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GeM: Government e-Marketplace

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Every year the government buys goods and services worth a huge share of the economy. GeM puts that buying on one open online platform.

1 What is GeM?

GeM is the Government e-Marketplace. It is an online platform for public procurement in India. Public procurement means the government buying goods and services.

When was it launched?

The Ministry of Commerce and Industry launched GeM on 9 August 2016. The aim was an open and transparent procurement platform for government buyers.

Who can sell on it?

GeM is open to sellers from across the country. They can be government or private. Big and small sellers get direct access to government buyers.

> **Quick check 1.** GeM was launched on 9 August 2016. *(True or False?)* See answer ↓

Sources: pib.gov.in

2 Why was GeM needed?

Public procurement is a big part of the economy. It accounts for roughly 20-22% of India's GDP. So buying badly wastes a lot of public money.

What was wrong with the old system?

The earlier system relied on a manual process. GeM replaced it with an online platform. Officials now buy through tools built into the portal.

Which tools does GeM use?

GeM uses e-bidding, reverse e-auction and demand aggregation. These help the government get the best value for the taxpayer's money.

Is buying from GeM compulsory?

For Central Government bodies, yes. The General Financial Rules were amended. All Central Government organisations and departments must procure from GeM.

> **Quick check 2.** Buying from GeM is optional for Central Government organisations. *(True or False?)* See answer ↓

Sources: pib.gov.in

3 How was GeM set up?

The Cabinet took the decision on 12 April 2017. A Special Purpose Vehicle was then set up on 17 May 2017. It was created in a record time of five months.

What does the portal handle?

GeM facilitates online procurement of common-use goods and services. Government organisations are the buyers.

What is the direct-buy limit?

A buyer can purchase directly from available vendors up to Rs 25,000. The item must meet the quality, specification and delivery needs. Above Rs 25,000, a buyer must follow a comparison or bidding route.

> **Quick check 3.** The GeM SPV was set up on 17 May 2017. *(True or False?)* See answer ↓

Sources: static.pib.gov.in

4 What are the three core principles of GeM?

GeM rests on three core elements. They are openness, fairness and inclusiveness. Exams often ask you to name them.

What does openness mean?

GeM must promote access to information and transparency. Information on sellers, goods and services should be easy to find.

What does fairness mean?

All sellers, big and small, are treated fairly. GeM does not give promotional treatment to one seller over another.

What does inclusiveness mean?

All government buyers and sellers are accepted on the platform. Those who do not know GeM get training, onboarding and support.

Quick check 4. Openness, fairness and inclusiveness are the three core elements of GeM. *(True or False?)* See answer ↓

Sources: pib.gov.in

5 How does GeM include small sellers?

GeM runs special schemes for groups that find it hard to sell to the government. Each has a clear target group.

Scheme	Who it helps	What it does
SWAYATT	Startups, women, MSEs, SHGs and youth	Builds direct market links and onboards last-mile sellers
Startup Runway 2.0	Startups	Dedicated category, whether DPIIT-certified or not
Womaniya	Women entrepreneurs and women self-help groups	Showcases their products to government buyers
SARAS Collection	Self-help groups	Handcrafted and handloom products

How does this link to reservation?

Womaniya aligns with the 3 percent reservation in public procurement for women MSME entrepreneurs. There is also a 25 percent procurement goal for MSMEs. Within it, there is a 4 percent sub-target for SC/ST MSME entrepreneurs.

Does it work?

By 2022, MSE units gave 57% of business on GeM. Female entrepreneurs gave over 6%.

> **Quick check 5.** Womaniya aligns with a 25 percent reservation for women MSMEs. *(True or False?)* See answer ↓

Sources: pib.gov.in; static.pib.gov.in

6 Who else was let in as a buyer?

In June 2022 the Cabinet allowed cooperatives to use GeM as buyers. Until then, GeM was open for procurement by government buyers.

How many cooperatives gain?

More than 8.54 lakh registered cooperatives and their 27 crore members would benefit. GeM stays open to all buyers and sellers across the country.

What is the catch?

The portal is not available for use by private sector buyers. Cooperatives were the new buyer group.

