

PUBLIC PROCUREMENT INDICATORS 2011, Brussels, 5 December 2012

1. INTRODUCTION

This document provides estimates of three indicators of performance in public procurement within the EU. The indicators are derived from information published in the Official Journal of the European Union through the Tenders Electronic Daily database (TED), from National Accounts data provided by National Statistical Institutes to Eurostat and from annual reports and other sources for some of the utilities sectors. They are estimates of:

- the total expenditure on works, goods and services by the general government and utilities sectors for 2007-11,
- the value of calls for tender published in the Official Journal for 2007-11, and
- the number of calls for tender published in the Official Journal in 2007-11.

The value of the utility component of the total expenditure on works goods and services has not yet been estimated for 2011 for technical reasons. Further work will be needed to determine whether it can continue to be usefully estimated, whether a revised definition or methodology can be substituted or whether a new series is required. In this document the 2010 utility figures have been carried forward.

2. TOTAL EXPENDITURE ON WORKS, GOODS AND SERVICES

Table 1 provides, for 2007 to 2011, a very broad estimate of the total expenditure of the government, public sector and utility service providers on public works, goods and services. The figures for the government sector are derived from ESA 95 data for National Accounts.¹ There have been structural changes in some of the source data from which the estimate of procurement expenditure for the utility sector is derived which make it impossible to calculate a comparable set of numbers for 2011. Further work is underway with Eurostat to assess whether an alternative set of reliable data can be used.

The figures include expenditure on items which are clearly exempt under the public procurement Directives 2004/17/EC and 2004/18/EC, such as fuel for energy generation and warlike materials,² as well as other excluded items such as the purchase of land or existing buildings and contracts below the thresholds of the Directives. They include estimates of expenditure by sectors excluded under Article 30 of Directive 2004/17/EC. They also include, for example, the costs of health care and medical products reimbursed through statutory health insurance funds or by government.³

¹ They are the sum of the aggregates P2 (intermediate consumption), P51 (Gross fixed capital formation) and D6311_D63121_D63131PAY (social transfers in kind related to expenditure on products supplied to households via market producers, payable) for S.13 (general government sector) of table 2 ("main aggregates of general government") of the ESA95 transmission programme.

² The procurement of warlike materials is now subject to Directive 2009/81/EC (the defence procurement directive), which Member States were required to transpose by 21 August 2011.

³ A fuller explanation and estimates of these various exemptions and exclusions is presented in the Evaluation Report: Impact and Effectiveness of EU Public Procurement Legislation, SEC(2011) 853 final.

Data for the energy, water, coal, oil and gas utility sectors are extrapolated from the latest available intermediate consumption data⁴ reported in ESA 95 compliant national account data and from some other sources such as company accounts for sectors, such as rail, urban transport, ports and airports, which are not separately detailed in national accounts. As it has not been possible to update the estimated total expenditure on goods, works and services by the utilities sector, the figures for the last year (2010) have been taken: the 2011 utility component for each Member State is precisely the same value as for 2010.

This indicator may be further revised, pending the result of further work on the utility data. It could also be considered whether, for example, this indicator should be restricted to the general government sector in future.

Table 1. Estimate of total expenditure by general government and utilities on works, goods and services. [2010 utilities estimate re-used for 2011]					
Billion €	2007	2008	2009	2010	2011
Belgium	49,60	53,50	56,74	58,06	60,68
Bulgaria	4,96	7,03	6,49	6,49	6,47
Czech Republic	30,17	37,42	36,38	37,21	36,70
Denmark	34,57	36,98	39,29	41,08	41,08
Germany	410,10	435,73	465,36	485,36	496,20
Estonia	2,80	3,05	2,88	2,81	3,00
Ireland	27,71	29,57	26,35	25,21	23,23
Greece	26,96	28,35	29,27	23,88	18,41
Spain	169,62	174,38	182,02	177,20	164,78
France	327,88	340,63	357,28	367,43	369,79
Italy	227,13	234,96	250,81	251,81	251,56
Cyprus	1,49	1,64	1,88	1,92	1,86
Latvia	4,21	3,69	3,75	3,70	4,06
Lithuania	4,69	5,27	4,45	4,91	4,94
Luxembourg	4,94	5,43	5,79	6,25	6,41
Hungary	20,57	21,42	21,13	22,42	22,04
Malta	0,77	0,79	0,81	0,84	0,91
Netherlands	151,49	162,38	173,72	177,61	177,62
Austria	53,56	59,26	62,45	65,48	65,99
Poland	56,32	66,76	62,31	73,13	73,54
Portugal	30,46	30,87	34,19	36,76	33,75
Romania	29,61	33,75	30,98	32,32	33,56
Slovenia	5,26	5,95	6,15	6,30	6,11
Slovakia	12,96	14,09	15,12	15,53	15,21
Finland	29,46	32,40	34,08	35,06	36,31
Sweden	59,43	61,30	59,34	68,17	73,73
United Kingdom	401,86	377,02	376,99	389,61	377,94
Total EU 27	2 178,55	2 263,62	2 346,00	2 416,52	2 405,89

