PUBLIC PROCUREMENT AUTHORITY

# FLASH REPORT

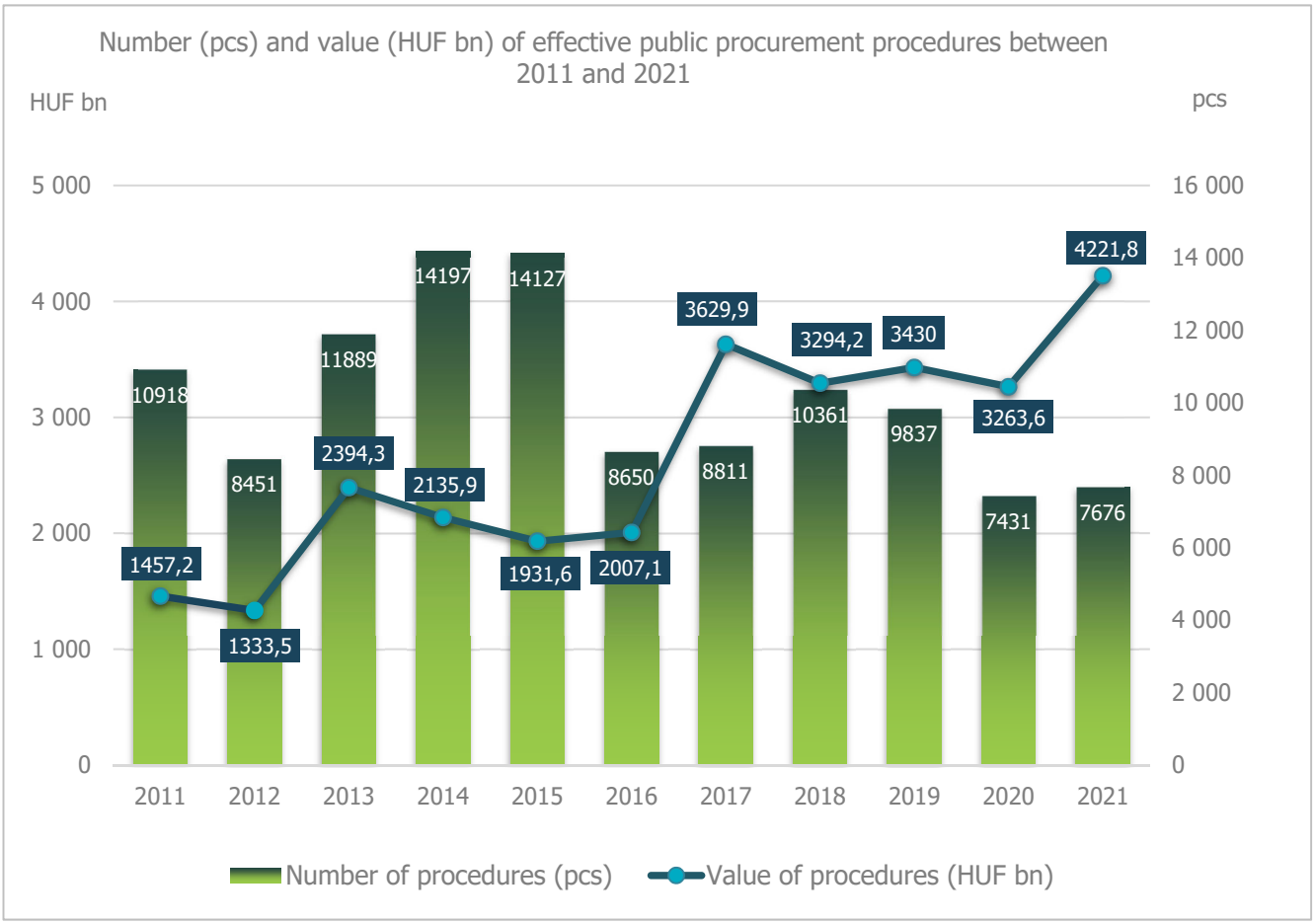
**Hungarian Public Procurements in Numbers**

2021

# CONTENTS

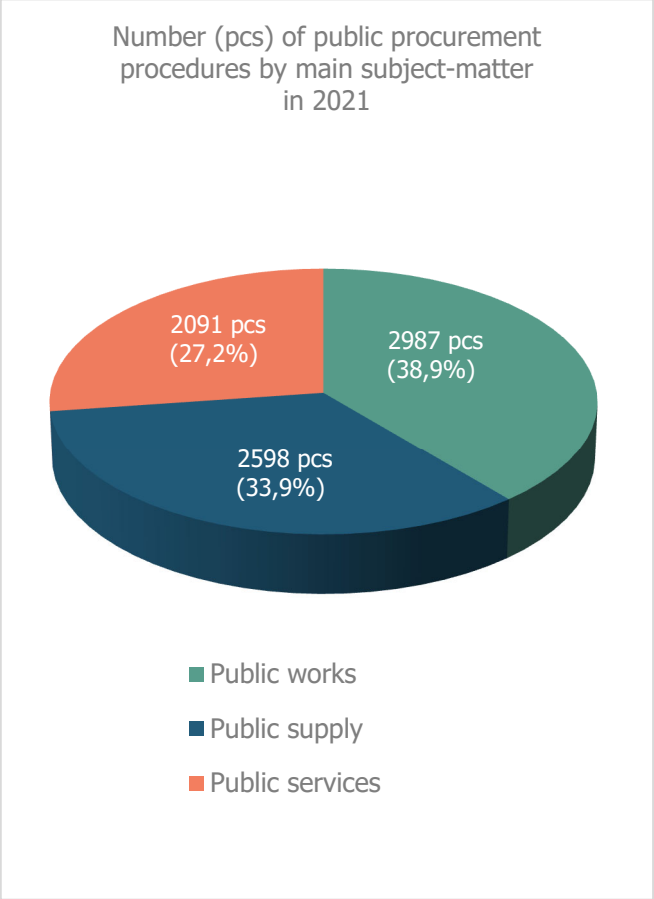
# I. THE VOLUME OF HUNGARIAN PUBLIC PROCUREMENTS

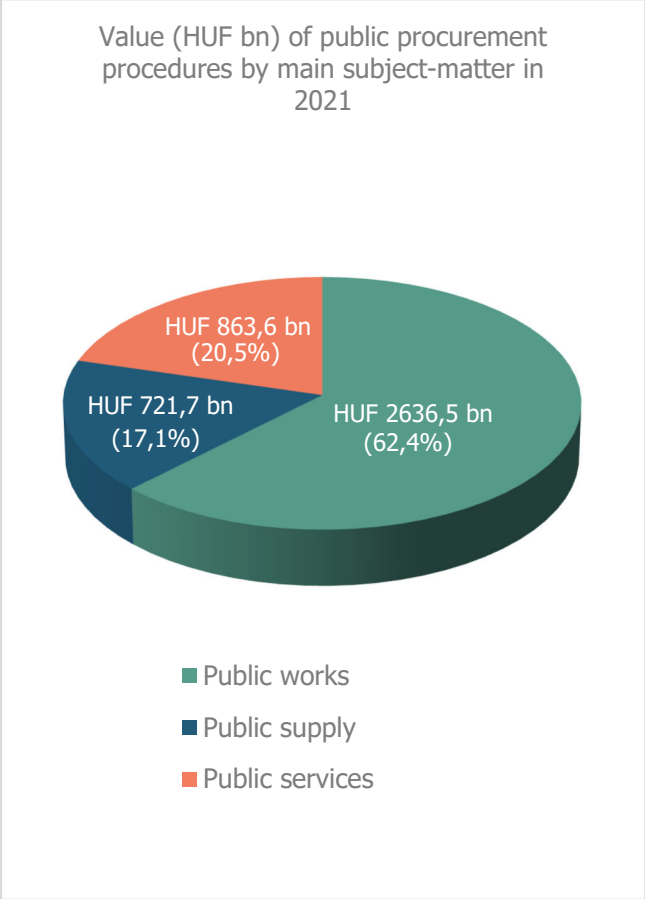
## 1. The number (pcs) and value (HUF bn) of effective public procurement procedures between 2011 and 2021



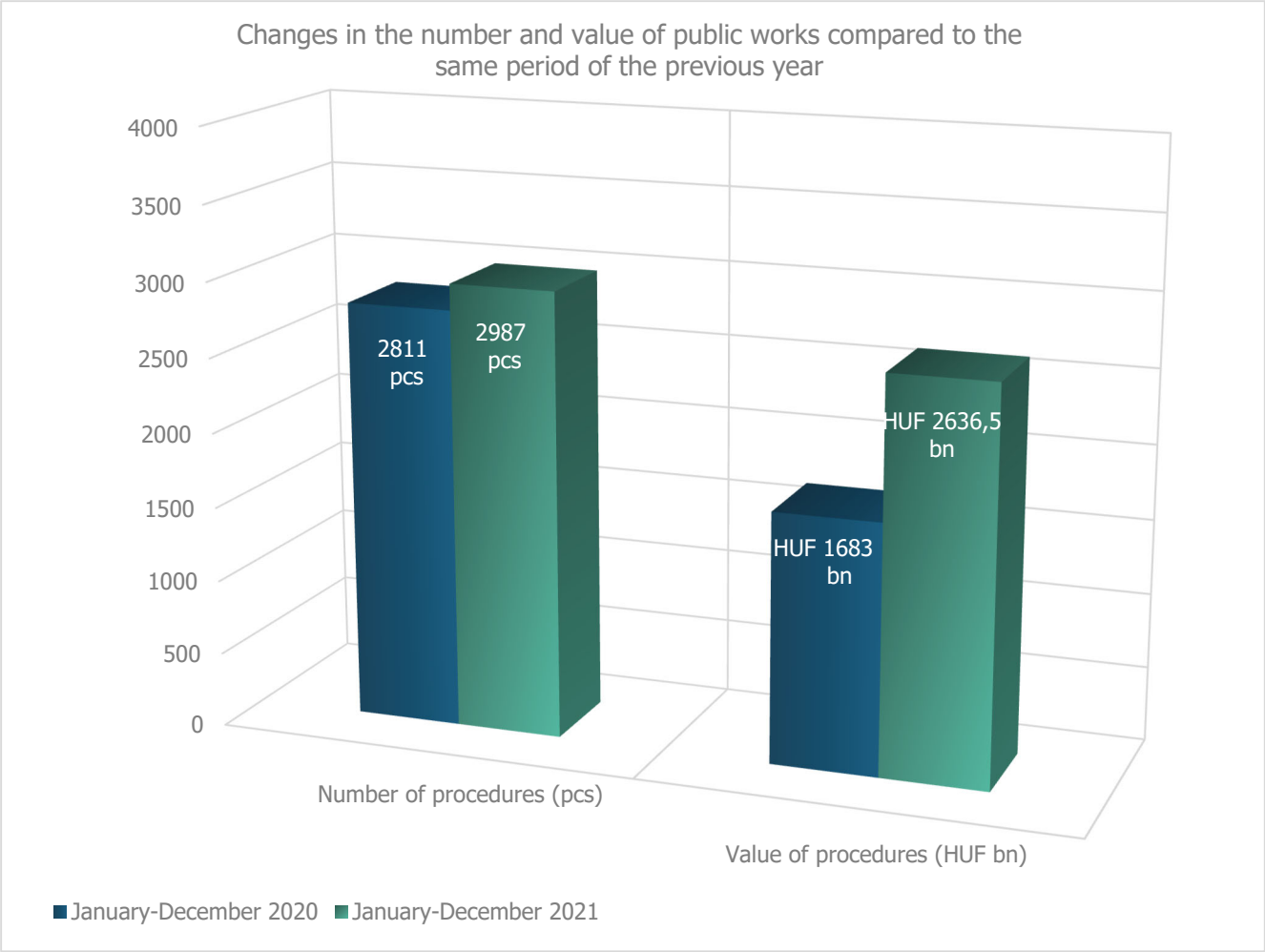

In 2021 contracting authorities conducted in total 7676 effective public procurement procedures, which exceeds the data measured in 2020 with roughly two hundred procedures. The total value of the procedures amounted to HUF 4221,8 billion, which is 23% more than the data from last year, also considerably above the level of the total value calculated in the years prior to the coronavirus pandemic.

