



PUBLIC PROCUREMENT  
AUTHORITY

# FLASH REPORT

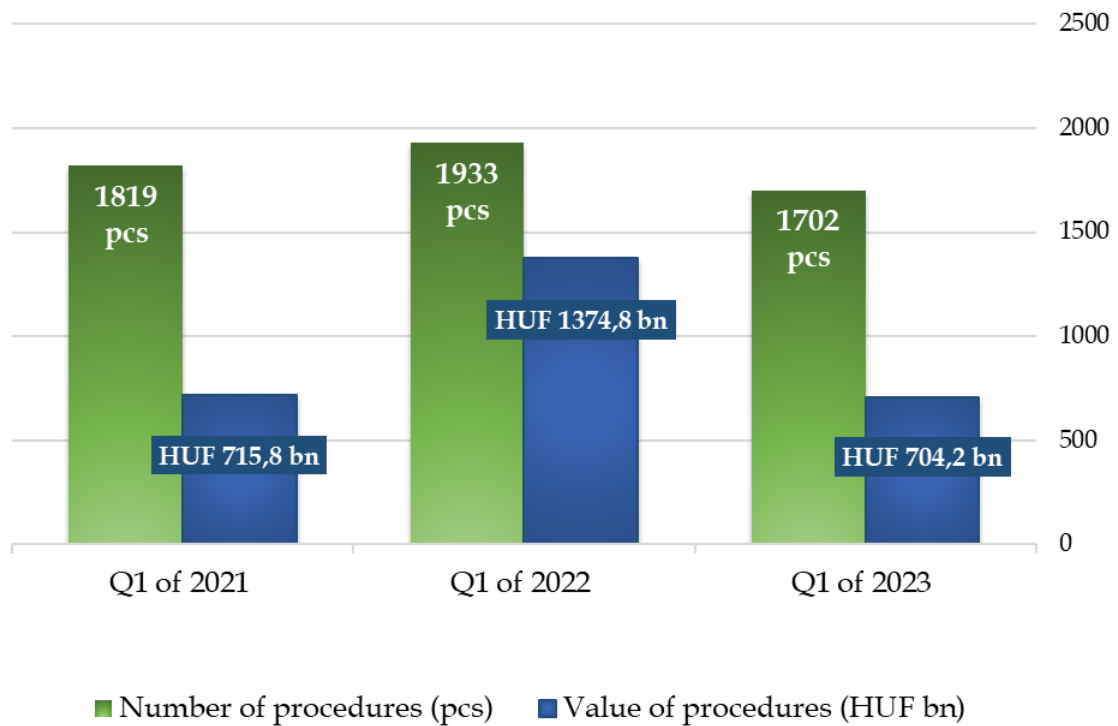
Hungarian public procurement in numbers

Q1 of 2023

## I. The volume of Hungarian public procurement

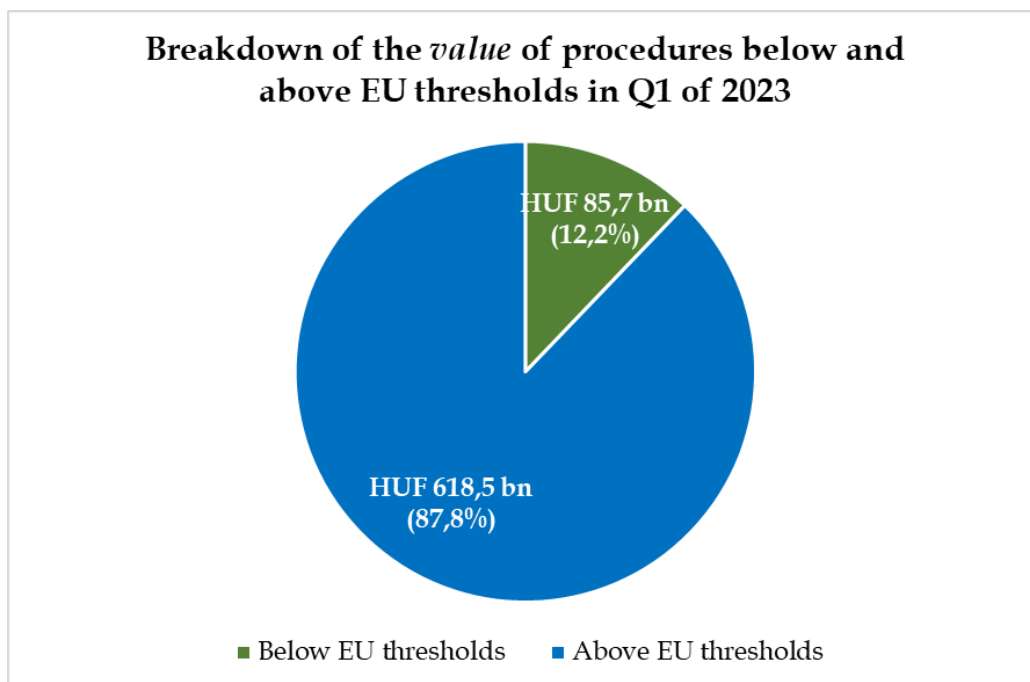
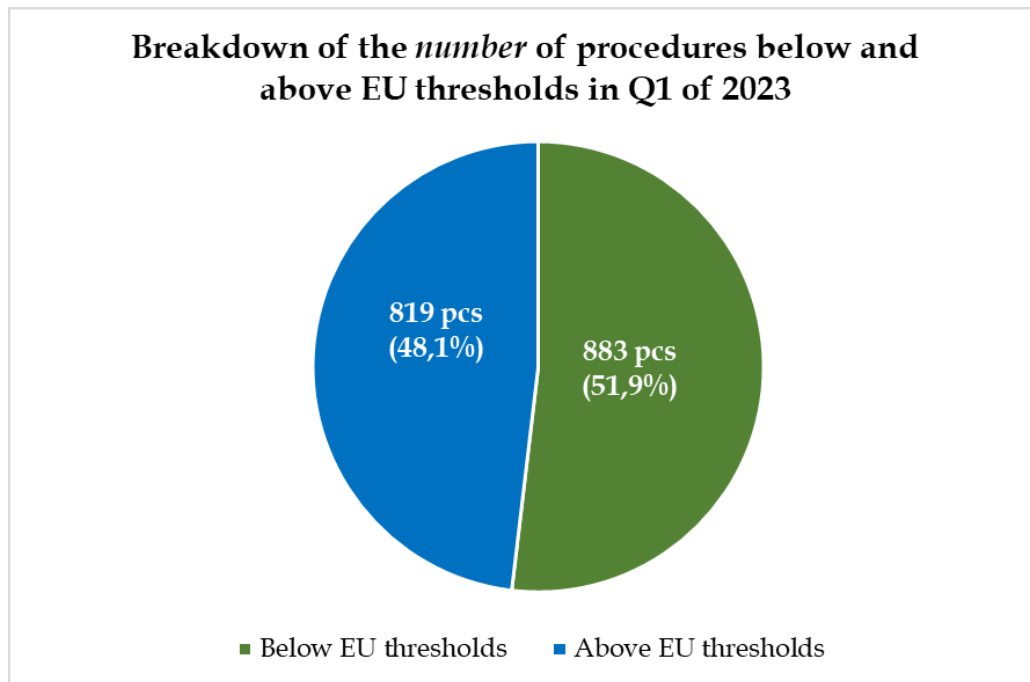
### 1. The number (pcs) and value (HUF bn) of effective public procurement procedures in Q1 of 2021, 2022 and 2023