⁴ Latest data for most MS was for 2007, Greece, Hungary and the UK 2008, Cyprus 2009 and Malta 2010.

A breakdown of the 2011 indicator into its constituent parts may give a better idea of how the composition of this total expenditure figure varies across Member States. Figure 1 shows total expenditure broken down into four constituents: general government intermediate consumption, general government Gross Fixed Capital Formation (GFCF), general government social transfers in kind and utilities expenditure. For the United Kingdom and Greece, social transfers in kind are not provided separately in Eurostat's government finance statistics and are subsumed within intermediate consumption. In order to present the breakdown in more easily comparable form this is shown as a percentage of GDP by Member State.

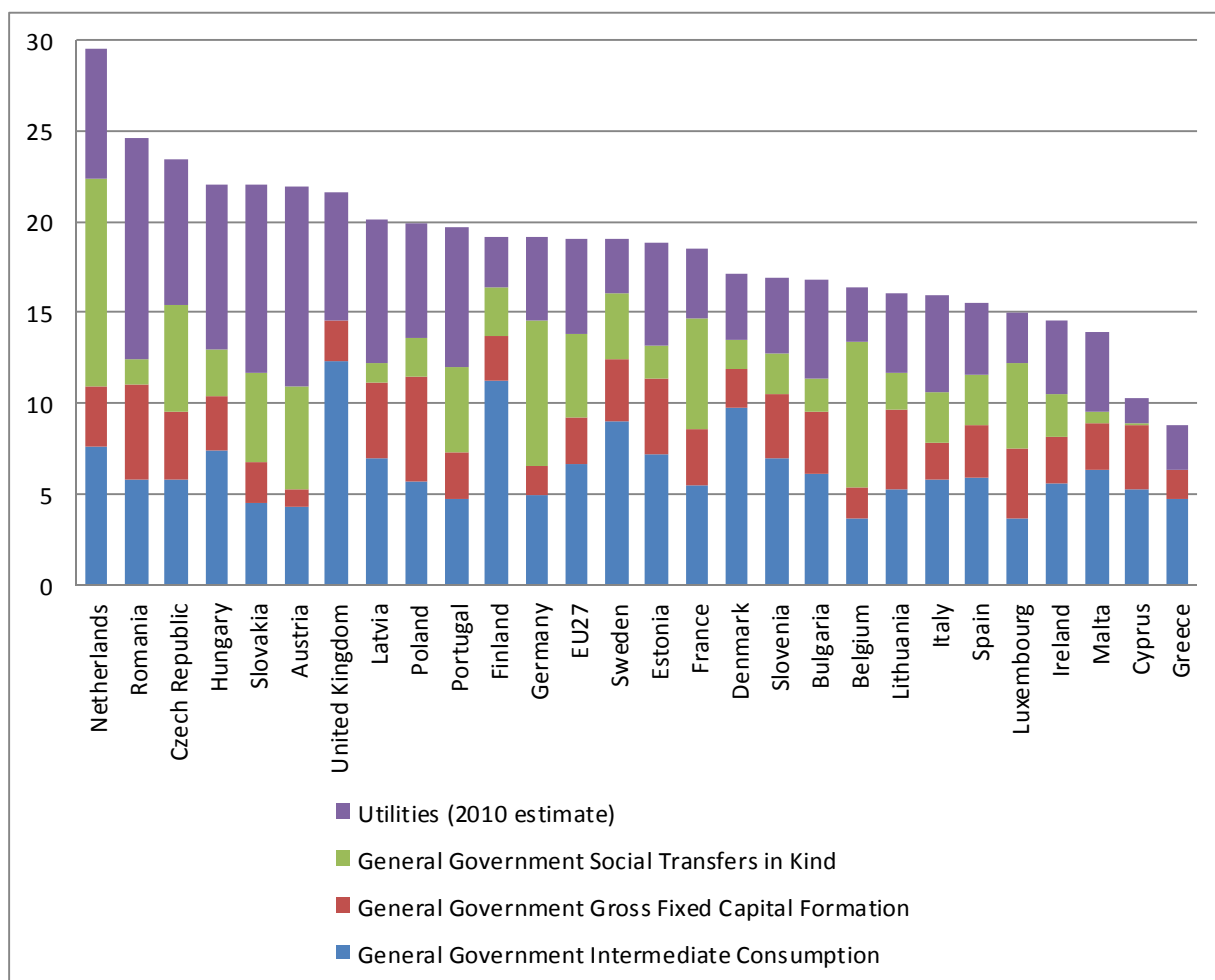


Figure 1: breakdown of total expenditure on goods, works and services

3. THE ESTIMATED VALUE OF TENDERS PUBLISHED IN TED

This indicator estimates the value of procurement for which tenders have been published in TED. The calculation of the number of tenders or calls for competition is explained in section 4 and the values used are those presented in table 3.

These figures are calculated by the services of the Commission from the information published in the Official Journal and the TED database. For each of the sectors works, supplies and services, the number of calls for competition published is multiplied by an average based, in general, on all the prices provided in the contract award notices published

during the relevant year. Contracts above €100 Million have been taken at their own value but not included for the calculation of these averages.