## 2. The number (pcs) and value (HUF bn) of public procurement procedures by main subject-matter in 2021



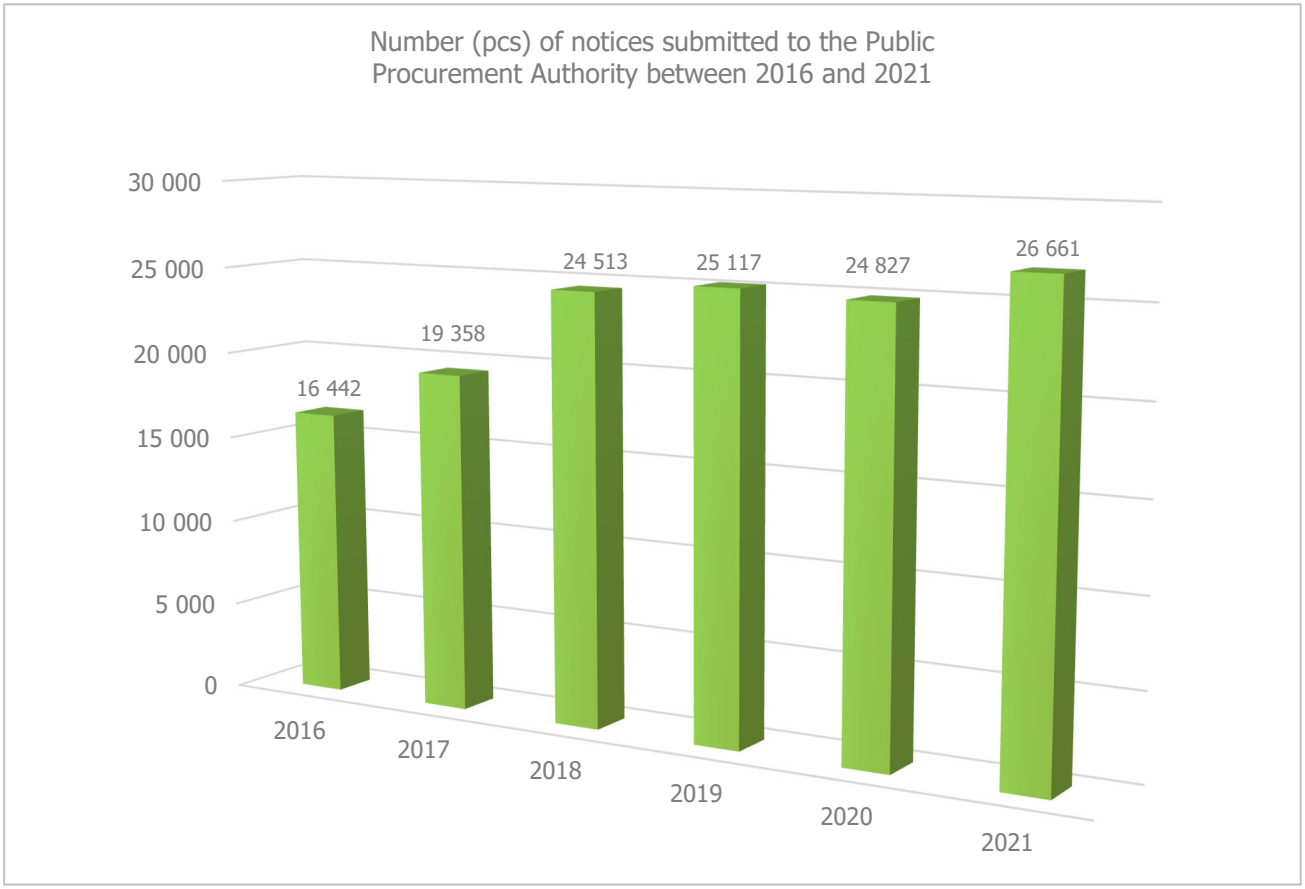




Similarly to the previous years, in 2021 public works continues to dominate in terms of procurement subject-matter as it accounted for 38,9% of the number and for 62,4% of the value of procedures. Public supply represented about one third (33,9%) of the number of procedures and 17,1% of the value of procedures, while 27,2% of the public procurements was public service, which is about on fifth (20,5%) of the value, like in Q1-3 of 2021. The number and value of public works persisted to grow, especially in terms of value as about thousand billion forints more public works were conducted in 2021 than in the previous year during the coronavirus pandemic.

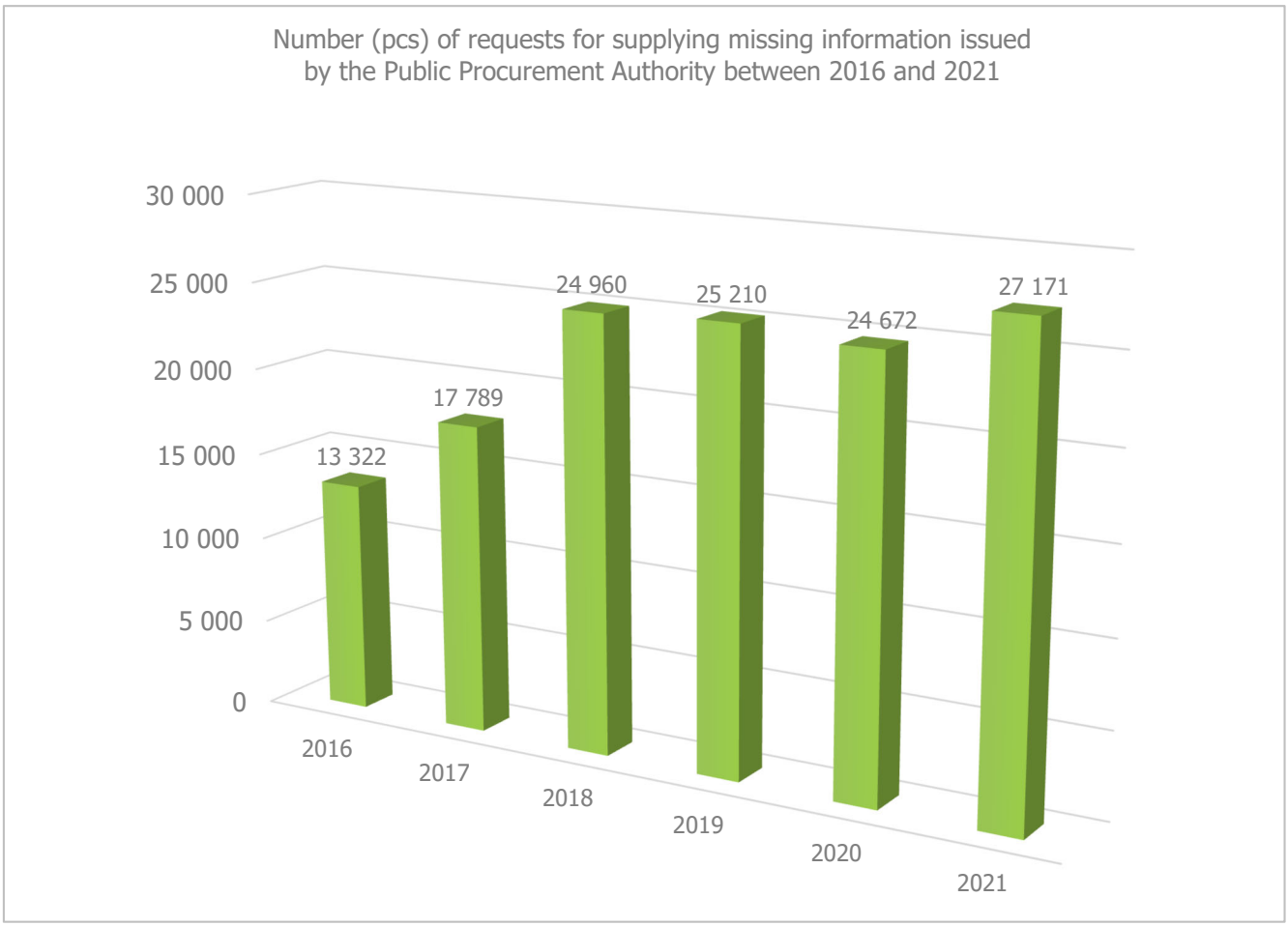

Changes in the number and value of public works compared to the same period of the previous year
4000
3500
3000
2500
2000
1500
1000
500
0
2811 pcs
2987 pcs
HUF 1683 bn
HUF 2636,5 bn
Number of procedures (pcs)
Value of procedures (HUF bn)
January-December 2020
January-December 2021

## 3. Data on the number of notices between 2016 and 2021

In 2021 – exceeding the data of the previous years – the Public Procurement Authority registered and processed in total 26661 notices.

