



Digitally ordering and digital delivery in Digital SUTs

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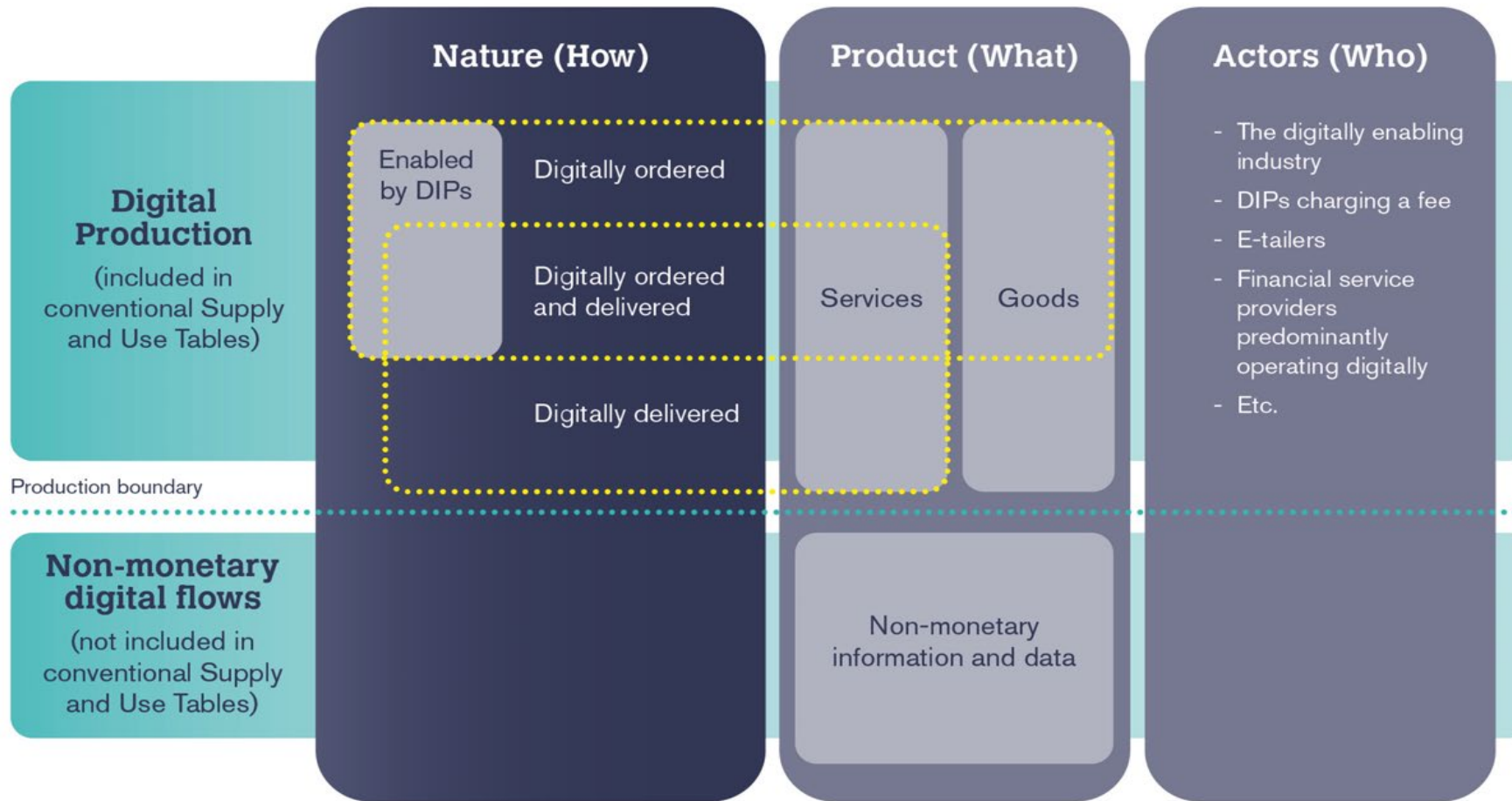
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- The main breakdowns
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Role of digitally ordered and delivered in Digital SUTs

Set-up of the framework



1. DIPs = Digital Intermediation Platforms.
2. There are currently seven new digital industries; the last column shows examples. The full list are: The digitally enabling industry, DIPs charging a fee, Data- and advertising-driven digital platforms, Producers dependent on DIPs, E-tailers, Financial service providers predominantly operating digitally, and Other producers only operating digitally.