Further work is underway, as discussed earlier in the year, to improve the accuracy and reliability of these estimates, particularly with respect to missing data and their convergence with Member States' statistical reports.

Billion €	2007	2008	2009	2010	2011
Belgium	10,56	12,35	13,53	10,96	10,93
Bulgaria	2,45	2,96	4,14	2,3	2,83
Czech Republic	5,21	7,9	7,11	8,07	9,52
Denmark	7,31	6,92	8,83	10,28	11,75
Germany	27,07	29,65	34,14	32,85	33,79
Estonia	1,13	1,32	1,15	1,51	2,62
Ireland	6,37	4,48	3,52	3,65	3,49
Greece	7,98	6,64	8,7	5,47	4,68
Spain	42,97	39,28	35,45	34,06	25,08
France	63,96	71,86	73,11	66,71	80,66
Italy	35,5	36,32	38,67	53,12	45,91
Cyprus	0,81	0,81	1,41	0,9	0,91
Latvia	2,61	2,21	1,59	2,06	3,55
Lithuania	1,2	1,17	1,29	1,33	1,71
Luxembourg	0,45	0,51	0,57	0,61	0,56
Hungary	4,57	5,45	5,86	5,52	5,13
Malta	0,11	0,07	0,4	0,26	0,29
Netherlands	10,19	11,13	11,6	10,92	9,74
Austria	4,55	6,86	6,4	6,59	5,53
Poland	18,13	25,95	25,54	30,9	28,57
Portugal	2,9	4,33	5,75	7,08	3,67
Romania	9,12	10,29	7,56	7,6	10,37
Slovenia	2,26	1,9	2,12	1,63	1,94
Slovakia	1,97	2,41	4,31	7,62	3,98
Finland	6,39	7,3	8,36	8,25	8,14
Sweden	10,24	11,82	12,43	16,88	15,41
United Kingdom	81,19	80,55	96,89	109,88	94,69
Total EU 27	367,2	392,42	420,44	447,03	425,44

In the case of the Czech Republic, Denmark, Estonia, Finland, Ireland, Greece, Cyprus, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovenia and Slovakia the averages are based on all available prices from 2005-2011. For Bulgaria and Romania the averages are based on all the prices from 2007-2011. The limitations of the data available may affect the reliability of the figures for some of these Member States.