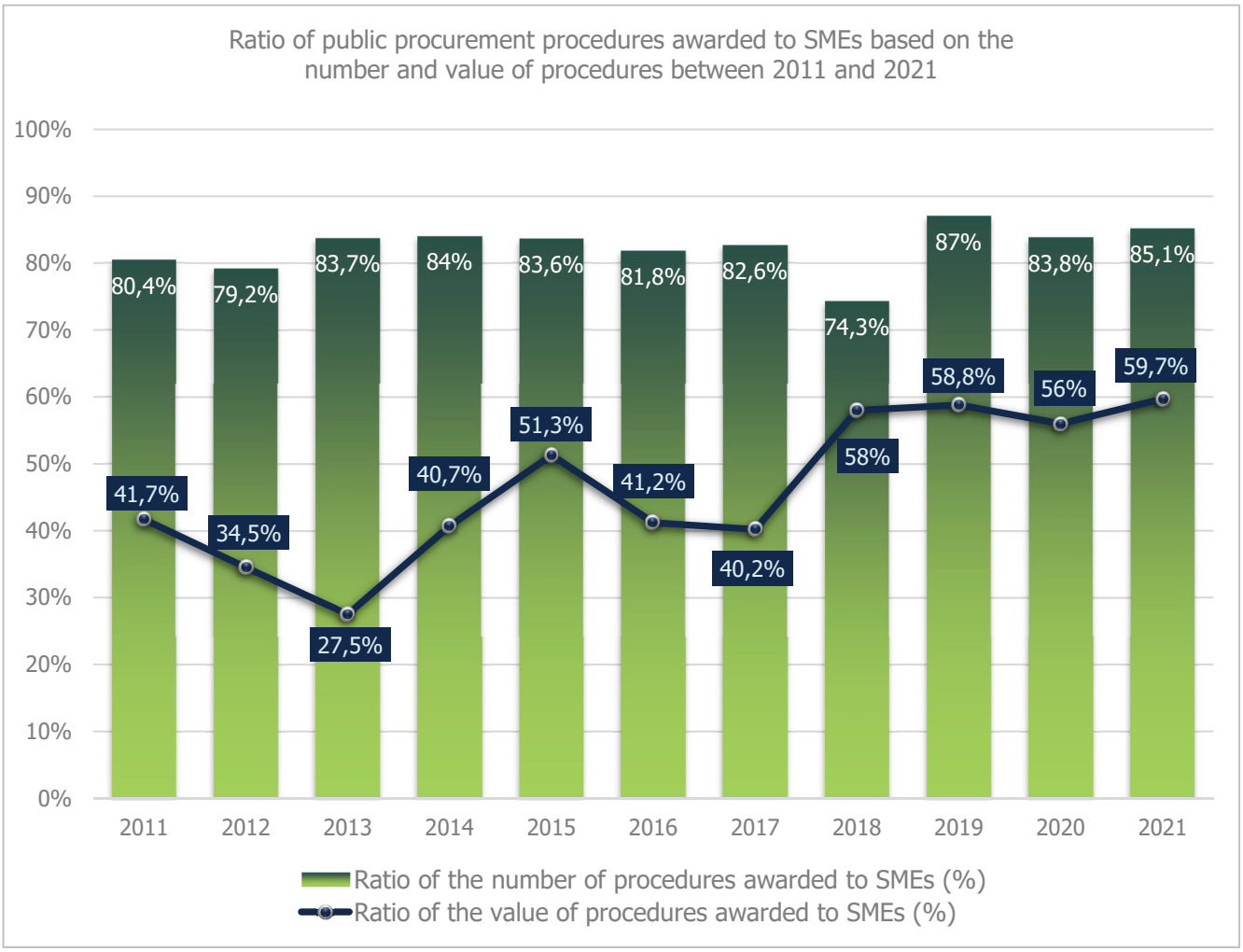



**Beside controlling the notices, the Public Procurement Authority also controlled public procurement documents upon a related request. In 2021 the Authority issued a record number of requests for supplying missing information, in total 27171, so the number of requests for supplying missing information exceeded the number of notices, meaning that at least one request was issued for each notice.**

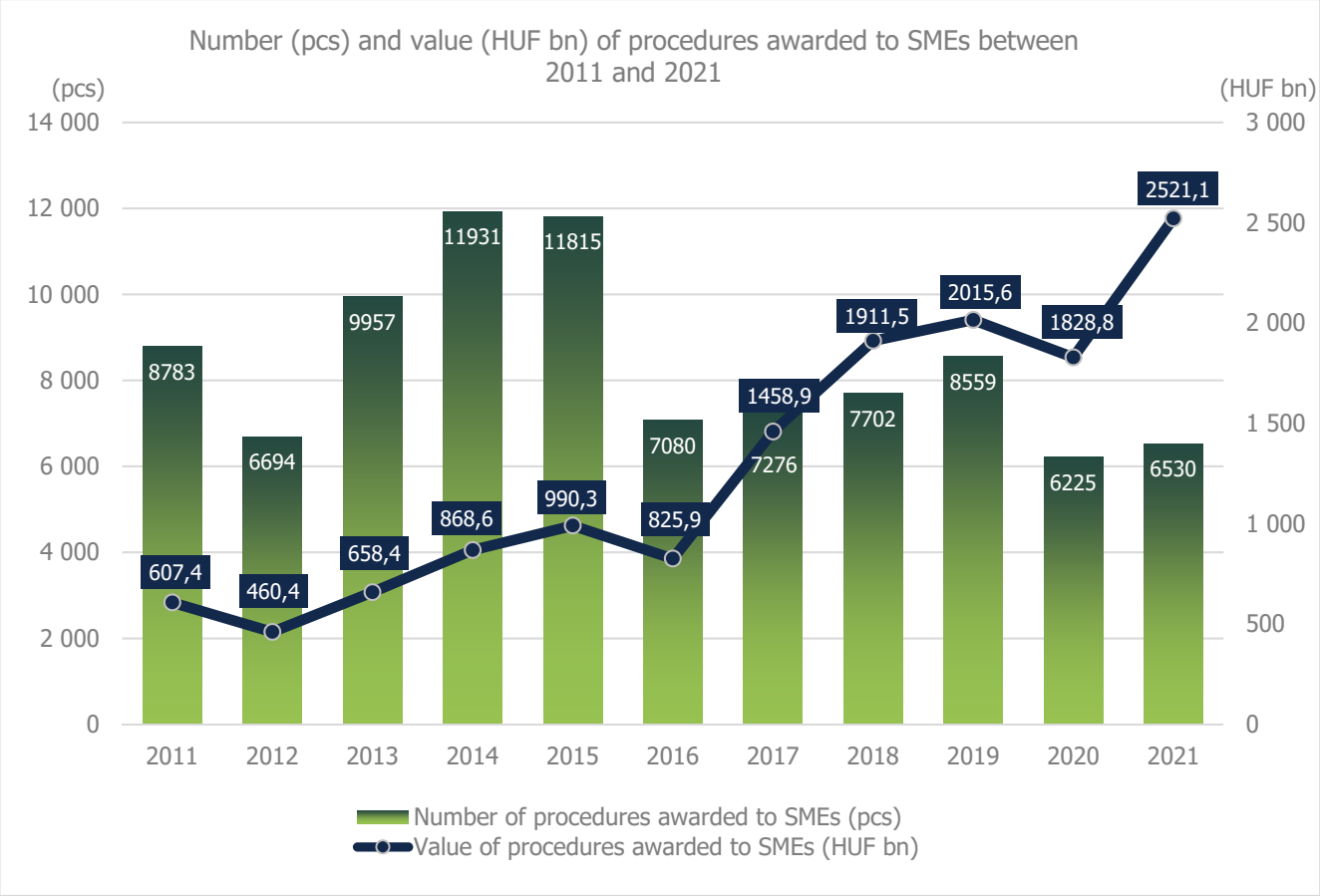

Number (pcs) of requests for supplying missing information issued by the Public Procurement Authority between 2016 and 2021
30 000
25 000
20 000
15 000
10 000
5 000
0
13 322
17 789
24 960
25 210
24 672
27 171
2016
2017
2018
2019
2020
2021

# II. THE SME SECTOR CONTINUES TO DOMINATE

## 1. The ratio of public procurements awarded to SMEs between 2011 and 2021



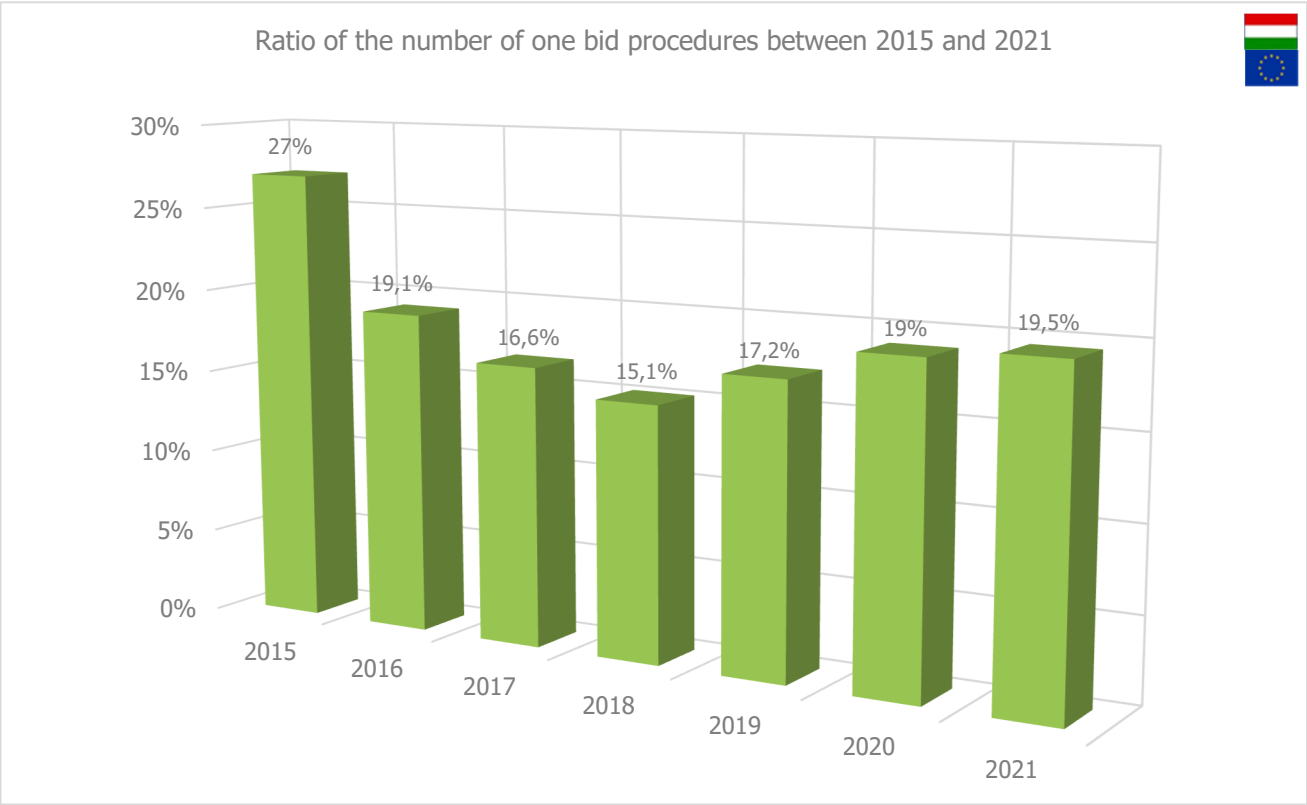
## 2. Number (pcs) and value (HUF bn) of public procurements awarded to SMEs between 2011 and 2021