**The number (pcs) and value (HUF bn) of effective public procurement procedures in Q1 of 2021, 2022 and 2023**



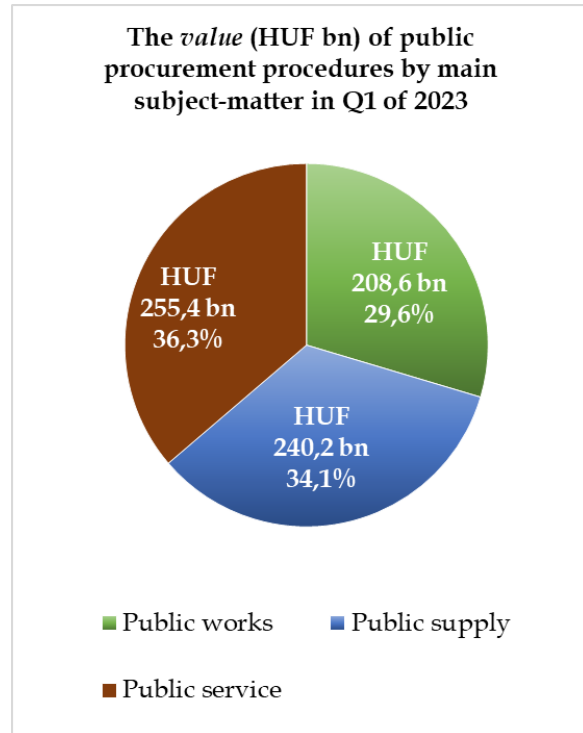
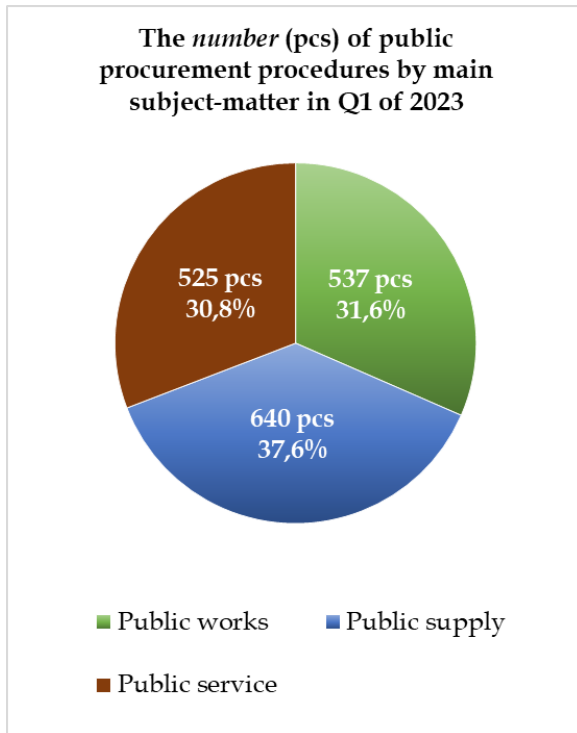
**In the first quarter of 2023, contracting authorities conducted in total 1702 effective public procurement procedures, the total value of which amounted to HUF 704,2 billion.** The value of public procurement dropped significantly, almost to its half, compared to the extremely high value of Q1 of last year, nevertheless, the decrease is only minimal compared to the period two years ago. There was also a slight lowering in terms of the number of procedures compared to the same periods of the two preceding years.

2. Breakdown of the number (pcs) and value (HUF bn) of public procurement procedures above and below EU thresholds in Q1 of 2023



Based on the data of the first quarter of 2023, **about half of the public procurement procedures were conducted above EU thresholds, while the other half below EU thresholds**, nevertheless, in the period concerned the value of the ratio of procedures conducted above and below EU thresholds to each other changed slightly, compared to the data last year, as 87,8% of the value of procedures was above EU thresholds, while procedures below EU thresholds accounted for 12,2%, which is a roughly 4 percentage points move towards procedures below EU thresholds compared to the same period last year.