Source: IMF, OECD, UNCTAD, WTO (2023) adapted.



High Priority Indicators

The three high priority indicators that compilers may focus on:

1. Expenditures split by nature of the transaction, including estimates of digital trade
2. Output and/or intermediate consumption of Digital Intermediation Services (DIS), Cloud Computing services (CCS) and total ICT goods and digital services
3. Digital industries' output, gross value added (GVA) and its components



The main breakdowns



Nature of transactions ('how')

Transactions are split into the following categories:

- **Digitally ordered** (or e-commerce): *“The sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders”* (excludes orders placed by phone, fax, or email)
 - Digitally ordered **directly from the counterparty**
 - Digitally ordered **via a digital intermediary platform**
 - Digitally ordered via a resident digital intermediary platform
 - Digitally ordered via a non-resident digital intermediary platform
 - **Not digitally ordered**
- **Digitally delivered**: *“Transactions that are delivered remotely over computer networks”*
 - Of which, digitally delivered



Nature of transaction - Template

Column		A	B	C	D	E	F
Row	Transaction perspective <u>Supply Table</u>	Nominal values					
		Total Output	Of which, digitally delivered	Imports	Of which, digitally delivered	Total Supply	Of which, digitally delivered
1	Total Products						
2	Total Products - Digitally ordered						
3	Direct from a counterparty						
4	Via a digital intermediation platform						
5	Via a resident digital intermediation platform						
6	Via a non-resident digital intermediation platform						
7	Not Digitally ordered						

Source: Annex Figure 6.A.1. OECD Handbook on Digital SUTs (OECD, 2023)



Nature of transaction - Digitally delivered

- For a lot of products, it is difficult to determine whether they have been digitally delivered
- For that reason, several countries decided to create a category “digitally deliverable” to still be able to provide insights in the degree of potential digital delivery
- However, it needs to be borne in mind that this creates an upper bound, i.e., the actual amount of digitally delivered data may be lower
- List of products considered digitally deliverable included in Digital SUTs Handbook (snapshot):

CPC 2.1 product codes	CPC 2.1 Products
611	Wholesale trade services, except on a fee or contract basis
A612	Wholesale trade services on a fee or contract basis
621	Non-specialised store retail trade services
622	Specialised store retail trade services
623	Mail order or internet retail trade services
624	Other non-store retail trade services
625	Retail trade services on a fee or contract basis
60112	Electricity distribution (on own account)

Source: Annex 3.A.1 OECD Handbook on Digital SUTs (OECD, 2023)



Example: Canada

Supply of digitally ordered and delivered products, Canada, 2019 (in Million Canadian dollars)

	Output, digital industries	Output, digital industries, <u>digitally delivered</u>	Total output	Total output, industries, <u>digitally delivered</u>	Total imports	Imports, <u>digitally delivered</u>	Taxes on products	Total supply	Total supply, <u>digitally delivered</u>
Total	204,768	76,461	4,065,386	96,580	722,624	13,236	173,179	4,961,189	115,527
Digitally ordered	73,953	50,362	277,933	65,665	51,723	9,144	6,696	336,352	75,019
Direct from a counterparty	59,612	49,658	218,757	64,961	19,588	8,559	1,072	239,416	73,659
Via a resident DIP	1,193	704	1,193	704	0	0	0	1,193	704
Via a non-resident DIP	3,839	0	3,839	0	984	584	70	4,893	606
Via a resident retailer or wholesaler	9,308	0	54,144	0	31,150	0	5,555	90,849	50
Not digitally ordered	130,815	26,098	3,787,453	30,915	670,902	4,092	166,483	4,624,837	40,508

