

## Country case: Reducing transaction costs for suppliers in Korea

### Description

The Korean e-Procurement system (KONEPS) includes tools that reduce burden on suppliers by eliminating the need to submit duplicative certificates and other records, helping to ensure that the extent and complexity of information required in tender documentation and the time allotted for suppliers to respond is proportionate to the size and complexity of the procurement.

Companies that previously had to register individually for each public procurement bidding could now register only once with the Public Procurement Service and participate in all biddings from central government entities, local government entities, and public enterprises.

Through the shared use of government data through data interchange between KONEPS and other database owned by public authorities, KONEPS enabled the elimination of paper submission of business registration certificate and tax payment certificate. For public construction tenders, bidders become no longer required to submit certificates on past experiences, as such information was electronically collected through data interchange with construction industry associations.

According to a study conducted in 2009, annual transaction cost savings enabled through KONEPS amounts to KRW 9.5 trillion. Of this, the saving of KRW 1.6 trillion occurs in the public sector, from reduced labour and process time due to the streamlined and digitalised work process. KRW 7.9 trillion was saved in the private sector, mainly from reduced costs for visiting public entities and obtaining required certificates and proof documents. Reduced labour and time from streamlined and standardised process also contributed to the savings.

Source: OECD (2015), [Effective Delivery of Large Infrastructure Projects: The Case of the New International Airport of Mexico City](#), OECD Publishing, Paris.

Public Procurement  
Principle: **Access,  
Efficiency, E-procurement**

Procurement Stage:  
**Tendering**

Audience: **Policy Maker,  
Procuring Entity**