3. The number (pcs) and value (HUF bn) of public procurement procedures by main subject-matter in Q1 of 2023

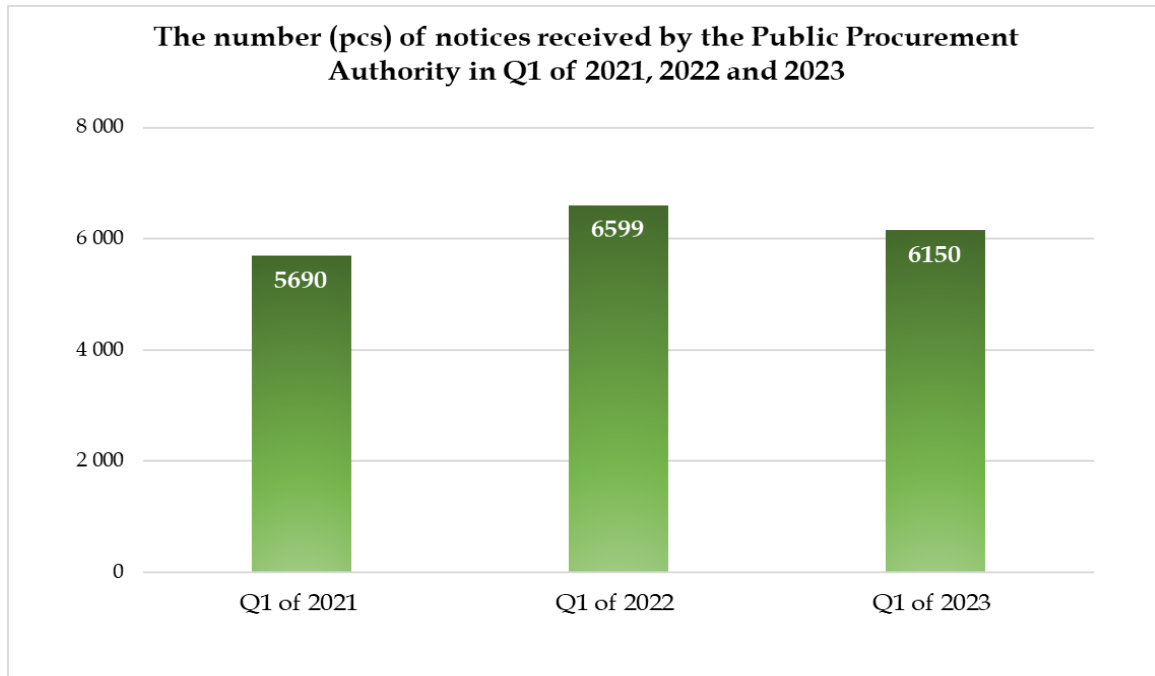


Public works and public service accounted for about equally 32-31% of all public procurement in the first quarter of 2023, which means that **the number of public procurement accounted for each subject-matter nearly equally**. Unlike previously, the highest share of the value of procedures accounted not for public works, but for public service (36%), while public supply constituted 34% and public works a bit less, 30% of the ratio of the value. In the first quarter of 2023 **the value of public service public procurement amounted to about HUF 255 billion**, while public supply amounted to about HUF 240 billion, public works amounted to just HUF 208 billion this year, compared to the extremely high HUF 949 billion last year and to HUF 392 billion two years ago.

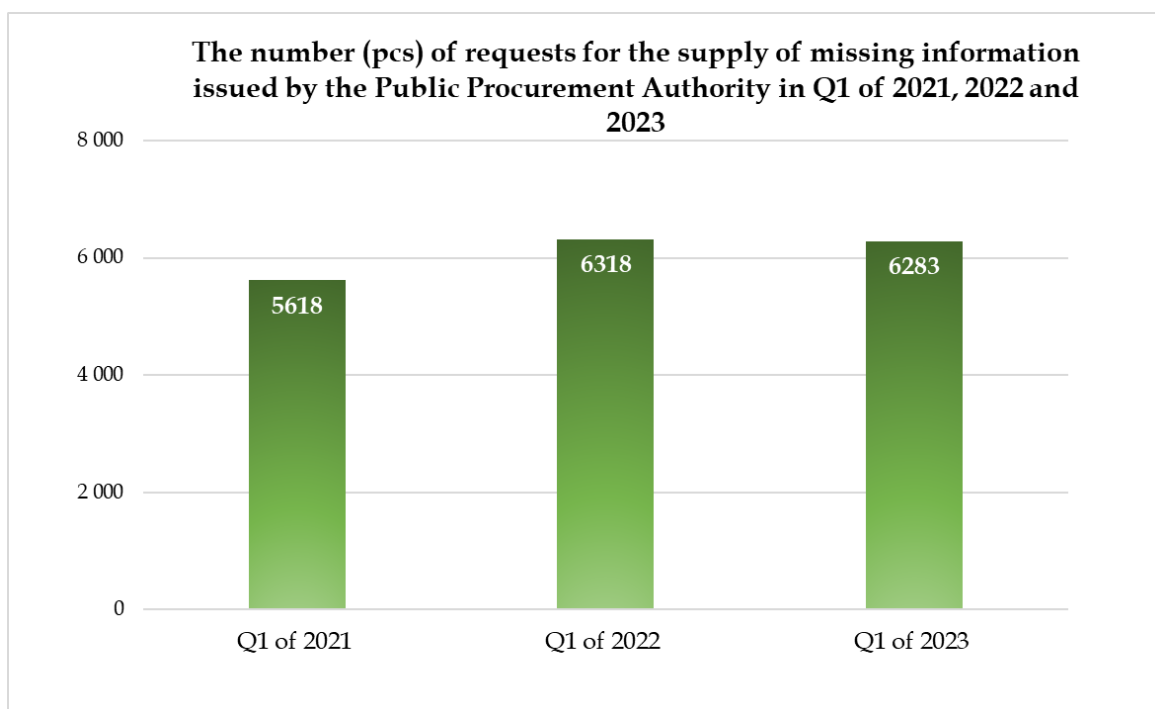


**4. Data on the number of notices in Q1 of 2021, 2022 and 2023**

In the first quarter of 2023 in total 6150 notices were registered and processed by the Public Procurement Authority.