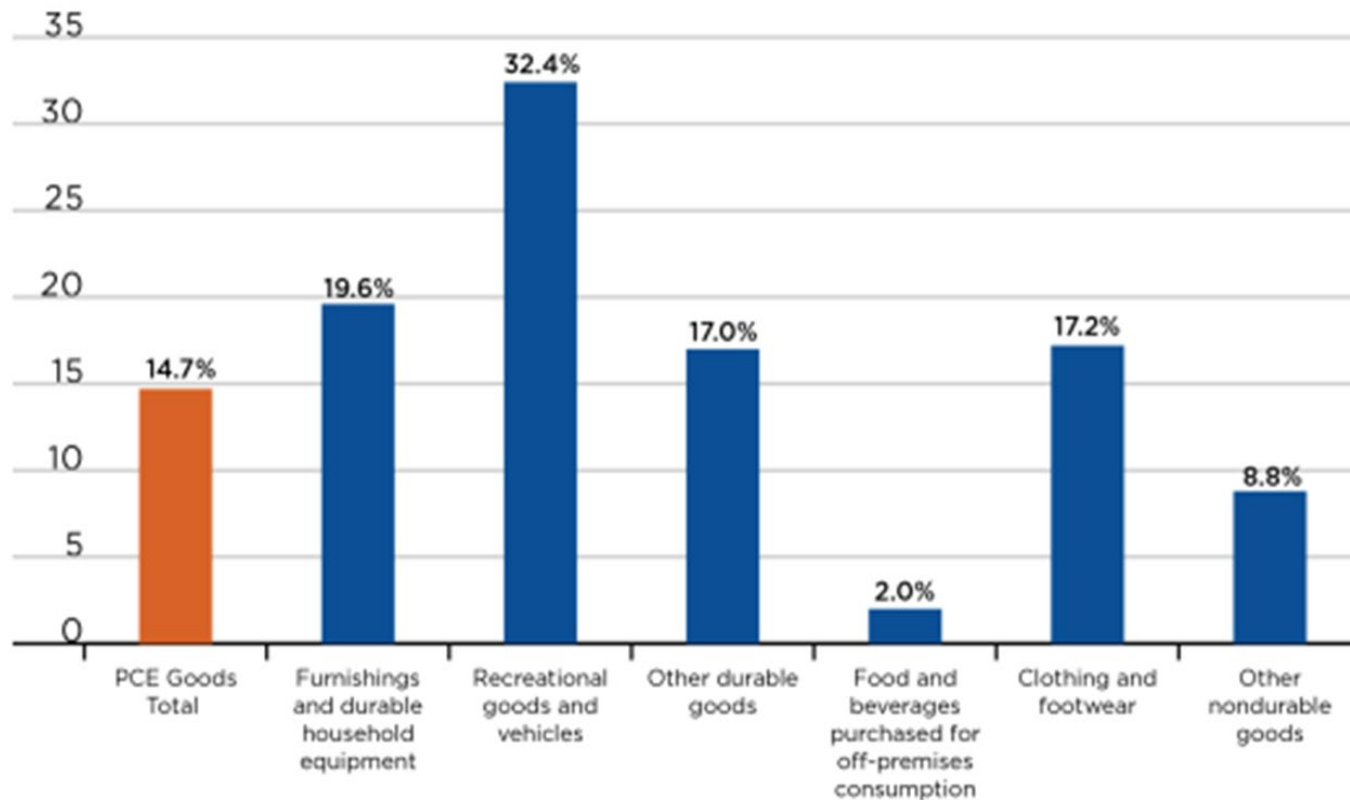
Source: Statistics Canada (2021)

Example: United States

- The release included experimental estimates on intermediation and e-commerce for selected PCE categories

<https://www.bea.gov/data/special-topics/digital-economy>

Figure 1: E-Commerce Share of Selected PCE Goods by Type of Product, 2019



Note. PCE Goods Total excludes motor vehicle and parts; gas and other energy goods; pharmaceutical and other medical products; and tobacco.

U.S. Bureau of Economic Analysis



Example: Other countries

Proportion of domestic output, %

	Canada (2020)	Netherlands (2018)	Ireland (2020)
Digitally Ordered	7.5%	16.1%	21.8%
Digitally Delivered	2.6%	22.6%*	31.0%*

* Potentially digitally deliverable

Source: Statistics Canada, Statistics Netherlands, CSO Ireland



Conclusions



Conclusions

- Digitally ordering and delivery is an **important component** of the Digital SUTs
- Countries are **encouraged to compile** expenditures split by nature of transactions
- It provides insights what share of products has been digitally ordered and what share has been digitally delivered
- Countries may also target ‘**digitally deliverable**’ if it is not feasible to obtain good quality results on ‘digitally delivered’
- Because of the direct conceptual links, it is important to have **perfect alignment** with data on digital trade



THANK YOU

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