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Committee on Government Procurement

Original: English

**STATISTICS FOR 2011 REPORTED UNDER
ARTICLE XIX:5 OF THE AGREEMENT**

REPORT BY THE EUROPEAN UNION¹

Addendum

The following communication, dated 15 October 2014, is being circulated at the request of the Delegation of the European Union.

**STATISTICAL REPORTS 2010 - 2011 ON PUBLIC PROCUREMENT ACCORDING TO THE
AGREEMENT ON GOVERNMENT PROCUREMENT²**

The European Union (EU) is pleased to submit to the GPA Committee its statistical reports for the years 2010 and 2011.

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 the 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 reporting on overall procurement, but to focus their efforts on reporting 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.

1 OUTLINE OF THE REPORTS

EU procurement: Key figures in billion euros	2009	2010	2011
Value of contracts covered by GPA	250.84	227.94	237.176
Value of contracts above thresholds	353.40	318.81	335.37
Value of contracts awarded under Article XV GPA	14.45	9.87	7.26
Total expenditures on goods and services	2,346.01	2,416.55	2,405.88

a. Value of contracts covered by GPA

The value of contracts above the thresholds covered by GPA totals 227.94 billion EUR for 2010 and 237.176 billion EUR for 2011. When comparing with previous years, the above-thresholds procurement covered by GPA was 246.78 billion EUR in 2008 and 250.84 billion EU in 2009.

¹ In English only.

² This explanatory note relates to the EU's statistical reports to the Committee on Government Procurement for both 2010 and 2011. The reports for 2010 are available in GPA/108/Add.7.

b. Value of above thresholds procurement

From 2009 to 2010, the estimated value of above thresholds procurement, based only on Official Journal data, increased from 420.43 to 447.03 billion EUR. By contrast, between 2010 and 2011, the estimated value of above thresholds procurement fell from 447.03 to 425.44 billion EUR reflecting the evolution of government expenditures.

The reported value of above thresholds procurement, based on Member States reporting complemented by official journal data, amounted to 353.40 billion EUR in 2009, 318.81 billion EUR in 2010 and 335.37 billion EUR in 2011 and accounted for respectively 84%, 71% and 79% of the estimated above thresholds procurement.

c. Limited tendering contracts (contracts awarded under Article XV GPA)

The total value of contracts awarded under Article XV cases has amounted to 14.45 billion EUR in 2009, 9.87 billion EUR in 2010 and 7.26 billion EUR in 2011, representing respectively 5.76%, 4.33% and 3% of the procurement covered by the GPA.

d. Estimated value of above and below thresholds procurement

The EU estimates the value of above and below thresholds procurement by calculating the total expenditures on goods and services (incl. construction services) by public authorities and utilities in Europe (for detailed methodology see para 2 a). This estimate reached 2,346.01 billion EUR in 2009, 2,416.55 billion EUR in 2010 and 2,405.88 billion EUR in 2011.

The value of contracts below thresholds can be estimated by deducting above thresholds procurement from the total expenditures on goods and services. This estimate includes procurement below thresholds covered by GPA and also 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.

2 METHODOLOGICAL ISSUES

The EU statistical reports for 2010 and 2011 are structured as follows:

- Estimated value of above- and below-thresholds procurement
- Estimated value of above-thresholds 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 these reports, the EU has also made an important effort to report extensively on contracts tendered by the EU institutions.

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 which would allow proper monitoring of the agreement.

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

As with the 1996-2009 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 for purchasing 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 thresholds as each EU Member State has implemented different types of legislation for its below-threshold procurement (national publication obligations apply for different thresholds in each Member States). This is the method also used within the EU to estimate public expenditure falling outside 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 put a considerable effort into providing detailed reporting for **all administrative levels** and for **above-thresholds procurement**.

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 Common Procurement Vocabulary (CPV). The CPV provides a much more refined way of identifying contracts that are covered by the GPA or not, avoiding therefore the difficulties involved in verifying complex correlations between classifications.

The statistical reports use 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.

Article 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 carried out by the EU institutions is provided in a specific report.

The European Union's statistics for 2011 are available at the following links:

http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_00_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_01_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_02_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_03_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_04_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_05_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_06_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_07_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_08_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_09_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_10_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_11_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_12_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_13_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_14_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_15_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_16_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_17_e.xlsx
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http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_25_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_26_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_27_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_28_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_29_e.xlsx
http://members.wto.org/crnattachments/2014/GPA/EEC/14_4699_30_e.xlsx