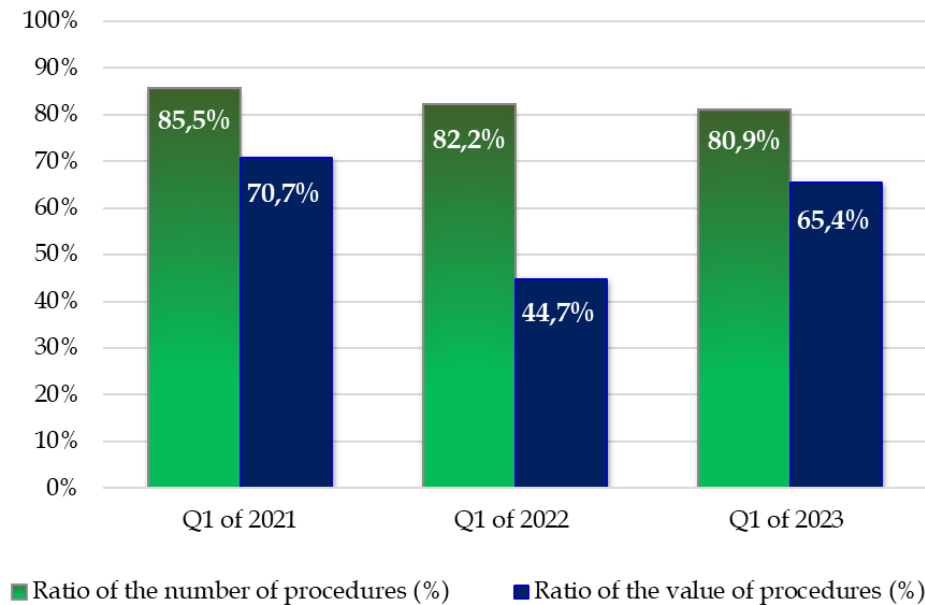
In addition to the control of notices, the Public Procurement Authority also reviewed public procurement documents upon receiving such request. In the first quarter of 2023, requests for the supply of missing information were issued again in high numbers, amounting in total to 6283 pieces.



## II. Data of the SME sector in the first quarter

The number (pcs) and value (HUF bn) of public procurement awarded to SMEs in Q1 of 2021, 2022 and 2023

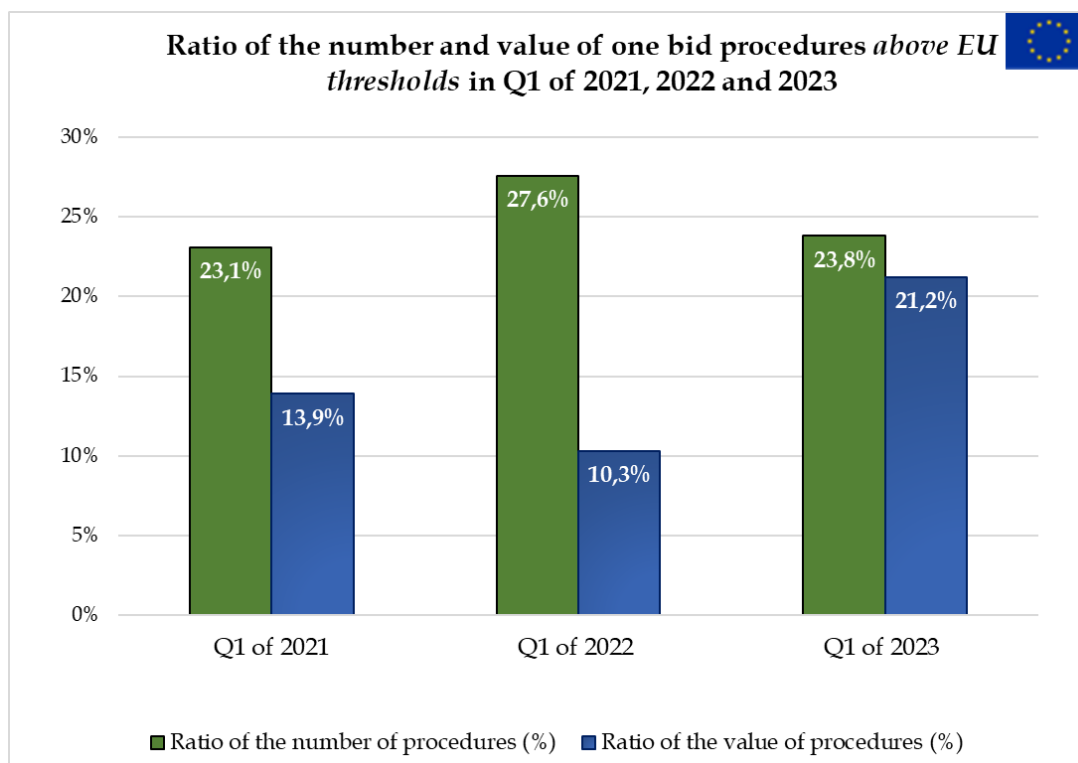
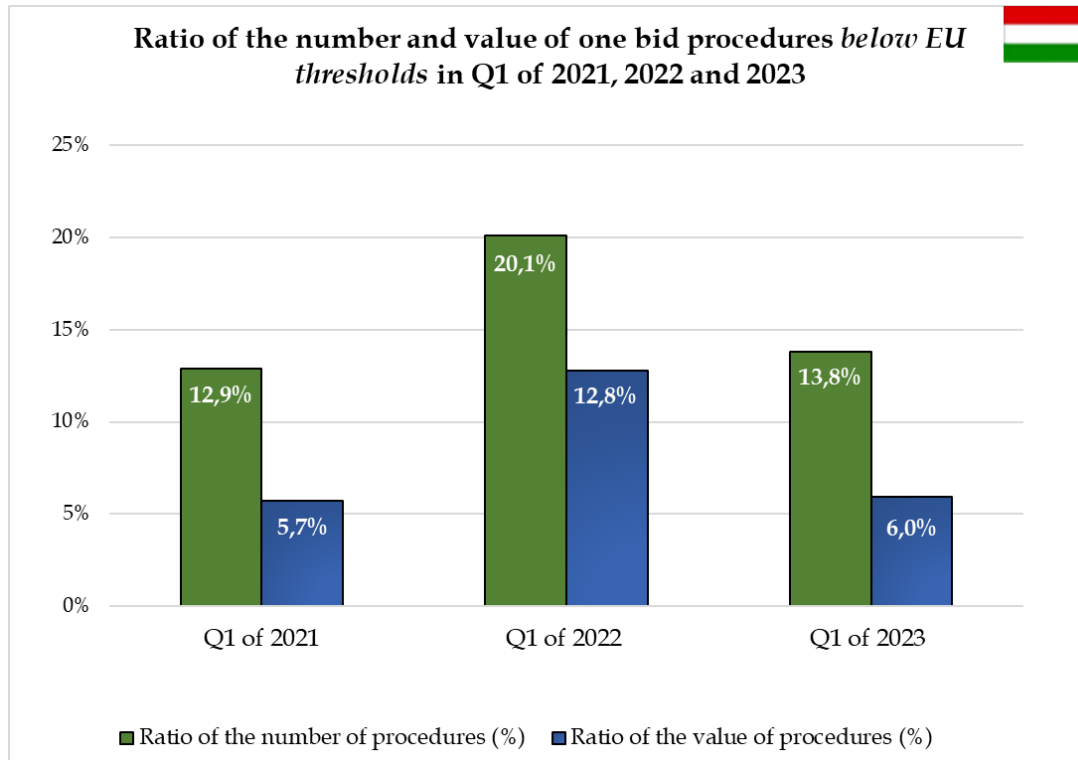
**Ratio (%) of public procurement awarded to SMEs compared to all procedures, based on the number and value of procedures in Q1 of 2021, 2022 and 2023**