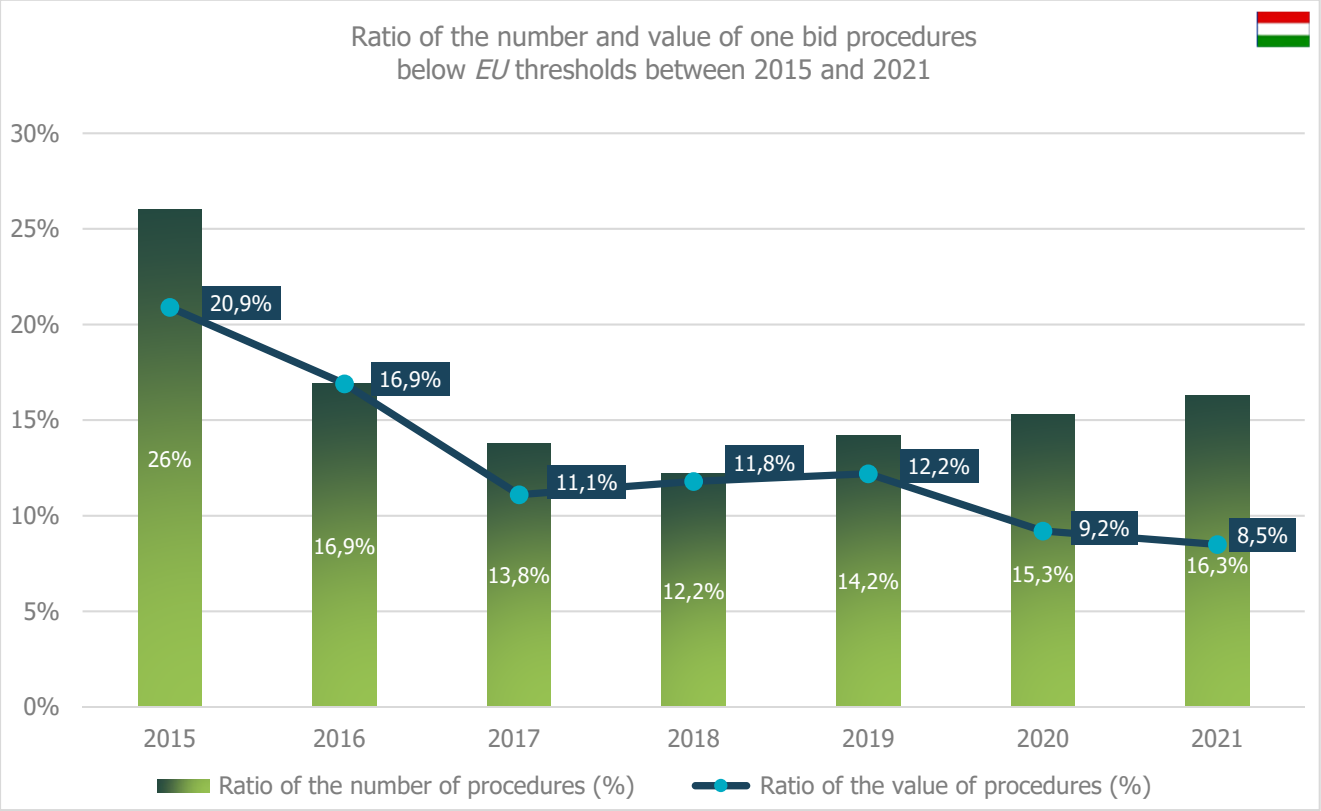


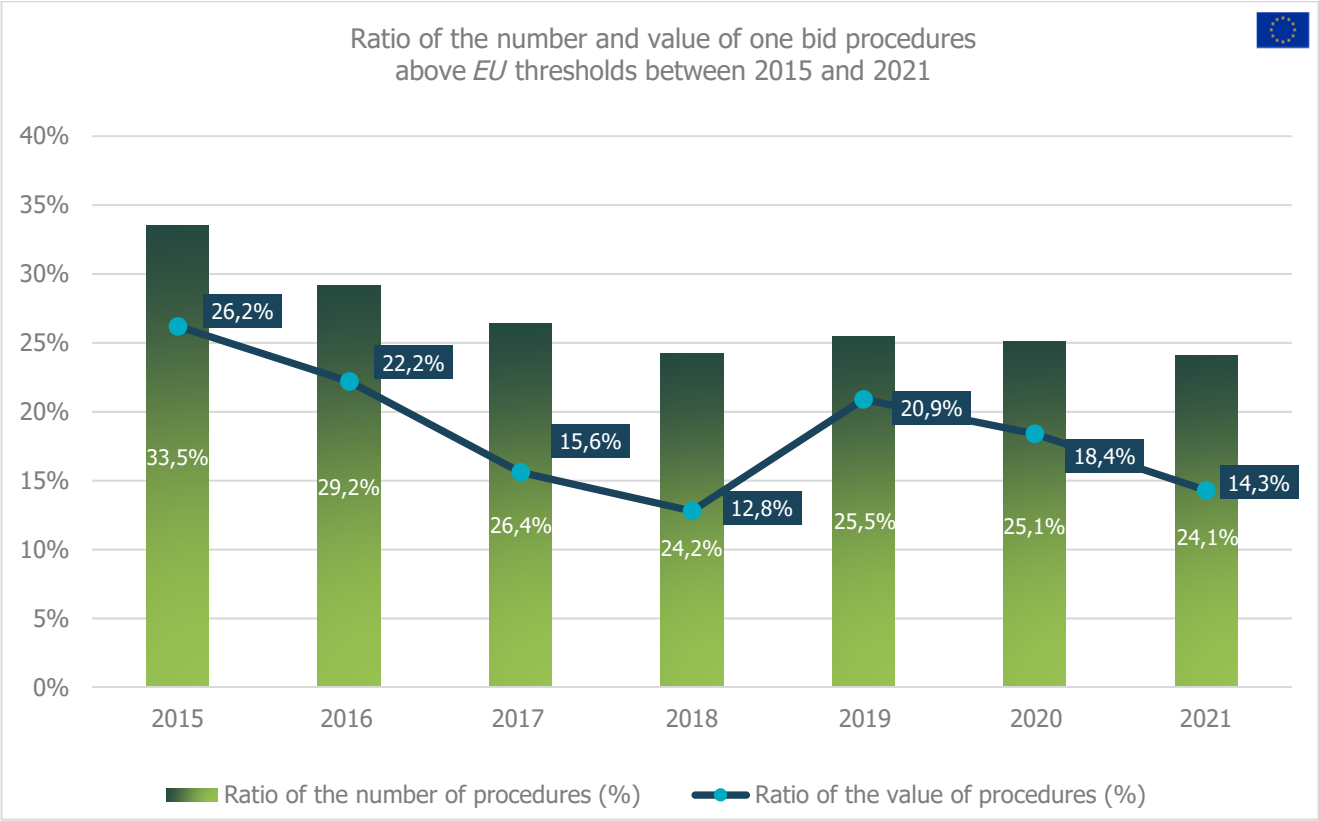

In 2021 out of 100 effective public procurement procedures 85 were awarded to SMEs, which is almost the same as in last year, while 60 forints of each 100 forints spent in public procurements were also awarded to SMEs, which is 4 more than in 2020. It can be stated upon comparing this data with the total value of public procurements that in 2021 a record high amount of public procurement was awarded to SMEs, exceeding HUF 2500 billion.

# III. COMPETITION IS ENSURED

## 1. Key indicators of one bid public procurement procedures between 2015 and 2021

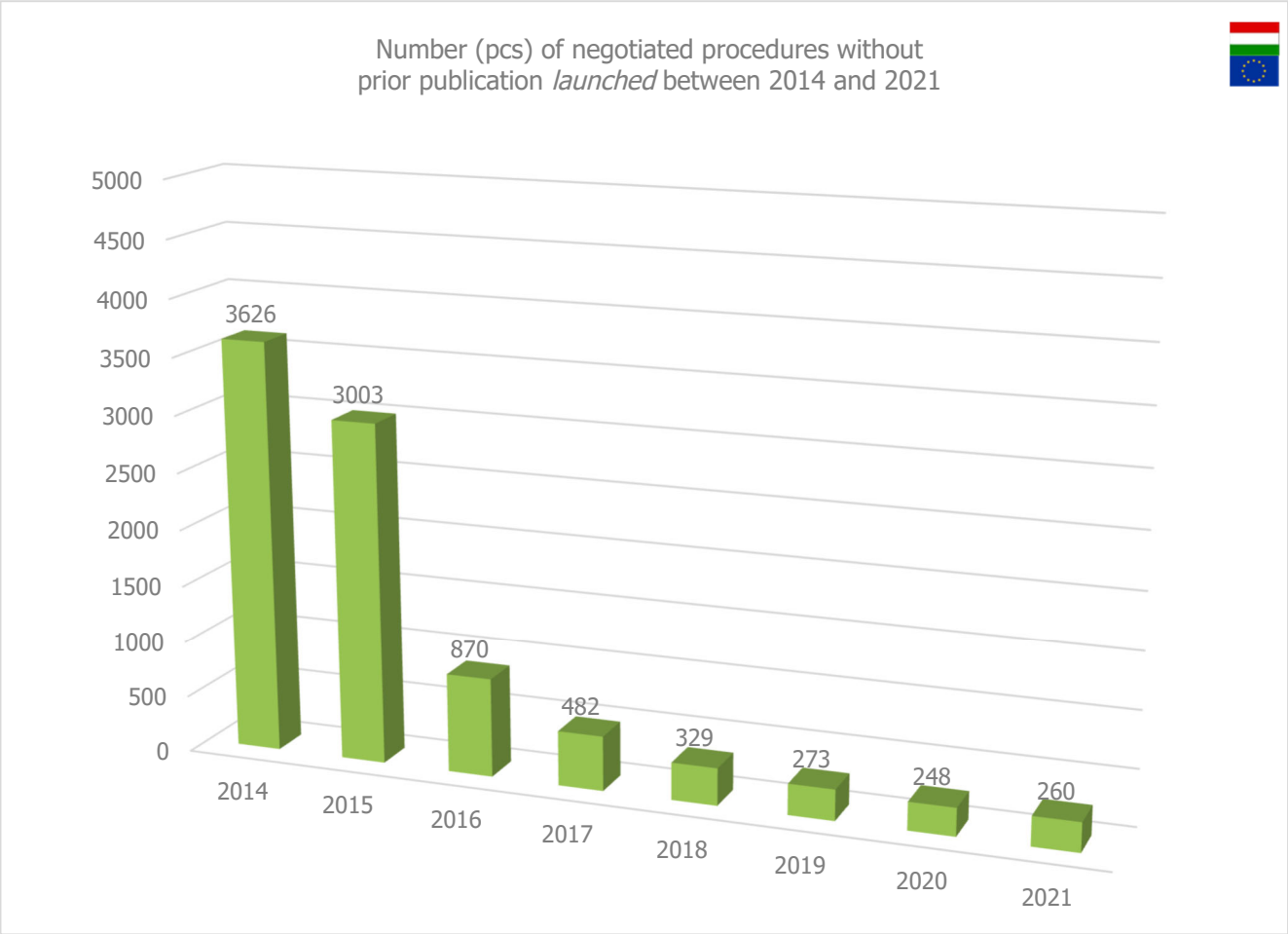



Ratio of the number and value of one bid procedures
below *EU* thresholds between 2015 and 2021
30%
25%
20%
15%
10%
5%
0%
20,9%
16,9%
11,1%
11,8%
12,2%
9,2%
8,5%
26%
16,9%
13,8%
12,2%
14,2%
15,3%
16,3%
2015
2016
2017
2018
2019
2020
2021
Ratio of the number of procedures (%)
Ratio of the value of procedures (%)