> **Quick check 6.** In 2022 the Cabinet let private sector buyers use GeM. *(True or False?)* See answer ↓

Sources: pib.gov.in

7 What did GeM look like in 2025?

PIB gave a snapshot with data as on 28 February 2025. Use it as a data point, not as a permanent figure.

Item	Figure
Primary buyers	162,985
Secondary buyers	228,754
Product categories	11,006
Service categories	332
Order value, last financial year	Rs 4,03,305 crore
MSE share of total order value	37.87%

Why must you read the year?

Figures on GeM change fast. The 2021 factsheet gave Rs 38,905 crore of order value to date. By 2025 the last financial year alone was Rs 4,03,305 crore. Always match a number to its date.

Now you try

A source says MSEs gave 57% of GMV in FY 2021-22. Another gives 37.87% of order value for 2025. Both can be right, because they measure different years and different bases.

> **Quick check 7.** A 2025 figure and a 2021 figure for GeM can differ widely because they are from different years. *(True or False?)*
>
> See answer ↓

Sources: pib.gov.in

8 Which exam traps should you avoid?

- GeM launched in August 2016, not 2017. The SPV was set up in May 2017.
- GeM is run under the Ministry of Commerce and Industry.
- The three principles are openness, fairness and inclusiveness.
- The direct-buy limit is Rs 25,000.
- The reservation for women MSMEs is 3 percent. The SC/ST sub-target is 4 percent.
- Cooperatives were added as buyers in 2022. Private buyers were not.

What is the memory hook?

Open, fair, inclusive. Launched 2016, SPV 2017, cooperatives 2022.

Sources: pib.gov.in

Practice MCQs

1. Who launched the Government e-Marketplace (GeM) in August 2016?

A. Ministry of Commerce and Industry

B. Ministry of Finance

C. NITI Aayog

D. Ministry of Electronics and IT

See answer ↓

2. Which three core elements characterise GeM?

A. Tenders, quotes and bids

B. Openness, fairness and inclusiveness

C. Profit, growth and scale

D. Speed, secrecy and savings

See answer ↓

3. Up to what value can a buyer purchase directly from available vendors on GeM?

A. Rs 1 lakh

B. Rs 25,000

C. Rs 5,000

D. Rs 10 lakh

See answer ↓

4. The 2022 Union Cabinet decision on GeM allowed which new group to use it as buyers?

A. Individual citizens

B. Foreign governments

C. Private companies

D. Cooperative societies

See answer ↓

5. Womaniya on GeM aligns with which government policy?

A. A fee waiver for all sellers

B. A 3 percent reservation in public procurement from women MSME entrepreneurs

C. A ban on male sellers

D. A 50 percent quota for startups

See answer ↓

Answer Key

1. **A.** The Ministry of Commerce and Industry launched GeM on 9 August 2016. The aim was an open and transparent procurement platform for government buyers. The other bodies did not launch it. ↑ Q1
2. **B.** PIB names three core elements: openness, fairness and inclusiveness. Openness means access to information. Fairness means no promotional treatment for one seller. Inclusiveness means all buyers and sellers are accepted. ↑ Q2
3. **B.** Procurement up to Rs 25,000 can be bought directly if it meets quality, specification and delivery needs. Above Rs 25,000, a buyer follows price comparison, bidding or reverse auction. ↑ Q3
4. **D.** The Cabinet allowed cooperatives to buy on GeM. More than 8.54 lakh registered cooperatives and their 27 crore members benefit. The portal is still not available to private sector buyers. ↑ Q4
5. **B.** Womaniya showcases products from women entrepreneurs and women self-help groups. It aligns with the 3 percent reservation in public procurement from women MSME entrepreneurs. The other options are not in the PIB text. ↑ Q5

Quick-check answers

1. **True.** The Ministry of Commerce and Industry launched it on that date. ↑ 1
2. **False.** The General Financial Rules were amended to make it mandatory. ↑ 2
3. **True.** The Cabinet decision came on 12 April 2017. ↑ 3
4. **True.** These are the three core elements. ↑ 4
5. **False.** The women MSME reservation is 3 percent. The 25 percent figure is the MSME procurement goal. ↑ 5
6. **False.** It allowed cooperatives. GeM is still not available to private sector buyers. ↑ 6
7. **True.** GeM figures change fast, so always match a number to its date. ↑ 7

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