The ratio of the number of public procurement awarded to SMEs in the first quarter of 2023 nearly equalled that of in the same period last year, its ratio of value was 20,7 percentage points higher than in the first quarter of 2022. **In the first quarter of 2023, out of 100 effectively conducted public procurement procedures 81 were awarded to SMEs, while 65 forints out of 100 spent were awarded to SMEs.**

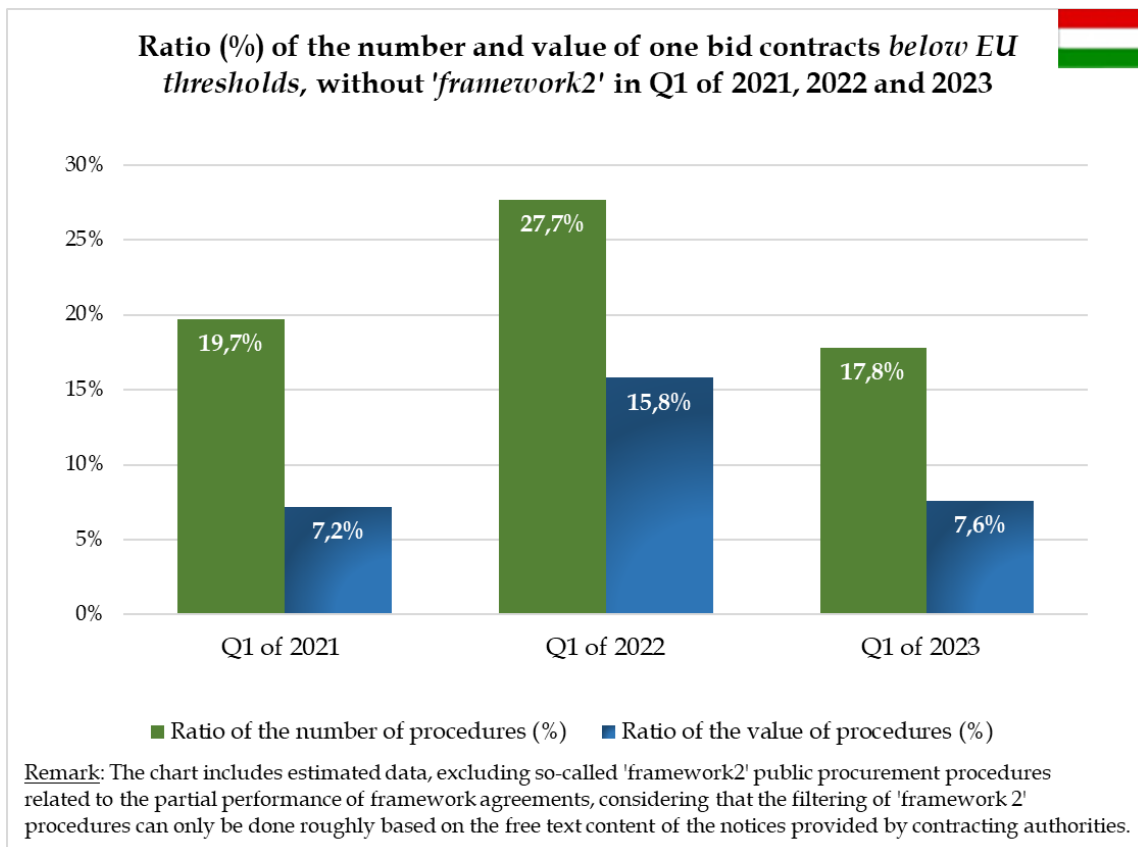
### III. Competition is ensured

#### 1. Data on the number and value of one bid public procurement in the first quarter of 2021, 2022 and 2023



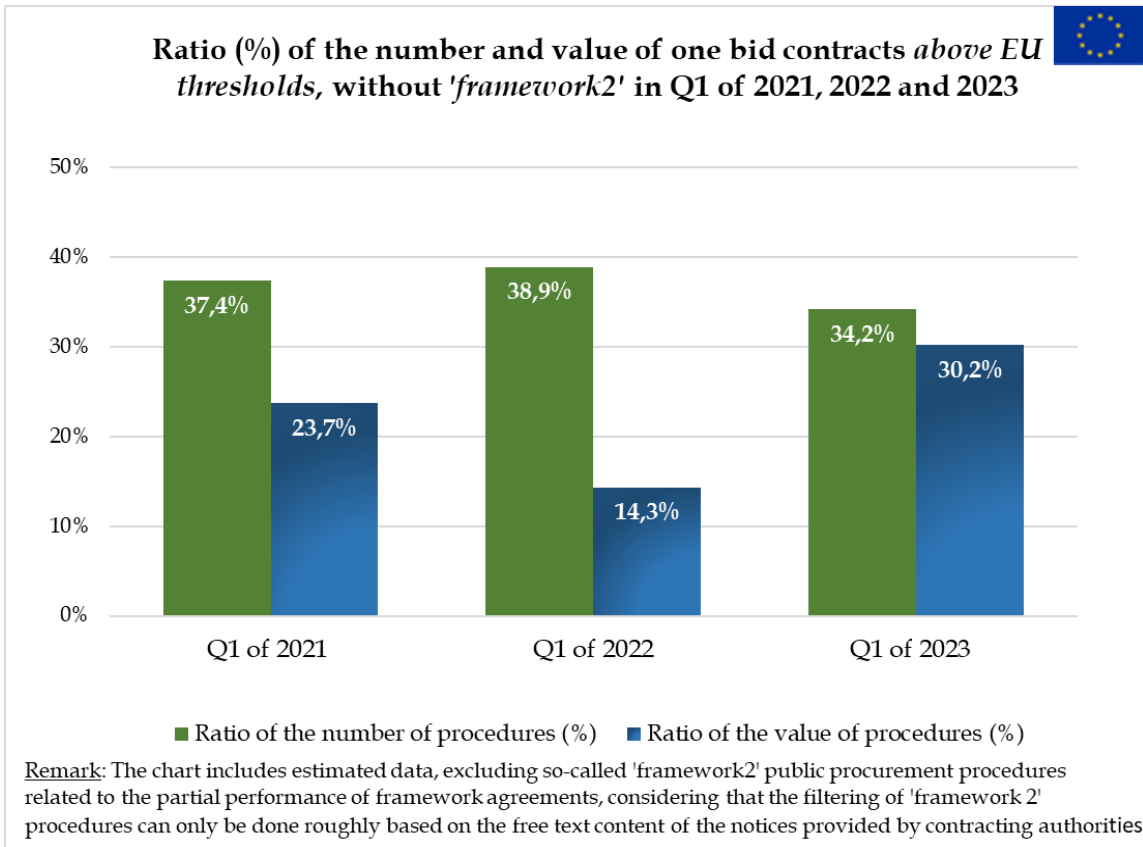
One of the key indicators of competition at the public procurement market is the trend of **one bid procedures**, which declined in the first quarter of 2023 compared to the same period of last year in terms of procedures below EU thresholds, nevertheless, in the case of procedures above EU thresholds, also taken into account by the European Commission, only the ratio of the value rose compared to the same periods of the previous two years, while the ratio of the number lowered compared to the first quarter of 2022<sup>1</sup>.

Upon comparing **one bid contracts** below EU thresholds to the data of the first quarter of the previous years, a similar trend can be seen than in terms of procedure based statistics, as there was a major decrease compared to the first quarter of 2022 both in terms of the ratio of the value and ratio of the numbers, however, these ratio was nearly the same as in the first quarter of 2021. **The ratio of the number of one bid contracts above EU thresholds was 5 percentage points lower in the first quarter of 2023 than in the same period of the previous year.**

