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Committee on Government Procurement

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## STATISTICS FOR 2009 REPORTED UNDER ARTICLE XIX:5 OF THE AGREEMENT (1994)

### REPORT BY THE EUROPEAN UNION

#### *Addendum*

The following communication, dated 22 April 2014, is being circulated at the request of the Delegation of the European Union.

### EU STATISTICAL REPORT 2009 ON PUBLIC PROCUREMENT ACCORDING TO THE AGREEMENT ON GOVERNMENT PROCUREMENT

The EU is pleased to submit to the GPA Committee its statistical report for the year 2009.

The EU considers that statistical reports are a crucial element of GPA notification policy and of the monitoring of the Agreement. The EU realises the importance of timely submission of statistical reports. The EU wishes to reiterate that it takes its statistical obligations very seriously and that its Member States have made an important effort to report above-thresholds procurement for **all administrative levels**.

The EU invites all Parties to do the same and not to limit themselves to report overall procurement, but to focus their efforts to report in detail the situation of **above-threshold procurement** for **all administrative levels covered by the GPA**, in particular at local and regional level, where the bulk of procurement is taking place.

#### Outline of the report

EU procurement: Key figures in billion euros	2008	2009	2008-2009
Value of contracts covered by GPA	246,78	250,84	2%
Value of contracts above thresholds	317,98	353,40	11%
Value of contracts awarded under Article XV GPA	13,50	14,45	7%
Estimate of total expenditures goods and services	2164,50	2346,01	8%

The EU estimates that the total expenditure on goods and services (incl. construction services) by public authorities and utilities in Europe amounted to 2.346 billion EUR in 2009.

In 2009, the estimated value of above thresholds procurement, based on official journal data, amounted to 420 billion EUR.

The breakdowns, based on Member States reporting complemented by official journal data, detail the volume of above threshold procurement at 353 billion EUR or 84% of the estimated above thresholds procurement.

Below thresholds expenditures can be estimated by deducting above thresholds procurement from total expenditures. This estimate also includes procurement below thresholds covered by GPA and

other expenditures not covered by EU directives i.e. health, education and social services and explicit exclusions such as supply of energy, fuels for the production of energy, expenditure on water and defence equipment.

The value of contracts above thresholds covered by GPA totals 250.84 billion EUR for 2009. When comparing with the preceding years, the above-thresholds procurement covered by GPA was 293 billion EUR in 2007 and 246.78 billion EU in 2008.

The total value of contracts awarded under the Article XV cases has amounted to 14.45 billion EUR in 2009, hence only 5.7% of all its procurement covered by the GPA.

Finally, the EU wishes to underline that:

- Contracts from central government authorities covered by GPA reached 64.93 billion EUR in 2009 (57.7 billion EUR in 2008);
- Contracts from utilities covered by GPA amounted to 39 billion EUR in 2008 and have risen to 48 billion EUR in 2009. In parallel contracts from utilities not covered by GPA have fallen from 28.1 billion EUR in 2008 to 23.7 billion EUR in 2009;
- Contracts from local and regional authorities covered by GPA have fallen from 150 billion EUR in 2008 to 138 billion EUR in 2009.

### Methodological issues

The EU statistical report for 2009 is structured as follows:

- Estimated value of above- and below-thresholds procurement;
- Estimated value of above-threshold procurement;
- Detailed breakdown for Annex 1 and EU central government authorities not covered by GPA – total value of contracts for each contracting authority of Annex 1 broken down by type of contract (services, works, supplies), type of purchase (by CPV – cf. infra) and Art XV cases (only for entities covered by GPA);
- Detailed breakdown for Annex 2 – total value of contracts for regional and local authorities and bodies governed by public law broken down by type of contract (services, works, supplies), type of purchase (by CPV – cf. infra) and Art XV cases;
- Detailed breakdown for Annex 3 and utilities not covered by GPA (railways, gas and other entities) – total value of contracts for utilities covered by the GPA (airports, ports, urban transport, electricity and water) broken down by type of contract (services, works, supplies), type of purchase (by CPV – cf. infra) and Art XV cases (except for railways, gas and other entities).

The EU statistical report contains summary tables consolidating the statistical reports of each of its 27 Member States. In this report, the EU has also made an important effort to report extensively the EU institutions contracts. From 2009, in addition to the Council and European Commission contracts, the report will include EU delegations to third countries. This is reflected in the significant increase of the amount of EU institution procurement reported for 2009.