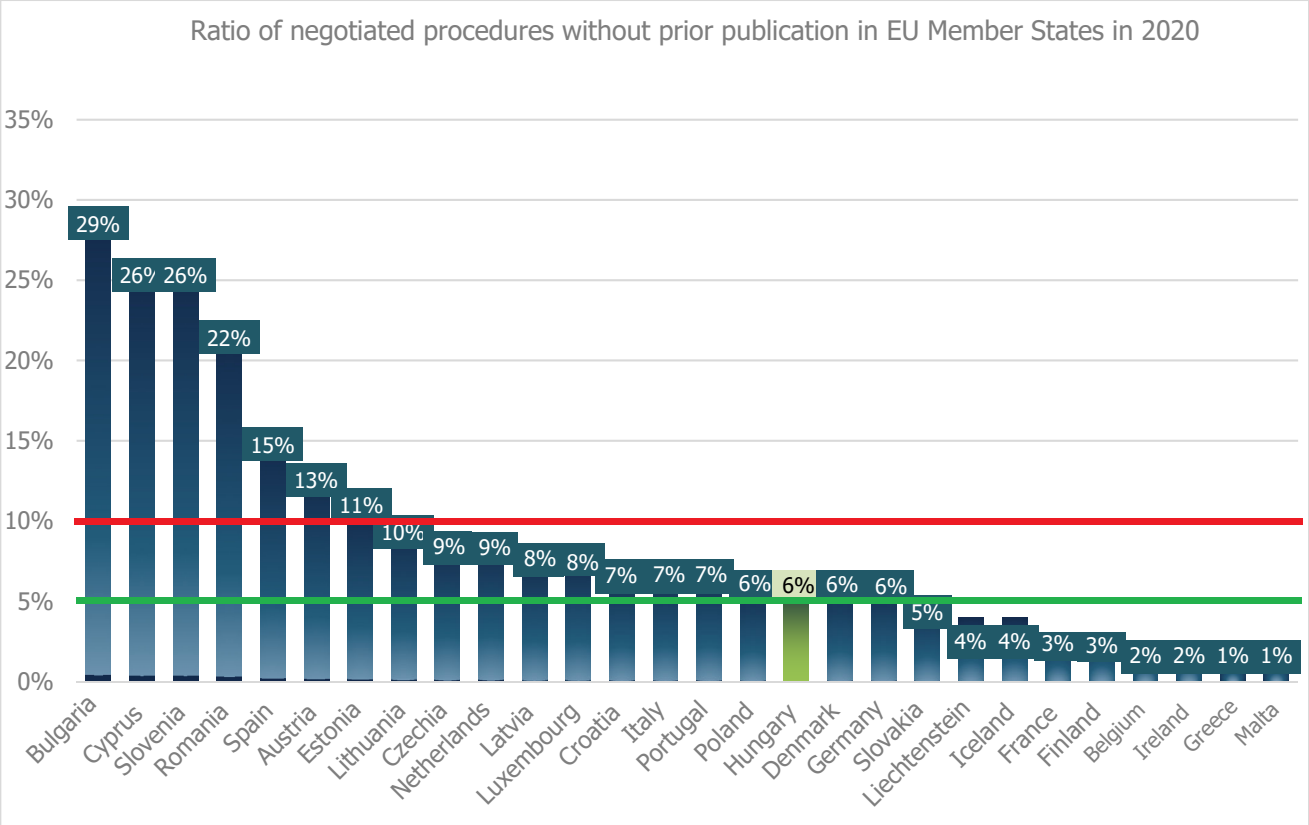

Ratio of the number and value of one bid procedures
above *EU* thresholds between 2015 and 2021
40%
35%
30%
25%
20%
15%
10%
5%
0%
26,2%
22,2%
15,6%
12,8%
20,9%
18,4%
14,3%
33,5%
29,2%
26,4%
24,2%
25,5%
25,1%
24,1%
2015
2016
2017
2018
2019
2020
2021
Ratio of the number of procedures (%)
Ratio of the value of procedures (%)

The trend of one bid procedures is a critical index of competition on the public procurement market, which is in terms of the ratio of the number of procedures altogether at the same level in 2021 than a year ago. Upon looking at one bid procedures below and above EU thresholds, it can be stated that both below and above EU thresholds there was a decrease in the proportion of the value of procedures, meaning a drop of 4,1% concerning one bid procedures above EU thresholds.

## 2. Key indicators of negotiated procedures without prior publication



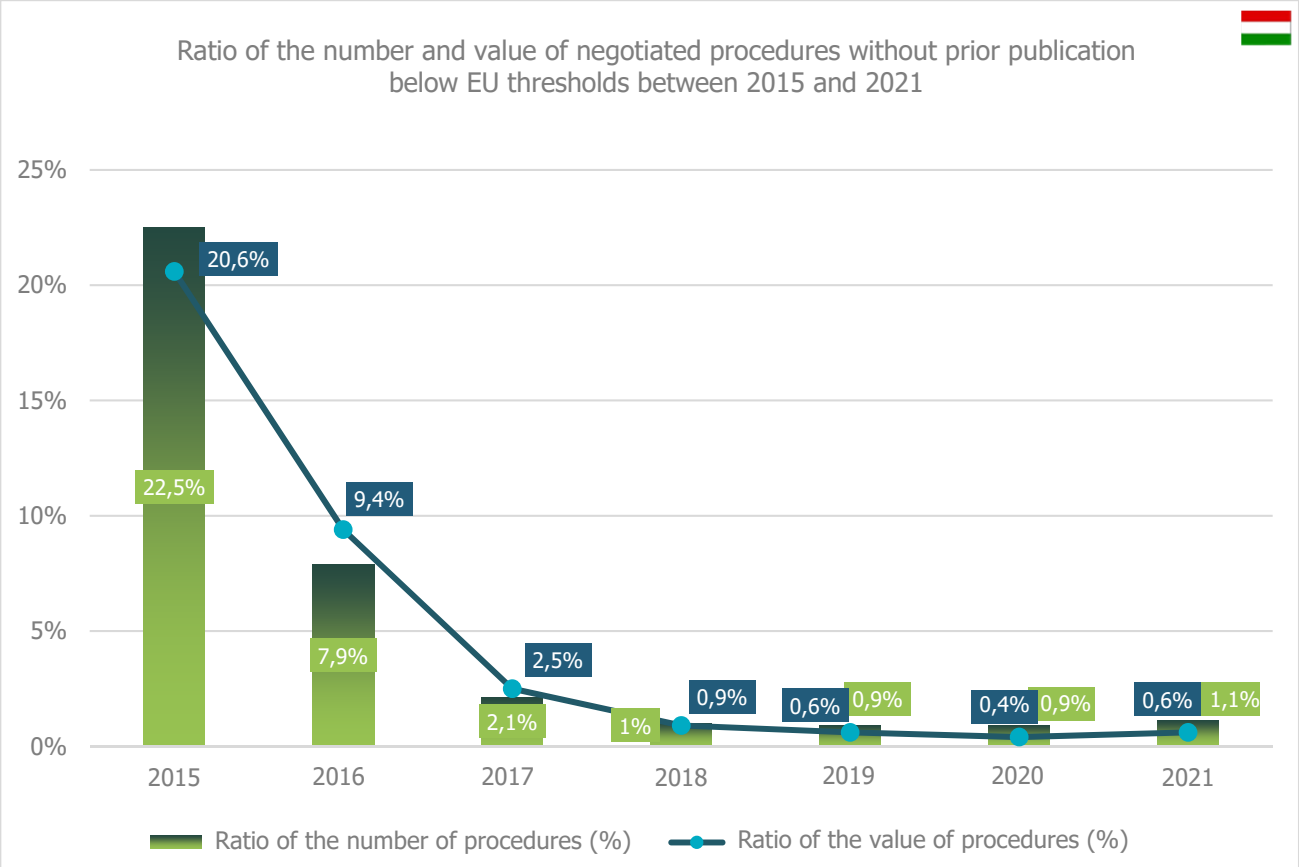

*Remark: The number of procedures launched may differ from the number of procedures closed due to the carry-over effect.

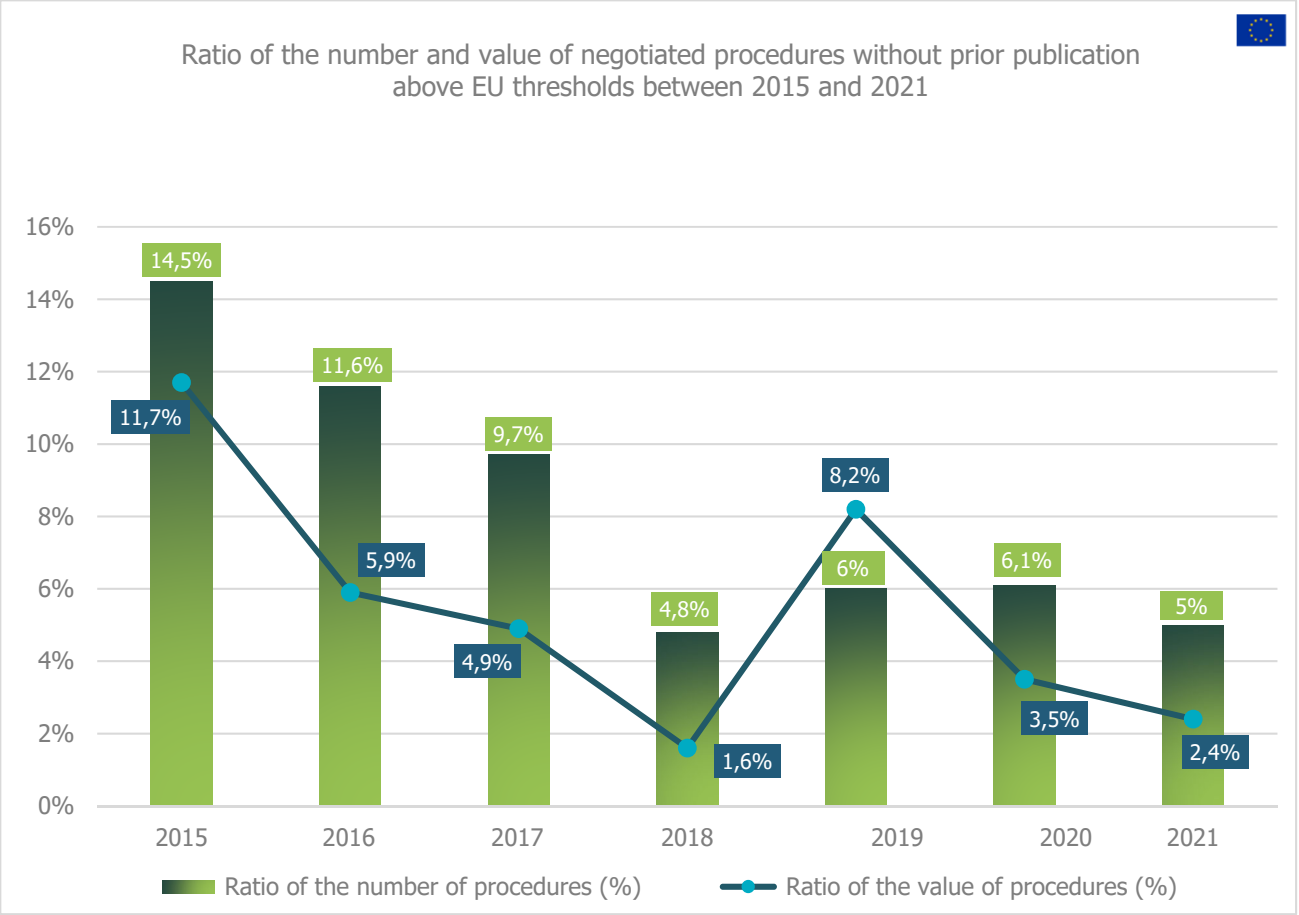



Remark: The lines indicate the reference level of the Single Market Scoreboard. Values above the red line mean "unsatisfactory", mean "satisfactory" below the green line and "average" performance in between. The data of the Single Market Scoreboard concerning Hungary slightly differs from the data of the Hungarian indicator due to methodological reasons.