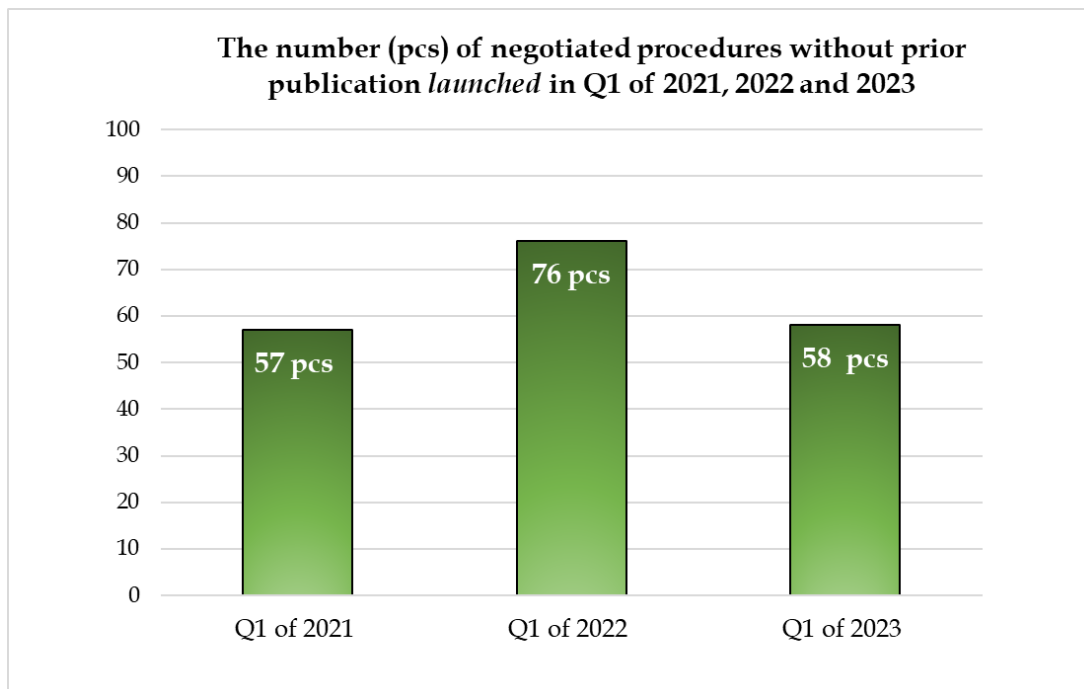


<sup>1</sup> Unlike the statistical methodology based on parts of the public procurement procedures (contract based), the statistical methodology of the Public Procurement Authority considers not single contracts, but whole procedures upon calculating the statistical indicators of one bid procedures, thus the methodology