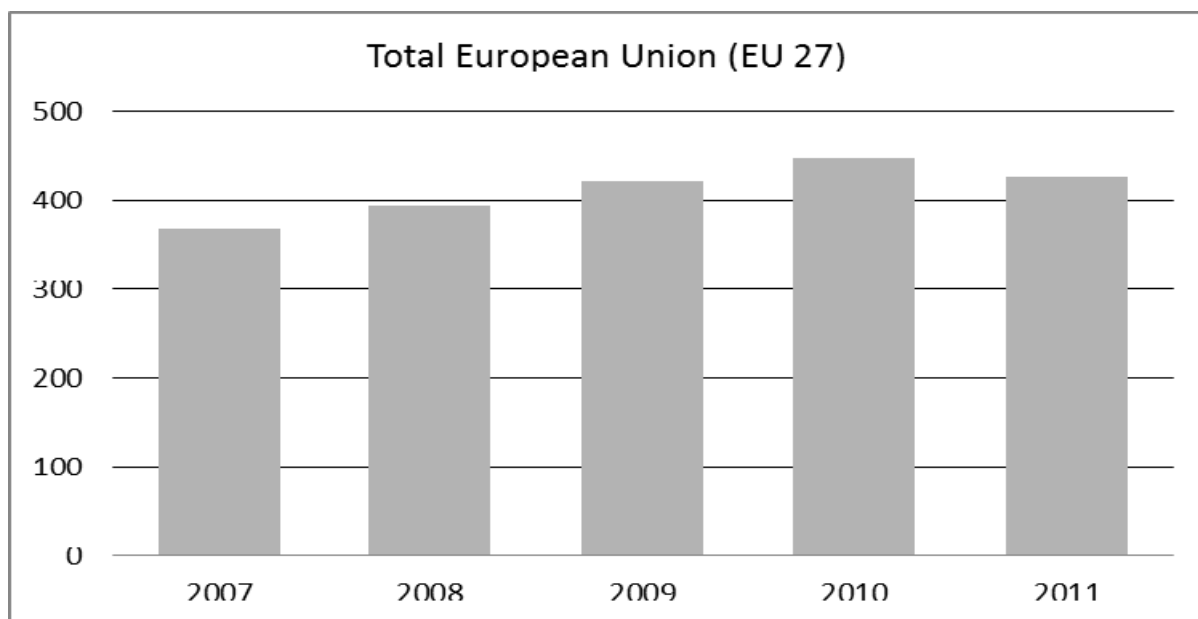


Figure 2. The estimated value of tenders published in TED (2007 - 2011) in €billion

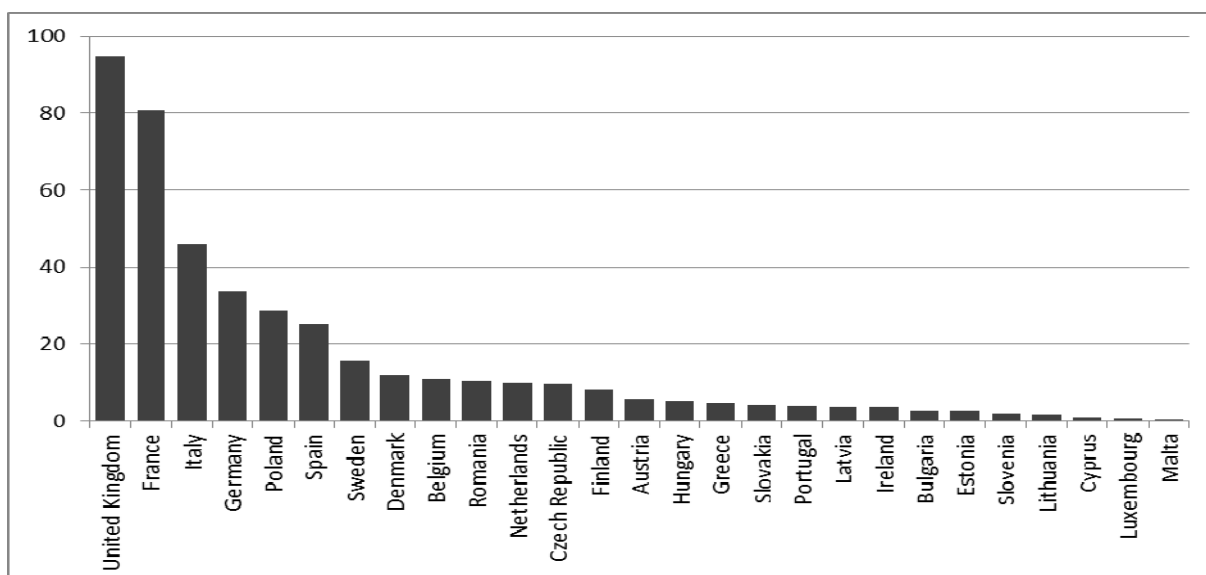


Figure 3 The estimated value of tenders published in TED by Member State in 2011 in €billion

As from 2007 prices from contract award notices for services listed in Annex II B of Directive 2004/18/EC, Annex XVII B of Directive 2004/17/EC or Annexe II of Directive 2009/81/EC which have not been competitively tendered and for which contract notices have not been published are not used to establish the averages.