The EU recognises that further progress is still necessary to record cross-border procurement (i.e. nationality of suppliers). The EU welcomes the possibility to discuss this and other technical matters with other GPA Parties within the Special Committee to seek satisfactory solutions allowing for a proper monitoring of the Agreement.

- a. Estimated value of above- and below-threshold procurement

As with the 1996-2008 reports, the EU estimates this expenditure on the basis of the national accounts of its Member States, which are harmonised through the ESA95 system that transposes

the System of National Accounts (SNA) adopted by the United Nations Statistical Commission, and through input-output tables for utilities (Annex 3). The former is the sum of gross fixed capital formation, intermediate consumption and a part of social transfers in kind. Data is broken down by level of government (central government, State government, local government and social security funds). Purchases of utilities are derived from input-output tables and have been crosschecked by estimating their procurement through financial accounts (through the sum of fixed capital investment cash flows and costs of purchases of services and goods in the profit-and-loss account).

The EU believes that this is the most reliable method to estimate the volume of public procurement below the thresholds as each EU Member State has implemented different types of legislation for its below-threshold procurement (national publication obligations apply at different thresholds in each Member States). This is the method also used within the EU to estimate the public expenditure falling outside of the scope of the EU Directives.

b. Estimated value of above-threshold procurement

The EC estimates public procurement above the thresholds on the basis of the number of calls for competition published in the Official Journal.

c. Detailed breakdowns

The EU has been putting considerable effort into providing a detailed reporting for **all administrative levels** and for **above-threshold procurement**.

The volume of data reported in the EU statistical reports have been evolving from 70.6 billion EUR in 1996 to 353.40 billion EUR in 2009.

Breakdowns have been based on two sources: data provided by the EU Member States and/or the Official Journal.

### **Listing of contracts by CPV**

The EU has opted to present its statistical reports on the basis of the CPV, the Common Procurement Vocabulary. The CPV provides a much more refined way to identify contracts that are covered by the GPA or not, avoiding therefore the hassle of complex correspondences between classifications.

The statistical report uses the CPV in force in 2008 in the EU, the CPV 2003, which has been laid down under Regulation 2195/2002 as amended by Regulation 2151/2003. This Regulation contains in its Annexes detailed tables of correspondence with the CPC prov., the NACE and the Combined Nomenclature. The CPV was also amended during 2008 via Regulation (EC) 213/2008. Those data using this latest CPV were transposed into the CPV 2003 for statistical purposes only.

### **Supplier and service provider nationality**

The EU has not yet found a consistent method to trace contracts awarded to companies from other GPA Parties as a large number of contracts were awarded to suppliers that are subsidiaries of foreign companies or agents for foreign suppliers.

Moreover, the EU believes that it is extremely difficult to determine the real beneficiary of a specific transaction.

The EU remains ready to engage in in-depth discussions to determine how to better measure market penetration by companies from countries that are Parties to the Agreement.

### **Values**

All prices are given in Euros, **excluding VAT**. Any comparison between the EU public procurement market and the market of any other Parties requires to be done on a similar statistical basis.

**Art XIX (d)**

The EU has not yet found a consistent method to measure this heading. It is ready to discuss with other Parties on how to measure this heading.

**Other remarks:**

The procurement of EU institutions is provided in a specific report.

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The European Union's statistics for 2009 are available at the following links:

[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_00\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_00_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_01\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_01_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_02\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_02_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_03\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_03_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_04\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_04_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_05\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_05_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_06\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_06_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_07\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_07_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_08\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_08_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_09\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_09_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_10\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_10_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_11\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_11_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_12\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_12_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_13\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_13_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_14\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_14_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_15\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_15_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_16\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_16_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_17\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_17_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_18\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_18_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_19\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_19_e.xlsx)  
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[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_21\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_21_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_22\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_22_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_23\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_23_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_24\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_24_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_25\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_25_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_26\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_26_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_27\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_27_e.xlsx)  
[http://members.wto.org/crnattachments/2014/GPA/EEC/14\\_2062\\_28\\_e.xlsx](http://members.wto.org/crnattachments/2014/GPA/EEC/14_2062_28_e.xlsx)

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