



**Asia-Pacific  
Economic Cooperation**

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**2014/SMEWG38/026**

Agenda Item: 11.3

## **Public Procurement Opportunities for Women- Owned Enterprises**

Purpose: Information

Submitted by: Korea



**38<sup>th</sup> Small and Medium Enterprises Working  
Group Meeting  
Taichung, Chinese Taipei  
26-27 March 2014**

# Public Procurement Opportunities for Women Owned Enterprises

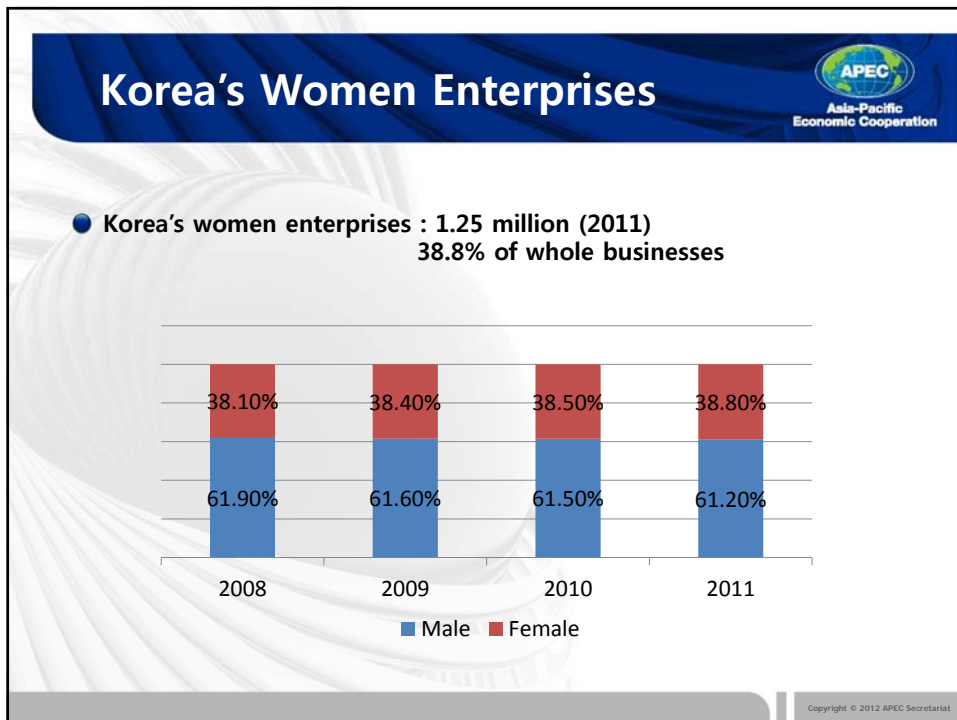
March 2014

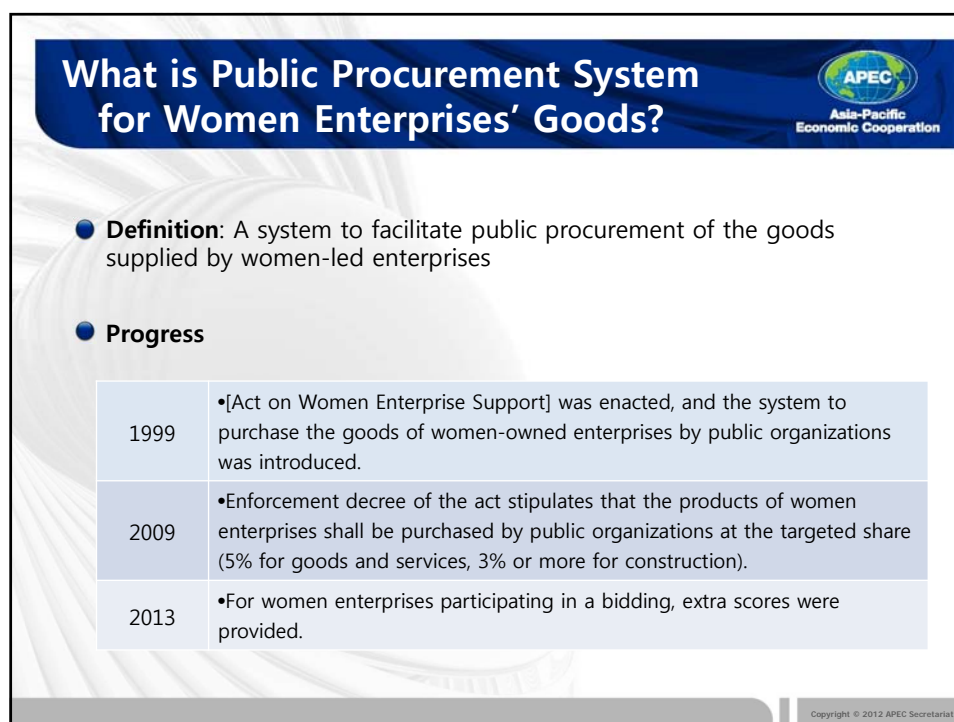
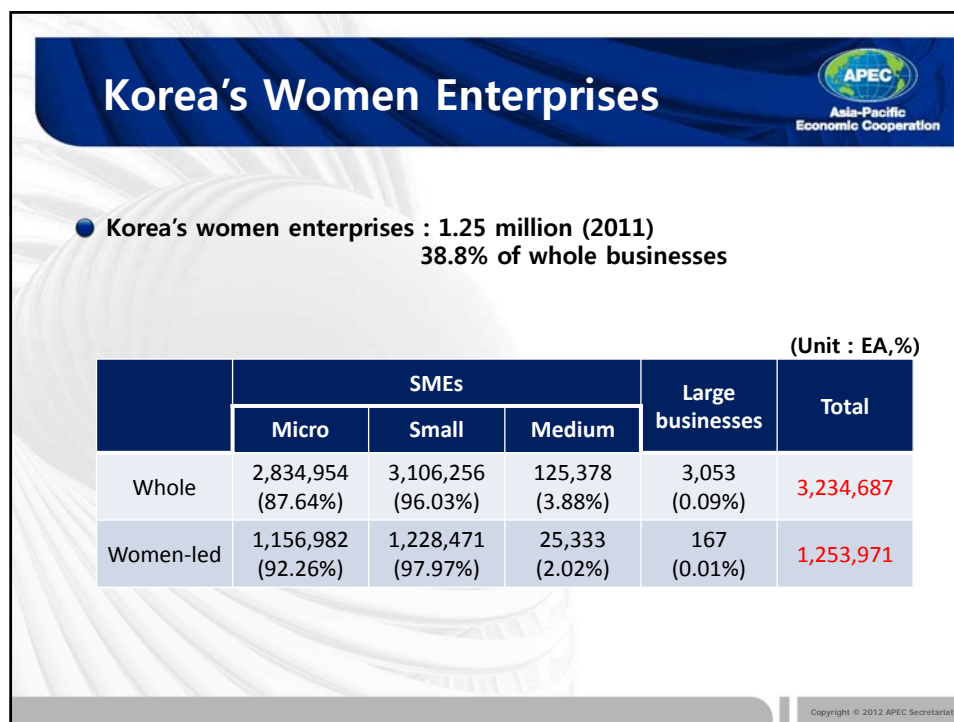


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## Background of Procurement Expansion of Women Enterprises' Goods



- The system for public organizations to meet the targeted ratio of purchasing women enterprises' products was introduced in Nov. 2009, but the performance was lower than the statutory target.

(Unit : trillion won, %)

Class.	2010				2011				2012			
	Goods	Services	Constructions	Sum	Goods	Services	Constructions	Sum	Goods	Services	Constructions	Sum
Whole purchasing amount	28.6	14.5	61.3	104.4	27.0	16.0	56.8	99.8	31.1	17.3	58.7	107.1
Amount to purchase women enterprises' products	0.7	0.5	1.2	2.4	0.8	0.6	1.2	2.6	1.2	0.8	1.4	3.4
Ratio	2.4	3.2	2.0	2.3	2.9	3.9	2.1	2.6	3.7	4.4	2.5	3.2

- Target of purchasing women enterprises' products : 5% for goods and services, 3% for construction
- Organizations subject to the system : ('10) 204 companies → ('11) 282 → ('12) 495

The Korean government made the purchase of women enterprises' products mandatory as one of its national agendas and expressed its determined will to promote participation of women enterprises in the public market.