However, contracts for services listed in Annex II B of Directive 2004/18/EC, Annex XVII B of Directive 2004/17/EC or Annexe II of Directive 2009/81/EC for which a contract notice has been published and which have effectively been competitively tendered have been included in the total. The effect of this modification will still not be fully reflected in the figures for those Member States where the averages are based on prices from years 2005-2011.

The estimated value of tenders published has fallen in the majority of Member States: Belgium, Ireland, Greece, Spain, Italy, Luxembourg, Hungary, the Netherlands, Austria, Poland, Portugal, Slovakia, Finland, Sweden and the United Kingdom.

4. THE NUMBER OF TENDERS PUBLISHED IN THE OFFICIAL JOURNAL

These figures are estimates by the services of the Commission from the information published in the TED database. They include periodic information and qualification system notices which constitute a call for competition as well as contract notices. For 2011 the figures include defence notices published under Directive 2009/81/EC. They do not include voluntary ex ante transparency notices.

	2007	2008	2009	2010	2011
Belgium	3 553	4 450	4 371	4 557	5 477
Bulgaria	953	1 777	1 323	1 397	1 821
Czech Republic	2 449	2 419	2 687	2 961	3 769
Denmark	1 707	1 979	1 873	2 169	2 619
Germany	16 196	17 377	20 694	21 836	22 370
Estonia	382	514	417	636	816
Ireland	1 801	1 572	1 292	1 296	1 356
Greece	3 485	2 970	2 662	3 494	2 354
Spain	9 909	10 843	11 469	10 539	8 811
France	41 987	42 548	43 180	45 315	45 916
Italy	9 400	9 716	9 410	9 699	9 544
Cyprus	386	446	496	473	458
Latvia	1 068	1 023	694	790	986
Lithuania	1 675	1 637	1 340	1 809	2 413
Luxembourg	336	369	390	399	367
Hungary	1 904	2 354	2 777	2 741	2 640
Malta	187	106	311	166	230
Netherlands	3 743	3 972	4 340	4 032	3 949
Austria	2 971	3 188	3 089	2 941	3 042
Poland	11 081	13 362	14 161	18 507	21 209
Portugal	1 246	1 445	1 539	1 798	1 623
Romania	5 650	5 480	3 859	3 676	4 001
Slovenia	1 161	1 240	1 310	1 280	1 485
Slovakia	505	619	813	781	1 164
Finland	2 198	2 746	2 963	3 193	3 252
Sweden	3 909	3 936	4 185	4 948	5 479
United Kingdom	12 849	13 360	13 182	11 625	11 009
Total EU 27	142 691	151 448	154 827	163 058	168 160

The total number of calls for competition advertised in TED has continued to increase, but the number has fallen for nine Member States: Greece, Spain, Italy, Cyprus, Luxembourg, Hungary, the Netherlands, Portugal and the United Kingdom.

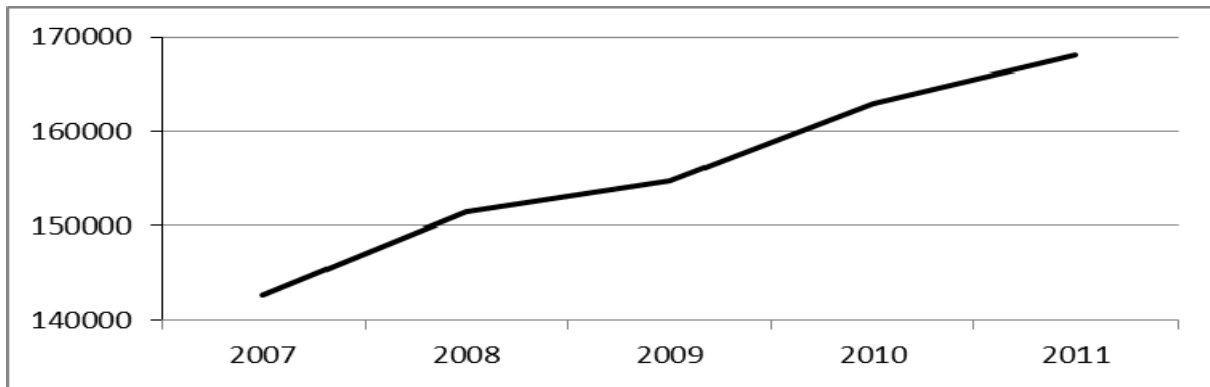


Figure 4 The number of tenders published in TED (2007-2011)