Source: Indicator No. 2 – Negotiated procedures without prior publication, in the latest Single Market Scoreboard for 2020 published by the European Commission

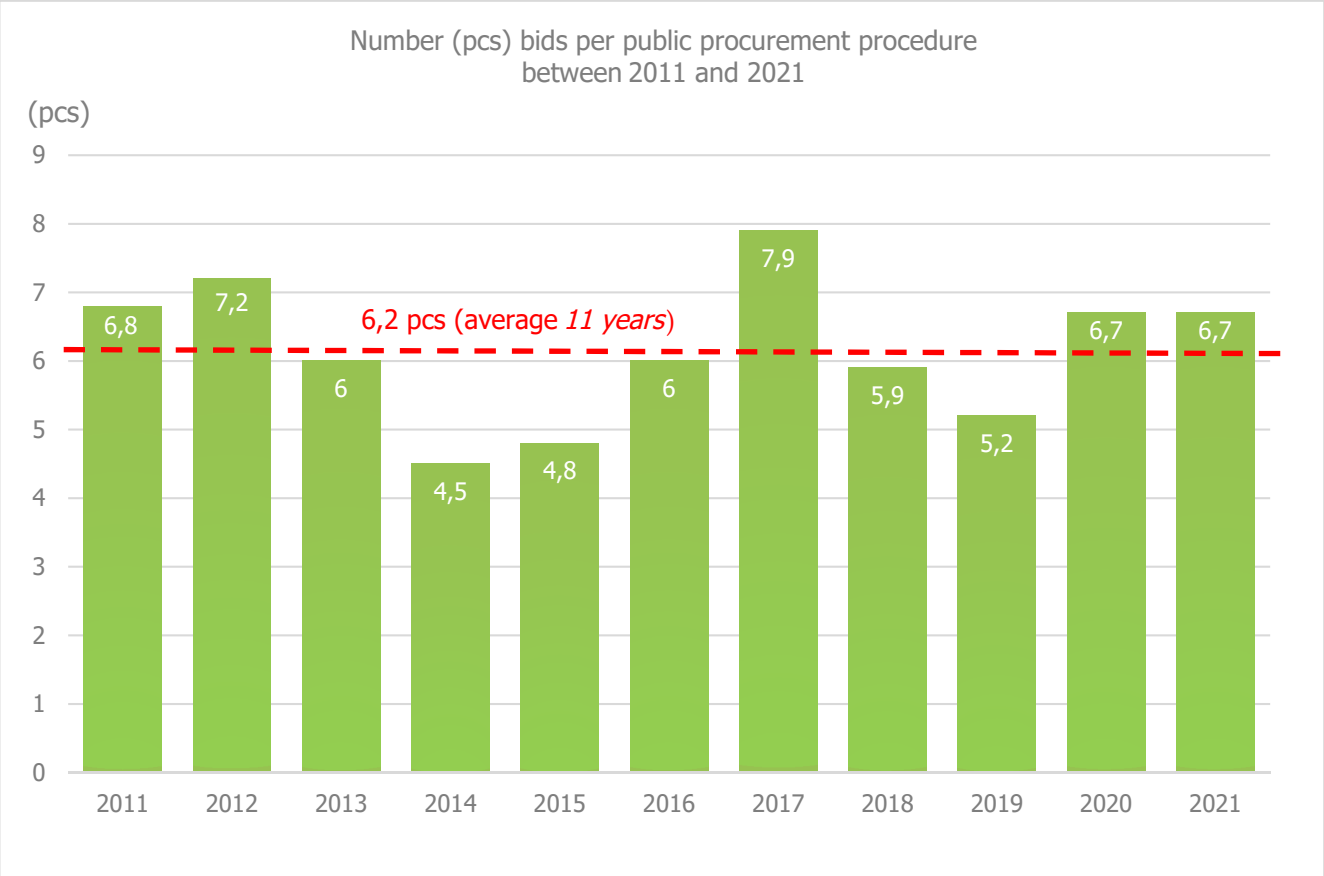
(https://single-market-scoreboard.ec.europa.eu/policy_areas/public-procurement_en)


Ratio of the number and value of negotiated procedures without prior publication below EU thresholds between 2015 and 2021
25%
20%
15%
10%
5%
0%
20,6%
22,5%
9,4%
7,9%
2,5%
2,1%
1%
0,9%
0,6%
0,9%
0,4%
0,9%
0,6%
1,1%
2015
2016
2017
2018
2019
2020
2021
Ratio of the number of procedures (%)
Ratio of the value of procedures (%)


Ratio of the number and value of negotiated procedures without prior publication above EU thresholds between 2015 and 2021
16%
14%
12%
10%
8%
6%
4%
2%
0%
14,5%
11,7%
11,6%
5,9%
9,7%
4,9%
4,8%
1,6%
6%
8,2%
6,1%
3,5%
5%
2,4%
2015
2016
2017
2018
2019
2020
2021
Ratio of the number of procedures (%)
Ratio of the value of procedures (%)

Another key indicator of the competition on the public procurement market is the data on negotiated procedures without prior publication, which shows that the ratio of the number and value of effective negotiated procedures without prior publication remained rather low in 2021 below EU thresholds, while the same indicator above EU thresholds was lower than in the previous year both in terms of number and value.

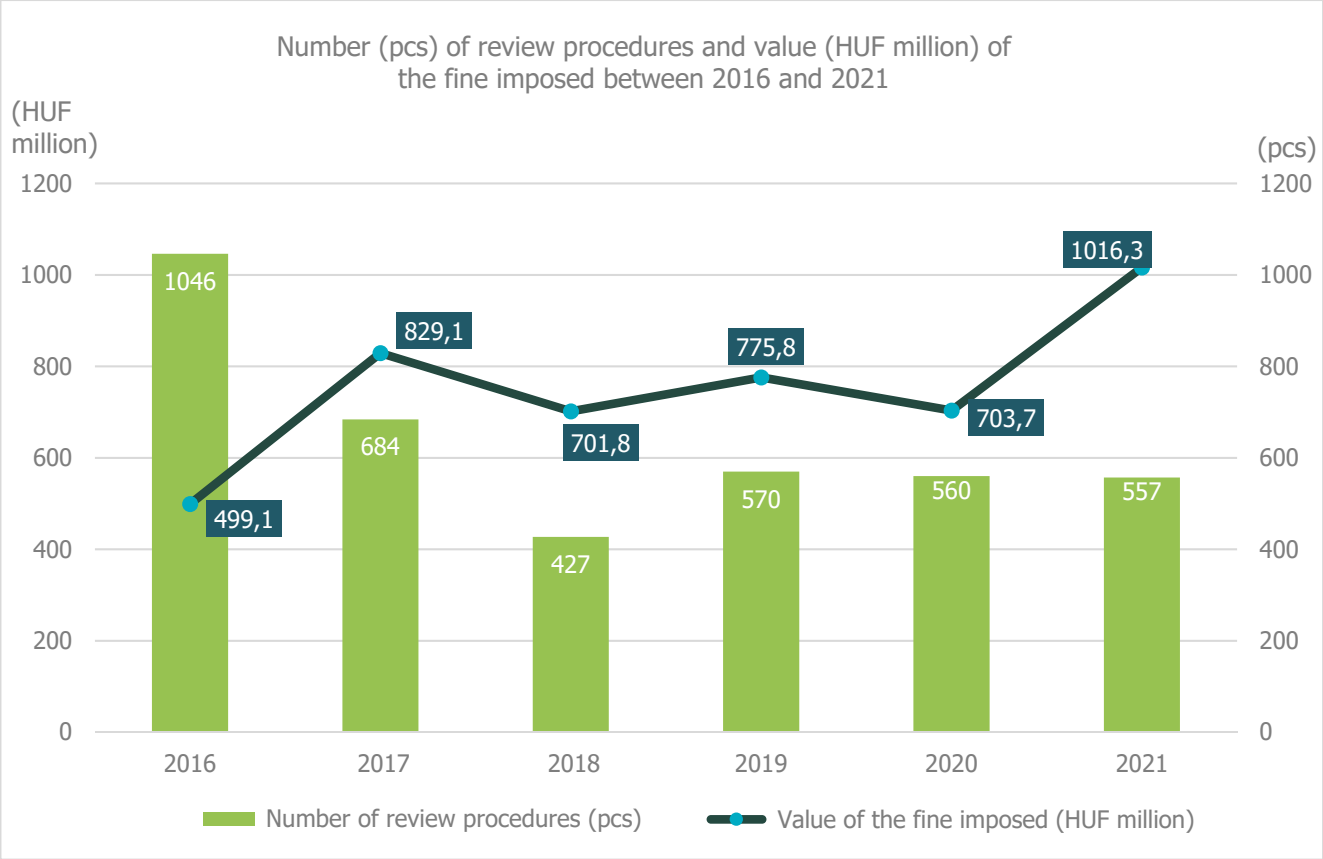
## 3. The average number of bids per public procurement procedure between 2011 and 2021



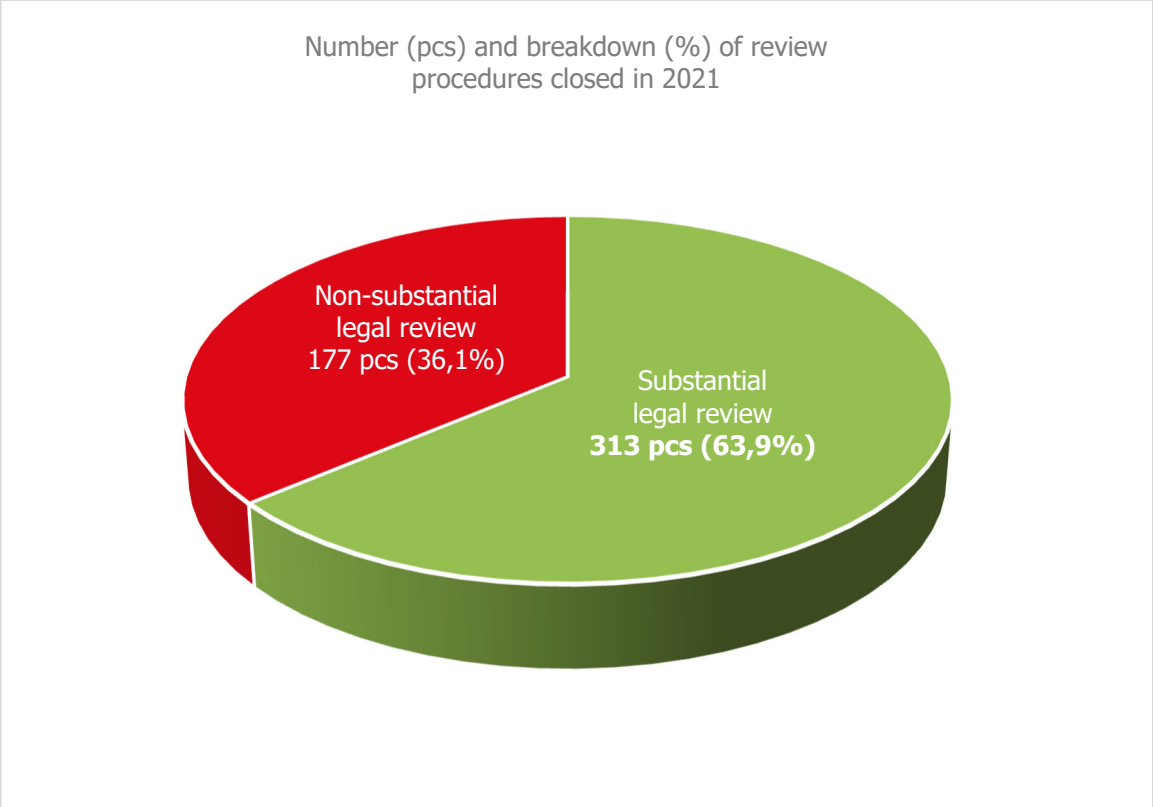

The average number of bids was 6,7 in 2021, which well illustrates the competition on the Hungarian public procurement market, as the best offer has to be selected out of 7 tenders in a procedure. Tenders per public procurement procedure remain high, just like in 2020, exceeding the average of the past 11 years.