applied by the Public Procurement Authority, like in some other Member States, is procedure based and not contract based, which may cause deviations from other statistical indicators of one bid public procurement (e.g.: the contract based statistics of the European Commission).

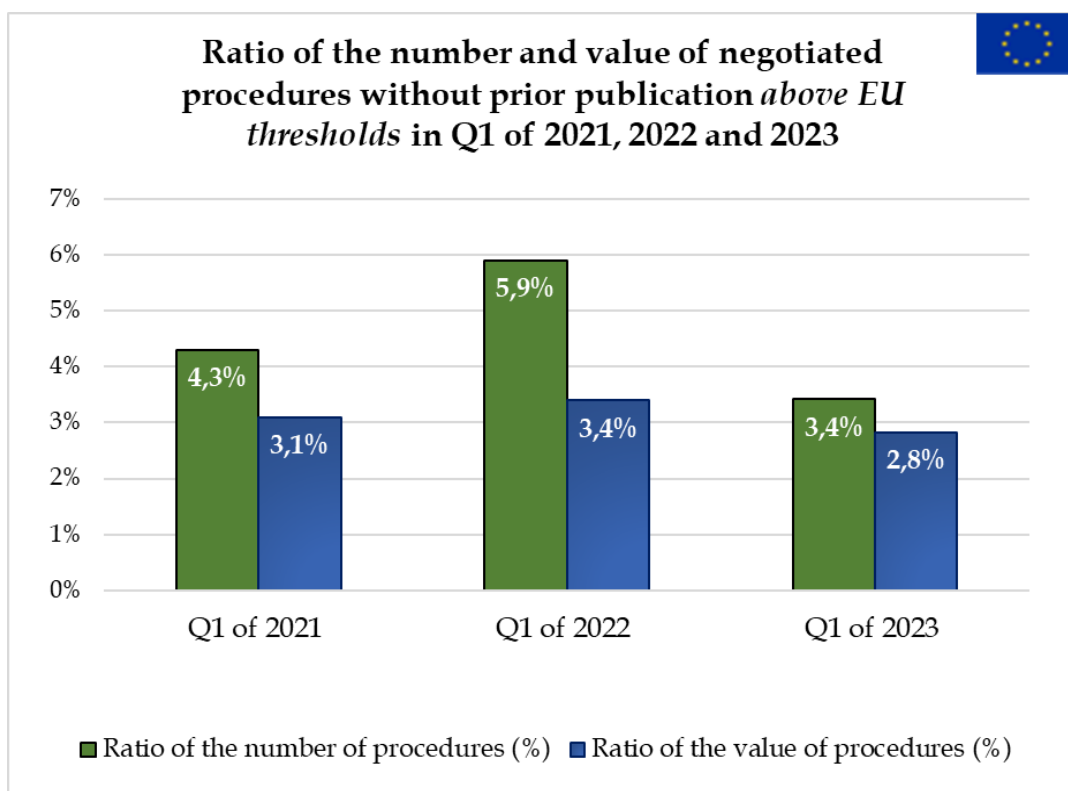
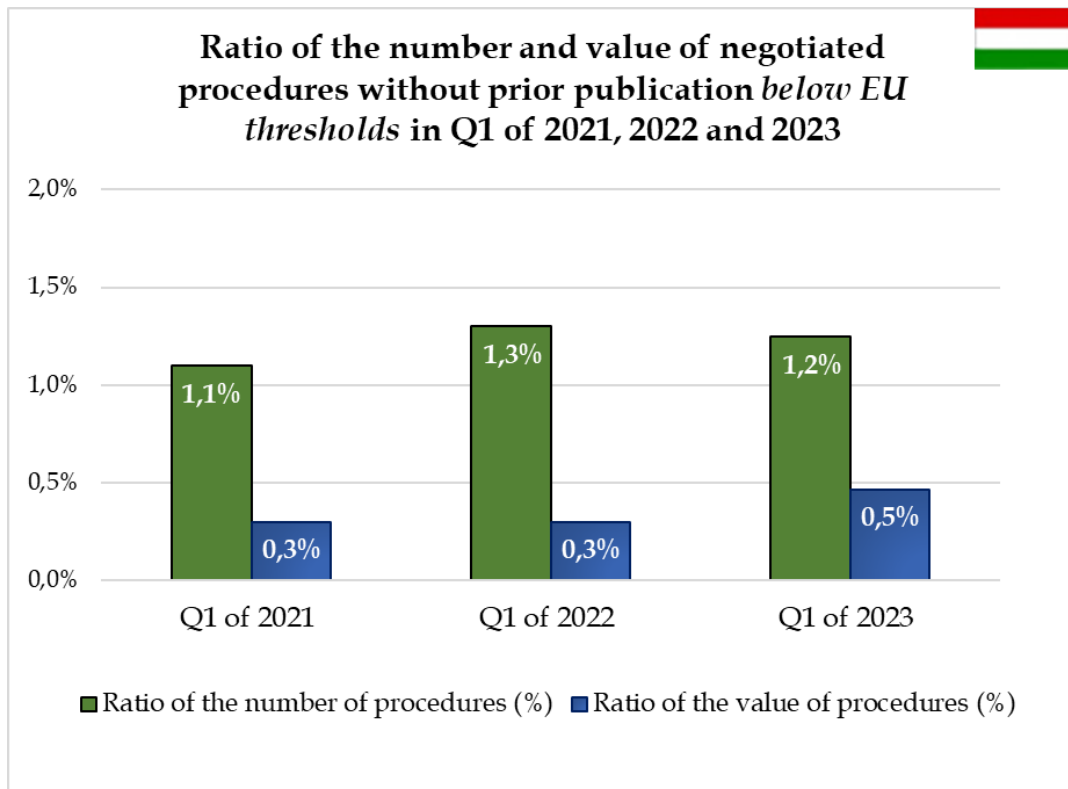