5. COMPARISONS AND CONCLUSIONS

The value of public procurement published in TED can also be expressed as a percentage of the total value of public procurement and as a percentage of GDP, in order to provide easier comparison by Member State and over time.

	2007	2008	2009	2010	2011
Belgium	21,3	23,1	23,8	18,9	18,0
Bulgaria	49,4	42,1	63,7	35,4	43,8
Czech Republic	17,3	21,1	19,5	21,7	26,0
Denmark	21,1	18,7	22,5	25,0	28,6
Germany	6,6	6,8	7,3	6,8	6,8
Estonia	40,4	43,2	39,9	53,8	87,2
Ireland	23,0	15,2	13,4	14,5	15,0
Greece	29,6	23,4	29,7	22,9	25,4
Spain	25,3	22,5	19,5	19,2	15,2
France	19,5	21,1	20,5	18,2	21,8
Italy	15,6	15,5	15,4	21,1	18,3
Cyprus	54,5	49,5	74,9	46,8	48,7
Latvia	62,1	59,8	42,5	55,7	87,2
Lithuania	25,6	22,2	29,0	27,1	34,7
Luxembourg	9,1	9,4	9,8	9,8	8,7
Hungary	22,2	25,4	27,7	24,6	23,3
Malta	14,3	8,8	49,6	31,1	32,0
Netherlands	6,7	6,9	6,7	6,1	5,5
Austria	8,5	11,6	10,2	10,1	8,4
Poland	32,2	38,9	41,0	42,3	38,9
Portugal	9,5	14,0	16,8	19,3	10,9
Romania	30,8	30,5	24,4	23,5	30,9
Slovenia	42,9	31,9	34,5	25,9	31,7
Slovakia	15,2	17,1	28,5	49,1	26,2
Finland	21,7	22,5	24,5	23,5	22,4
Sweden	17,2	19,3	20,9	24,8	20,9
United Kingdom	20,2	21,4	25,7	28,2	25,1
Total EU 27	16,9	17,3	17,9	18,5	17,7

Table 5. The estimated value of tenders published in TED as a percentage of GDP					
	2007	2008	2009	2010	2011
Belgium	3,1	3,6	4,0	3,1	3,0
Bulgaria	8,0	8,4	11,9	6,4	7,4
Czech Republic	3,9	5,1	5,0	5,4	6,1
Denmark	3,2	2,9	3,9	4,3	4,9
Germany	1,1	1,2	1,4	1,3	1,3
Estonia	7,0	8,1	8,4	10,5	16,4
Ireland	3,4	2,5	2,2	2,3	2,2
Greece	3,6	2,8	3,8	2,5	2,2
Spain	4,1	3,6	3,4	3,2	2,4
France	3,4	3,7	3,9	3,4	4,0
Italy	2,3	2,3	2,5	3,4	2,9
Cyprus	5,1	4,7	8,4	5,2	5,1
Latvia	12,4	9,7	8,6	11,4	17,6
Lithuania	4,2	3,6	4,8	4,8	5,6
Luxembourg	1,2	1,4	1,6	1,5	1,3
Hungary	4,6	5,2	6,4	5,7	5,1
Malta	2,0	1,2	6,8	4,2	4,5
Netherlands	1,8	1,9	2,0	1,9	1,6
Austria	1,7	2,4	2,3	2,3	1,8
Poland	5,8	7,1	8,2	8,7	7,7
Portugal	1,7	2,5	3,4	4,1	2,1
Romania	7,3	7,4	6,4	6,1	7,6
Slovenia	6,5	5,1	6,0	4,6	5,4
Slovakia	3,6	3,7	6,9	11,6	5,8
Finland	3,6	3,9	4,9	4,6	4,3
Sweden	3,0	3,5	4,2	4,8	4,0
United Kingdom	3,9	4,5	6,2	6,4	5,4
Total EU 27	3,0	3,1	3,6	3,6	3,4

