

### Size of public procurement

Public procurement refers to the purchase by governments and state-owned enterprises of goods, services and works and represents a significant amount of government expenditure. In 2013, governments spent, on average, 29% of the total general government expenditure on public procurement compared to an average level of 30% in 2009. As public procurement accounts for a substantial portion of the taxpayers' money, governments are expected to carry it out efficiently and with high standards of conduct in order to ensure high quality of service delivery and safeguard the public interest.

The size of public procurement varies across OECD countries, ranging from less than 20% of the general government expenditure in Greece and Portugal to more than 35% in countries such as Estonia, Korea and Japan. In terms of GDP, OECD countries reported an average share of 12.1% spent on public procurement in 2013; however, some countries such as Ireland and Switzerland spent less than 10% of their GDP on public procurement whereas in countries such as Finland, France, Japan, the Netherlands and Sweden the figure was higher than 15% of their GDP. Allocating government expenditures efficiently and strategically could help to generate fiscal space, which in turn could enable the realization of fiscal savings or reallocation of resources.

Public procurement at the state and local levels accounts on average for 63% of total procurement spending across OECD countries. In general, federal states report high level of sub-central government spending on procurement, as evidenced by Canada (87%) and Belgium (84%). Nonetheless, unitary states should also direct their efforts to increase efficiency in public procurement at the sub-central government levels as high levels of sub-central government spending on procurement are observed in countries such as Italy (78%), Finland (70%) and Japan (68%).

#### Methodology and definitions

The size of general government procurement spending is estimated using data from the OECD National Accounts Statistics (database), based on the System of National Accounts (SNA). General government procurement is defined as the sum of intermediate consumption (goods and services purchased by governments for their own use, such as accounting or information technology services), gross fixed capital formation (acquisition of capital excluding sales of

fixed assets, such as building new roads) and social transfers in kind via market producers (purchases by general government of goods and services produced by market producers and supplied to households).

Government procurement here includes the values of procurement for central, state and local governments. The sub-central component refers to state and local governments. Social security funds have been excluded in this analysis, unless otherwise stated in the notes (however Figure 9.3, Government procurement as a share of total government expenditures, 2007, 2009 and 2013 and Figure 9.4 Government procurement by levels of government including social security funds, 2013 are available online at <http://dx.doi.org/10.1787/888933249035> and <http://dx.doi.org/10.1787/888933249047> respectively). State government is only applicable to the nine OECD federal states: Australia, Austria, Belgium, Canada, Germany, Mexico, Spain (considered a quasi-federal country), Switzerland and United States. Public corporations were also excluded in the estimation of procurement spending.