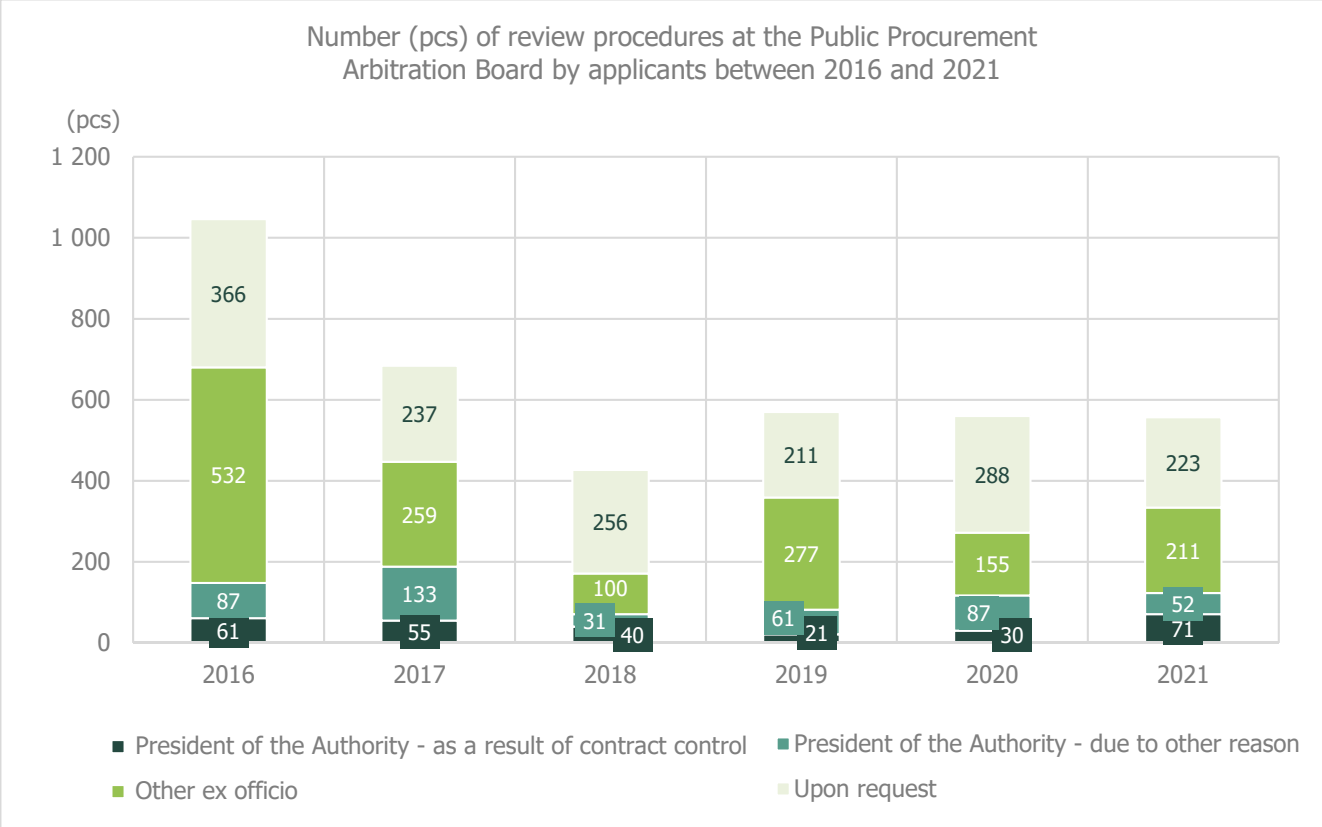
# IV. REDUCTION OF CORRUPTION RISKS AND ENSURING COMPLIANCE

## 1. Public Procurement Arbitration Board – consistency remains the goal

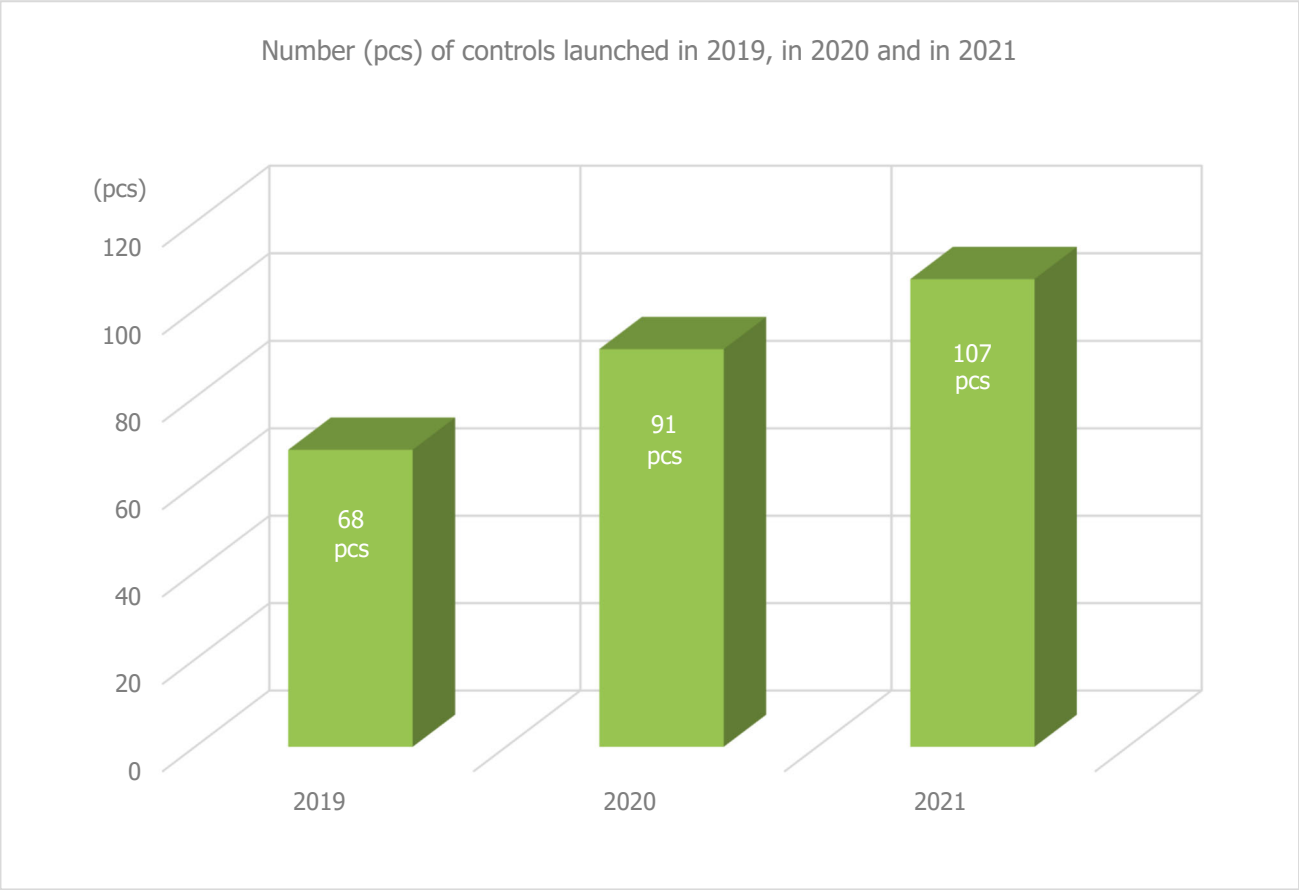



Remark: In 2021 the Public Procurement Arbitration Board launched in total 557 review procedures, out of which 67 is still in progress. Data refers to review procedures closed until 13 January 2022.

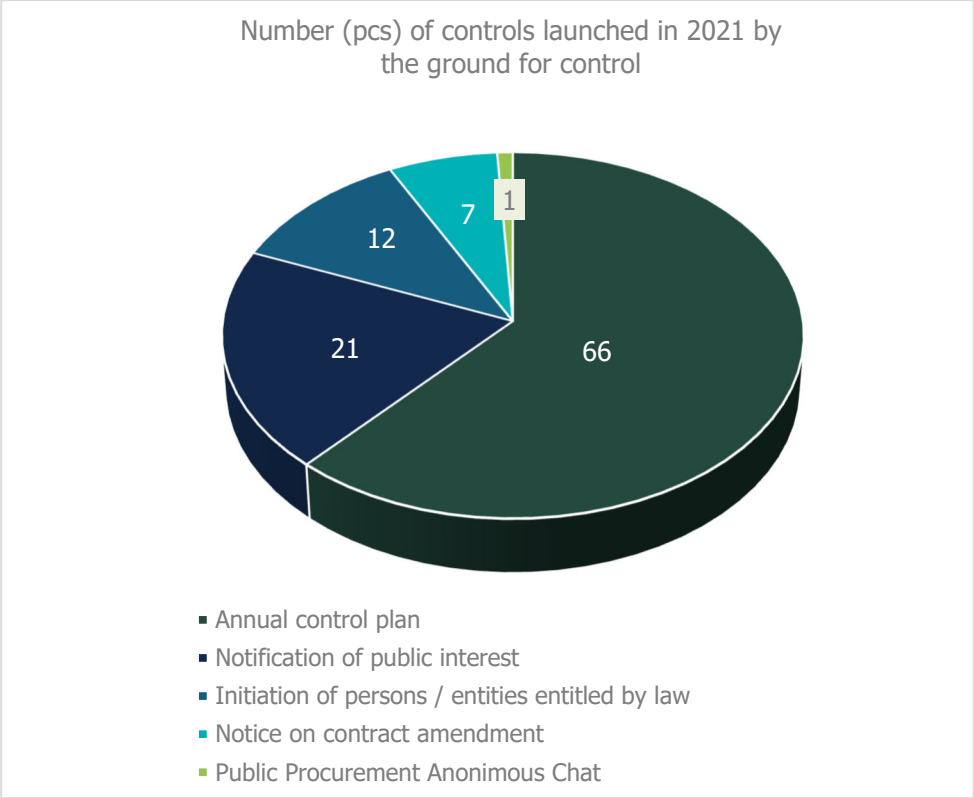

Number (pcs) and breakdown (%) of review procedures closed in 2021
Non-substantial legal review 177 pcs (36,1%)
Substantial legal review 313 pcs (63,9%)