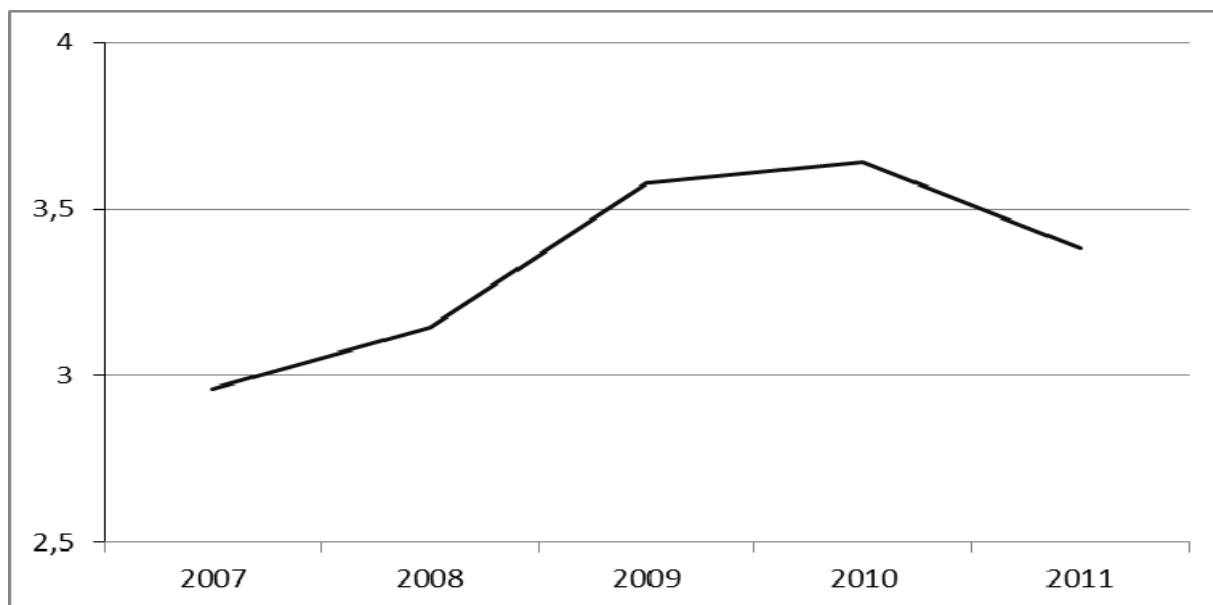


Figure 5. The value of calls for tender published in TED as a percentage of GDP in 2007 - 2011

The variation in the value of what is published in TED as a percentage of GDP shows striking differences across the EU (see Figure 6 below). In four Member States, the value is below 2% in 2011: Austria (1,8%), Germany (1,3%), Luxembourg (1,3%) and The Netherlands (1,6%). For these four countries, the value has been below the EU average every year from 2007 to 2011. Conversely, over the period 2007-2011 the estimated value of tenders published in TED was more than double the EU average in five Member States: Bulgaria, Estonia, Latvia, Poland and Romania.

What might be an explanation of this variation? EU 27 GDP contracted by 5,7% (or 4,3% in real volume terms adjusted for price inflation) in 2009 but the overall value of procurement continued to increase in both 2009 and 2010. As well as the change in the number of tenders being advertised there is also a difference in the average value of contracts awarded. However, austerity in response to the current crisis, while significant in a number of Member States, does not explain the persistent differences between Member States, over time, which are evident in table 5.