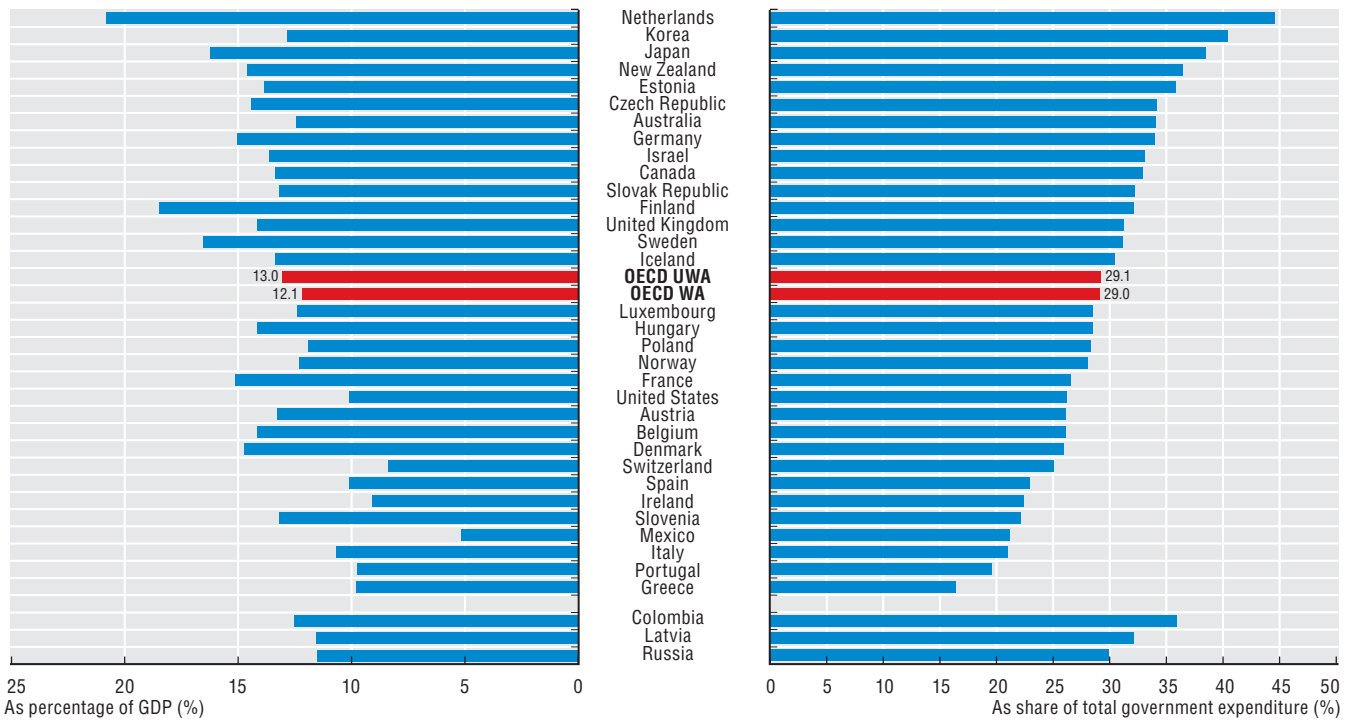
#### Further reading

- OECD (2015), *Recommendation of the Council on Public Procurement*, OECD, Paris.
- OECD (2014), *Going Green: Best Practices for Green Procurement*, OECD, Paris.
- OECD (2013), "Implementing the OECD Principles for Integrity in Public Procurement: Progress since 2008", *OECD Public Governance Reviews*, OECD, <http://dx.doi.org/10.1787/9789264201385-en>.

#### Figure notes

- 9.1: Data for Chile and Turkey are not available. Data for Colombia and Russia are for 2012 rather than 2013
  - 9.2: Data for Australia, Chile and Turkey are not available. Local government is included in state government for the United States. Social security funds are included in central government in Ireland, New Zealand, Norway, the United Kingdom and the United States. Data for Colombia are for 2012 rather than 2013.
- Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

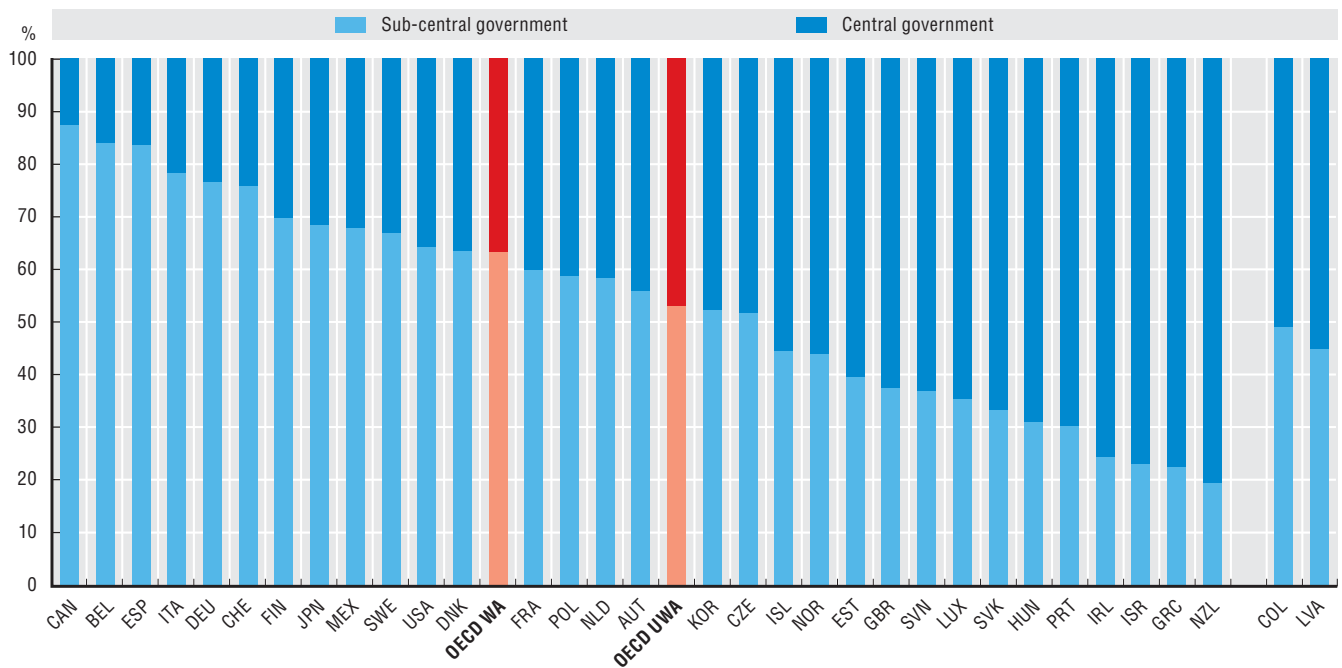
9.1. General government procurement as percentage of GDP and as share of total government expenditures, 2013



Source: OECD National Accounts Statistics (database). Data for Australia are based on a combination of Government Finance statistics and National Accounts data provided by the Australian Bureau of Statistics.

StatLink <http://dx.doi.org/10.1787/888933249013>

9.2. General government procurement by level of government, 2013



Source: OECD National Accounts Statistics (database).

StatLink <http://dx.doi.org/10.1787/888933249020>



**From:**  
**Government at a Glance 2015**

**Access the complete publication at:**  
[https://doi.org/10.1787/gov\\_glance-2015-en](https://doi.org/10.1787/gov_glance-2015-en)

**Please cite this chapter as:**

OECD (2015), "Size of public procurement", in *Government at a Glance 2015*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/gov\\_glance-2015-42-en](https://doi.org/10.1787/gov_glance-2015-42-en)

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).