**2. Key indicators of negotiated procedures without prior publication in Q1 of 2021, 2022 and 2023**

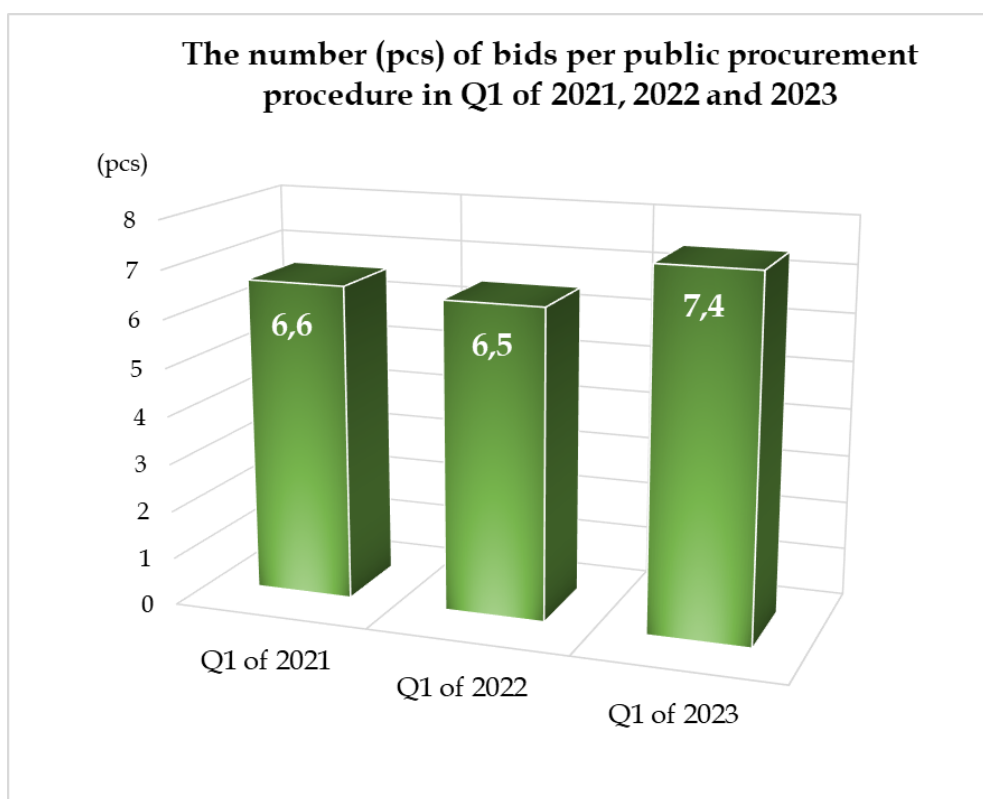


**Remark:** The number of procedures launched deviates from the number of procedures closed due to the carry-over effect.



The other key indicator of competition in the public procurement market is the trend of negotiated procedures without prior publication, based on which in the first quarter of 2023 the **ratio of the number negotiated procedures without prior publication effectively closed was lower both above and below EU thresholds** than in the same periods of the two previous years. However, the number of negotiated procedures without prior publication launched was lower in the first three months of 2023 than in the same period of last year.

3. *The average number of bids per public procurement procedure in Q1 of 2021, 2022 and 2023*



The **average number of bids was 7,4 in the first quarter of 2023**, which exceeds the data of the same period of the two past years with almost one. The average number of bids per public procurement procedure remains high for years, which suggests that competition is ensured in the Hungarian public procurement market.

#### IV. Sustainability aspects in Hungarian public procurement

The ratio of the number of public procurement with **environmental and social** aspects well increased in the first quarter of 2023 compared to the same periods of the two previous years, furthermore, there was a growth in terms of the **ratio of the value** of public procurement with sustainability aspects as well. Overall, it can be stated that in the first three months of 2023 contracting authorities conducted more public procurement with social and environmental aspects than in the same periods of the previous years.