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## Background of Procurement Expansion of Women Enterprises' Goods



- The system for public procurement of women enterprises' products lacked awareness among public organizations when it was first introduced in 2009, but growing awareness of the system raises performance of product purchases.
- Status of purchasing the products supplied by women enterprises by organization

(Unit : %)

Class.	2010	2011	2012
Sub-total for admin. bodies	2.1	2.2	2.9
- Government institutions	2.1	2.3	2.9
- Local governments and institutions	2.0	2.1	2.9
- Education admin. institutions	2.3	2.6	3.0
Sub-total for public institutions	2.5	3.0	3.4
-Public institutions under the Act on the Management of Public Institutions	2.4	3.0	3.5
-Local public enterprises and special corporations	2.6	2.9	2.3
Total	2.3	2.6	3.2

- Public institutions under the Act on the Management of Public Institutions: public enterprises, state-run corporations and other public agencies

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## Improvement of Public Procurement System for Women Enterprises' Goods

- **(Oblige the purchase of women enterprises' products)** It became mandatory that public organizations purchase the products of women enterprises to help expand the market for the companies.  
 ※ Amendment to the Act on Women Enterprise Support (June. 2013) and enforcement (Jan. 2014)
- **(Raise the upper limit of the estimated price for a negotiated contract)** The price limit to conclude a negotiated contract for women enterprises' products has been adjusted from 20 million won to 50 million won.  
 ※ Enforcement Decree of the Act on Women Enterprise Support(Dec. 2013) and enforcement (Jan. 2014)

➔ **Smoothly run the mandatory system to purchase the products supplied by women-led enterprises**

➔ **Contribute to the growth of women employment and job creation**

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## Action Plan for the Expansion of Public Procurement Goods of Women Enterprises

- **Establish and smoothly run the system by drawing up action plans which can be abided by 743 public agencies**
  - Provide each agency with a purchase goal to achieve and manage their performances
- **Provide more means to get or search for the information on women enterprises and their products**
  - (Manage the database of women enterprises)** create a database with the information on the representatives of women enterprises and their products and provide a data search function by line of business, product and industry
  - (Promote and register the products of women enterprises)** enlarge the market for women enterprises to enter for sales and enhance promotion of women enterprises by marketing their products and setting up a website for product registration
- **Funding** : make use of the budget for supporting women enterprises (800million won for 2014)

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## Action Plan for the Expansion of Public Procurement Goods of Women Enterprises

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- **Milestones by year**

2014	<ul style="list-style-type: none"> <li>• (Jan.) Presentation of the system to purchase women enterprises' products</li> <li>• (Jan. – Feb.) Research on the status of purchasing women enterprises' products and problems</li> <li>• (Mar. – Apr.) Purchase goal setting for each public agency</li> <li>• (~ Dec.) Monitoring of system implementation</li> <li>• (~ Dec.) Provision of database of 10,000 women enterprises and 1,500 products made by women enterprises</li> </ul>
2015	<ul style="list-style-type: none"> <li>• (Jan.) Presentation of the system to purchase women enterprises' products</li> <li>• (Jan.–Feb.) Research on the status of purchasing women enterprises' products and problems</li> <li>• (Mar.–Apr.) Purchase goal setting for each public agency</li> <li>• (~Dec.) Monitoring of system implementation</li> <li>• (~Dec.) Provision of database of 12,000 women enterprises and 2,000 products made by women enterprises</li> </ul>
2016	<ul style="list-style-type: none"> <li>• (Jan.) Presentation of the system to purchase women enterprises' products</li> <li>• (Jan.–Feb.) Research on the status of purchasing women enterprises' products and problems</li> <li>• (Mar.–Apr.) Purchase goal setting for each public agency</li> <li>• (~ Dec.) Monitoring of system implementation</li> <li>• (~Dec.) Provision of database of 15,000 women enterprises and 2,500 products made by women enterprises</li> </ul>

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## Expected Effects

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- **Rising procurement of women enterprises' goods is expected to contribute to the enhancement of the companies' competitiveness and job creation.**
  - Expansion of purchasing women enterprises' products  
(2013) 3.6 trillion won →(2014)4.2 trillion won→(2017)4.9 trillion won
  - Contribution to job creation attributed to the expansion of purchasing women enterprises' products  
(2013) 10,440 people→(2014)12,180 people→(2017)14,297 people

Class.	2013	2014	2015	2016	2017	Remarks
Amounts of the purchase of women enterprises' products(KRW trillion)*	3.6	4.2	4.43	4.67	4.93	
Job creation effects from the purchase of women enterprises' products(person)**	10,440	12,180	12,847	13,543	14,297	

※ The 2014 purchase amount was estimated assuming the target is achieved, and the 2015-17 amount was calculated based on the growth rate of purchasing women enterprises' products(5.5%) by the whole existing public agencies over the last five years (2016 –11).

※ The job creation effects came out based on the number of the workers employed per the sales of 100million won (for manufacturing business, 0.29 on average).

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