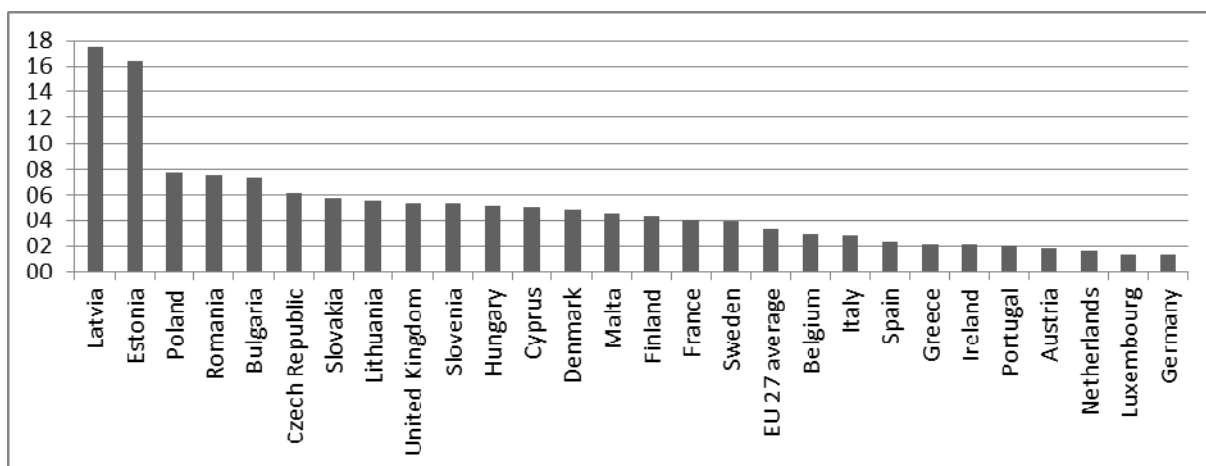


Figure 6. The value of calls for tender published in TED as a percentage of GDP in 2011 by Member State

The four Member States with the lowest relative volumes of procurement advertised in TED also have the lowest value of public procurement published in TED expressed as a percentage of the total expenditure on goods, works and services. This suggests that differences in the overall level of public expenditure alone do not at first sight appear to account for this pattern.

Differences in the distribution of contract sizes, which could for example be linked to different degrees of decentralisation across the Member States, could in principle also influence the relative proportion of procurement advertised in TED. There are indeed significant differences in the average value of contracts advertised in TED across the Member States. However, countries with similar average contract values rank very differently in terms of the estimated relative value of tenders published in TED. This again suggests that differences in the distribution of contract values alone do not at first sight appear to account for this pattern.

The indicator of total expenditure by the government and the utility sectors on works, goods and services as a percentage of GDP is provided in table 6.

	2007	2008	2009	2010	2011
Belgium	14,8	15,4	16,6	16,3	16,4
Bulgaria	16,1	19,8	18,6	18,0	16,8
Czech Republic	22,9	24,3	25,6	24,8	23,5
Denmark	15,2	15,7	17,6	17,4	17,1
Germany	16,9	17,6	19,6	19,4	19,1
Estonia	17,4	18,8	20,9	19,6	18,8
Ireland	14,7	16,5	16,3	16,1	14,6
Greece	12,1	12,2	12,7	10,7	8,8
Spain	16,1	16,0	17,4	16,9	15,5
France	17,4	17,6	18,9	19,0	18,5
Italy	14,6	14,9	16,5	16,2	15,9
Cyprus	9,3	9,5	11,2	11,0	10,3
Latvia	20,0	16,1	20,2	20,5	20,1
Lithuania	16,3	16,2	16,7	17,8	16,0
Luxembourg	13,2	14,5	16,1	15,7	15,0
Hungary	20,7	20,3	23,1	23,2	22,1
Malta	14,1	13,5	13,8	13,4	14,0
Netherlands	26,5	27,3	30,3	30,2	29,5
Austria	19,5	21,0	22,6	22,9	21,9
Poland	18,1	18,4	20,1	20,6	19,9
Portugal	18,0	18,0	20,3	21,3	19,7
Romania	23,7	24,1	26,2	26,1	24,6
Slovenia	15,2	16,0	17,3	17,7	16,9
Slovakia	23,6	21,9	24,1	23,6	22,0
Finland	16,4	17,5	19,8	19,6	19,2
Sweden	17,6	18,4	20,3	19,5	19,0
United Kingdom	19,5	20,8	24,0	22,8	21,6
Total EU 27	17,6	18,1	20,0	19,7	19,0

Some of the variation could also be an artefact of the methodology that the Commission services use to estimate the value of tenders published in TED. There are significant differences between the estimates of procurement expenditure submitted in the Statistical Reports and the Commission's own estimates. However, there does not appear to be any bias towards underestimating expenditure in the Commission's estimates. For example, for the four countries with the lowest relative volumes of tenders advertised in TED, the Commission's estimates are lower than the figures reported in the Statistical Reports only for the Netherlands.

As noted above further work is already being undertaken to improve the reliability of these estimates. With more reliable data it should be possible to look into the reasons for this persistent difference in the relative volumes of procurement advertised, in order to investigate whether they reflect structural differences in the organisation of procurement or in the provision of public services.