurement performed by the EU institutions.