



**WTO Symposium on Transparency
in Government Procurement**

Geneva, 9-10 October 2002

**Quantifying the size of
Government Procurement**

by Denis AUDET

The Size of GP Markets

Authors	Countries	Period	% of GDP
<u>System of National Accounts (SNA)</u>			
EC PP (88)	12 EU	1987	11.7%
EC PP (97)	15 EU	1994	11.2-11.8%
EC GP (97)	EU	1994	8.7% <i>est</i>
François	USA	92-93	18.3% <i>est</i>
Trionfetti	9 EU	83-90	7.0-9.0%
<u>Bottom-Up</u>			
Hoekman	20 GPA	83-92	0.42%
EC PP+ (2000)	15 EU	93-98	13.9-14.6%

Methodological Approaches

System of National Accounts (SNA)

- Measure the share of government in the GDP
- Universally applied : reliable country comparison
- Detailed estimates : by levels ; tradable

Bottom-up approaches

- Uneven results
- Binding notifications on procurement entities

System of National Accounts

$$\text{GDP} = C + I + [X - M] + \#inv.$$

$$G = \text{Cons}_{\text{gov}} + \text{Invest}_{\text{gov}}$$

$$\text{GDP} = C_{\text{non-g}} + I_{\text{non-g}} + G + [X - M] + \#inv.$$

Government Procurement

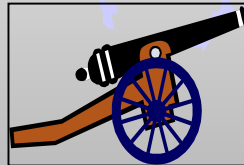
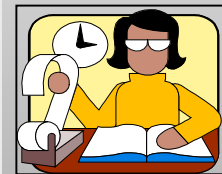


$$G = \text{CONS} + \text{INV}$$

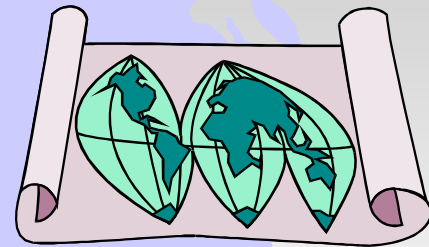
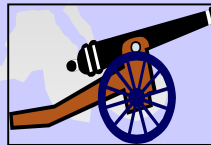
Tradable shares (Theoretical)

G - Compensation **E**mployees (CE)

G - CE - Defence

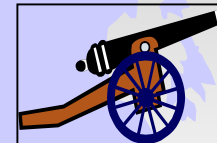
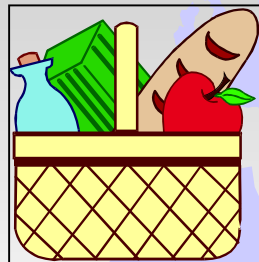


World GP Market in 1998



	G = Consumption + Investment			World	World
	G	G - CE	G - CE - Def	Trade	GDP
				1998	1998
US\$ billion	5,500.6	2,563.5	2,083.0	6,743.0	29,357.7
% of GDP	18.9%	8.73%	7.10%	22.97%	

OECD versus Other Countries



G = Consumption + Investment

G

G - CE

G - CE - Def

19.96%

9.17%

7.57%

14.48%

6.89%

5.10%

OECD  OCDE

**Other
Countries**

GPA Member Countries

Countries	Consumption Expenditure		G = Consumption + Investment		
	Consump.	Cons. - CE	G	G - CE	G - CE - Def
Canada	23.22%	8.87%	25.83%	11.47%	10.40%
EU w. a.	18.80%	6.52%	21.48%	9.24%	8.03%
Hong Kong, China	8.69%	2.49%	11.00%	4.81%	
Iceland	22.09%	9.22%	25.80%	12.92%	11.76%
Israel	25.95%	10.01%			
Japan	10.78%	3.56%	16.77%	9.35%	8.98%
Korea	11.09%	3.98%	16.24%	9.13%	7.20%
Liechtenstein					
Netherlands / Aruba					
Norway	22.02%	8.02%	25.44%	11.44%	9.65%
Singapore	9.35%				
Switzerland	16.21%	5.23%	19.58%	8.60%	8.02%
United States	17.86%	7.17%	19.49%	8.80%	6.18%
OECD w.a.	17.09%	6.31%	19.96%	9.17%	7.57%

Acceding GPA Member Countries

Countries	Consumption Expenditure		G = Consumption + Investment		
	Consump.	Cons. - CE	G	G - CE	G - CE - Def
Acceding Countries					
Albania	10.20%				
Bulgaria	8.08%				
Estonia	16.62%	8.06%	21.05%	12.50%	12.18%
Jordan	23.74%				
Kyrgyz Republic	20.04%	11.74%	21.60%	12.88%	
Latvia	10.70%	7.79%			
Lithuania	15.68%				
Moldova					
Panama	16.37%	3.72%			
Slovenia	19.62%				
Chinese Taipei					
Committed Countries					
China	12.84%				
Croatia					
Georgia					
Mongolia					
Oman	27.34%				
Non-OECD w.a.	14.12%	4.82%	14.48%	6.89%	5.10%

Observer Countries

Countries	Consumption Expenditure		G = Consumption + Investment		
	Consump.	Cons. - CE	G	G - CE	G - CE - Def
Observer Countries					
Argentina					
Australia	17.89%	6.71%	20.02%	8.85%	7.64%
Cameroon	10.22%				
Chile	9.54%				
Colombia	10.27%	1.55%	13.48%	4.75%	4.19%
Czech Republic	20.21%	12.30%	24.94%	17.03%	15.74%
Hungary	26.55%	15.09%	29.77%	18.31%	16.78%
Malta	17.56%	4.24%	21.87%	8.55%	7.99%
Poland	18.61%	6.73%	22.57%	10.69%	9.72%
Slovak Republic	20.49%	10.75%	25.08%	15.34%	14.09%
Turkey	13.89%	3.64%	17.72%	7.47%	6.84%
Non-OECD w.a.	14.12%	4.82%	14.48%	6.89%	5.10%
OECD w.a.	17.09%	6.31%	19.96%	9.17%	7.57%

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Trionfetti	9 EU	83-90		7.0-9.0%
OECD (GP)	28 OECD	90-97	19.96%	7.57%
	15 EU	90-97	21.48%	8.03%
	106 other	90-94	14.48%	5.10%
	World	1998	18.90%	7.10%
<u>Bottom-Up</u>				
Hoekman	20 GPA	83-92	0.42%	
EC PP+ (00)	15 EU	93-98		13.9-14.6%