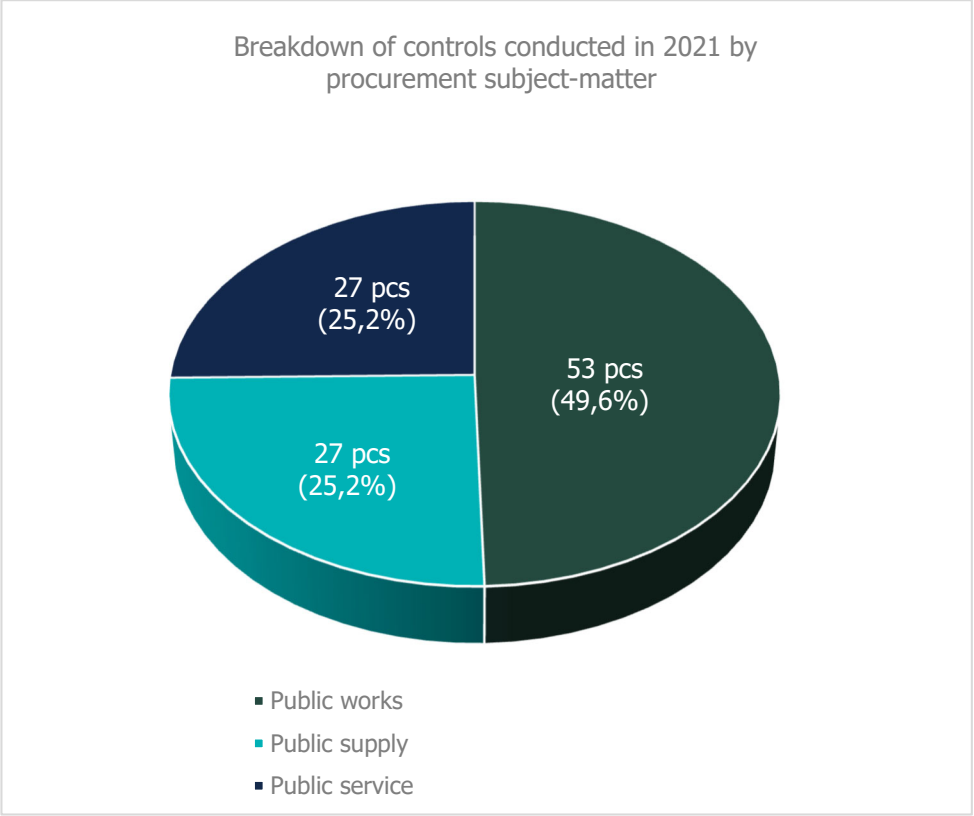

Number (pcs) of review procedures at the Public Procurement Arbitration Board by applicants between 2016 and 2021
(pcs)
1 200
1 000
800
600
400
200
0
2016
2017
2018
2019
2020
2021
366
532
87
61
237
259
133
55
256
100
31
40
211
277
61
21
288
155
87
30
223
211
52
71
President of the Authority - as a result of contract control
President of the Authority - due to other reason
Other ex officio
Upon request

## 2. Control of public contracts



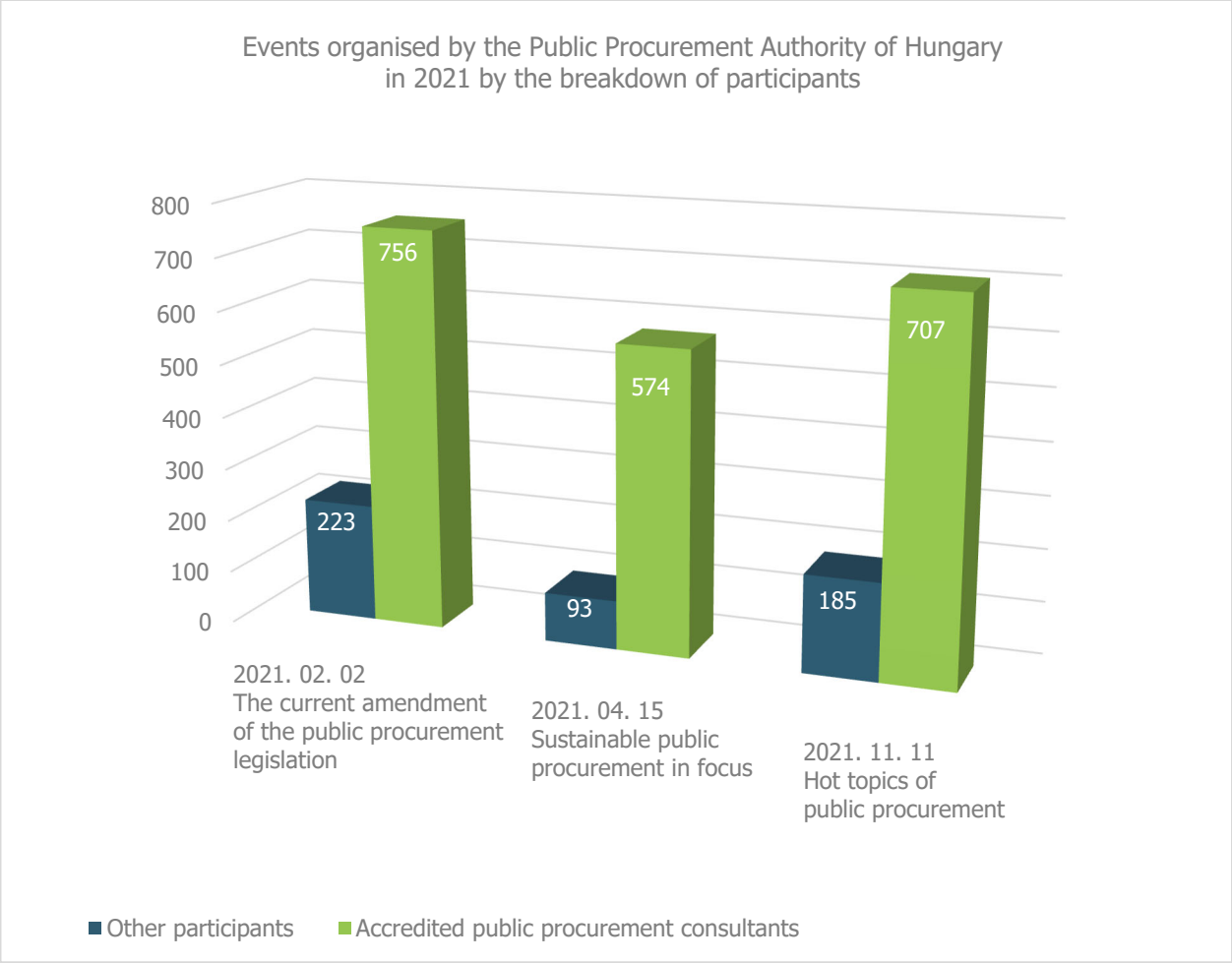

The Public Procurement Authority has been controlling public contracts since 1 January 2016, which also covers the control of the performance and amendment of public contracts, furthermore, public contract violations reported by contracting authorities. The control of the contract is always launched ex officio by the President of the Authority.


Number (pcs) of controls launched in 2021 by the ground for control
66
21
12
7
1
Annual control plan
Notification of public interest
Initiation of persons / entities entitled by law
Notice on contract amendment
Public Procurement Anonimous Chat

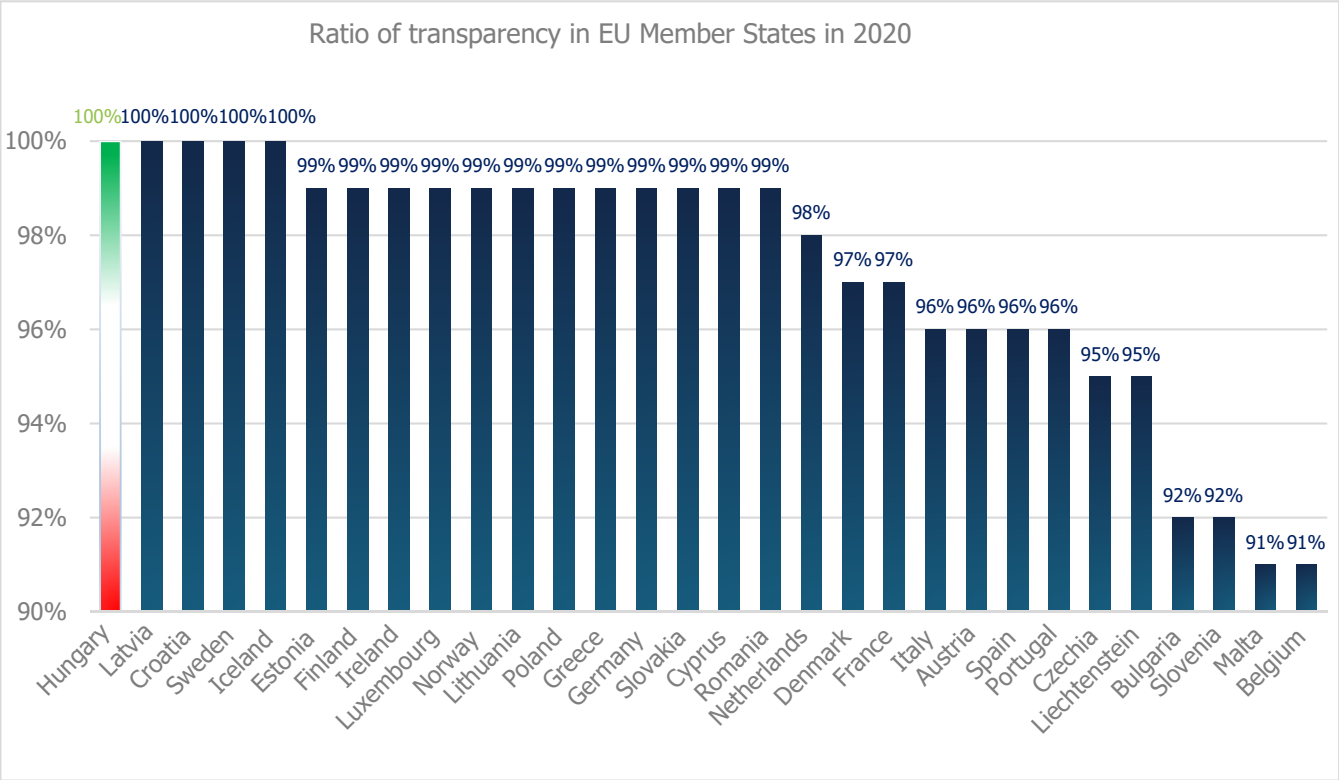

Breakdown of controls conducted in 2021 by procurement subject-matter
27 pcs (25,2%)
53 pcs (49,6%)
27 pcs (25,2%)
Public works
Public supply
Public service

## 3. Public Procurement Academy

The provision of up-to-date information on real-life issues to public procurement practitioners is a principal task of the Public Procurement Authority. To this aim, the Public Procurement Authority organises conferences to provide information on the legislation in effect and to share practical experience. In 2021 trainings for public procurement experts went online, consequently the Authority provided for the training of 2500 experts in total, which considerably exceeds the participation of the previous years.



## V. TRANSPARENCY




Remark: Data on the chart measures the proportion of contracts awarded after publishing a call for tender. The chart shows to what extent do contracting fail to provide sufficient information about their public procurement activities contrary to EU law. 0% in the data means that contracting authorities provide fully insufficient information, while 100% means that contracting authorities provide all information, thus there is no hidden data.

Source: Indicator No. 10 – Missing calls for bids, in the latest Single Market Scoreboard for 2020 published by the European Commission

(https://single-market-scoreboard.ec.europa.eu/policy_areas/public-procurement_en)