Handbook on Measuring Digital Trade

IMF, OECD, UNCTAD and WTO



5TH INTERNATIONAL SEMINAR ON BIG DATA FOR OFFICIAL STATISTICS - MAY 2024

Roadmap

- Why is it important to measure digital trade?
- Genesis of the Handbook
- Core of the Handbook
 - Definitions, a conceptual framework and a reporting template
 - → today
 - Practical advices to compile digital trade
 - → tomorrow
- Known progress
- Key take-aways





















Why is it important to measure digital trade?





















Digital trade is important for policymaking

 The G20 has called for a review of statistical framework to measure the digital economy and digital trade, and this measurement dimension has been prevalent in G20 presidencies agenda since at least 2015.

International trade :

- Support trade policy discussions and negotiate new digital economy agreements,
- Analyse the digital trade implications of changes in regulatory frameworks
- Competition policy: Getting information to assess the role and behaviour of large digital firms
- Tax policy: adapt tax framework to new business models, prevent profit shifting, assess whether one should collect VAT on online sales of services or not.
- Preventing a growing digital divide









Digital trade: a statistical paradox

- The possibility to sell online has lowered, and has the potential to lower further, barriers to export, in particular for households and SMEs. It has eased access to new markets, whilst also having a significant disruptive impact on many industries.
- Digitalisation remains largely invisible in official statistics of trade.
- Complicating matters was the absence of a single definitive view on what has been actually meant by digital trade, whose interpretation typically differs depending on the application or the user.









Measurement challenges

- Two main challenges:
 - Digitalisation increases the involvement of small firms and households in international trade.
 - The involvement of digital intermediation platforms (DIPs) adding a third actor to certain transactions.

 Overcoming these challenges will help to develop digital trade statistics, but also to improve the measurement of international trade in general.









Genesis of the Handbook













Past initiatives

OECD definition of e-commerce for measurement purposes (2001, 2009)

> Work on 'readiness' measures – WB, ITU, WEF (2016 – onwards)

Handbook on Measuring Digital Trade (2019)

=> Statistical definition and conceptual framework established

WTO work program on e-commerce (1998)

UNCTAD-led work on defining and measuring ICT-enabled services trade (2015 - onwards)

G20 Toolkit on Measuring the Digital Economy (2018), OECD Going Digital Project (2017 – onwards)

Handbook on Measuring Digital trade second edition (2023)









A brief history of the Handbook

2017

The Inter-Agency Task Force on International Trade Statistics, cochaired by the OECD and the WTO, created an Expert Group, with a large participation of countries

2019

Publication of the first version of the Handbook

2023

The Handbook was revised by a team comprising experts from the IMF, WTO, UNCTAD and OECD, after extensive consultations with countries

2024

The Handbook was endorsed by the Statistical Commission in February









Conceptual framework and reporting template













Key concepts

WTO Work Programme on Electronic Commerce definition (1998)

"The production, distribution, marketing, sale or delivery of goods and services by electronic means"

E-commerce

Definition for measurement purposes (OECD, 2009)

"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"

Digital Trade

Handbook on Measuring Digital Trade IMF, OECD, UNCTAD and WTO, 2023

"All international trade that is digitally ordered and/or digitally delivered"

Domestic e-commerce

"The <u>domestic</u> sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders"

Digitally ordered trade

International e-commerce

"The <u>international</u> sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders"

Digitally delivered trade

"All international trade transactions that are delivered remotely over computer networks"

International transactions that are both digitally ordered and digitally delivered

Source: IMF, OECD, UNCTAD and WTO (2023)









The conceptual framework

Product (What) Nature (How) Actors (Who) Corporations Enabled - DIPs Digitally ordered by DIPs - E-tailers **Digital Trade** - Other producers only operating digitally (included in Digitally ordered - Other corporations conventional Services Goods and delivered Governments trade statistics) Households Non-profit institutions Digitally delivered serving households Production boundary Non-monetary digital flows Non-monetary (not included in information and data conventional trade statistics)



Source: IMF, OECD, UNCTAD and WTO (2023)







Digital intermediation platforms (DIPs)

"Online interfaces that facilitate, for a fee, the direct interaction between multiple buyers and multiple sellers, without the platform taking economic ownership of the goods or rendering the services that are being sold (intermediated)"











A reporting template

Item			Total exports	Total imports
1	Total digital trade	2+3 minus 4		
2	Digitally ordered trade	2.1+2.2		
2.1	Goods			
2.1.a	of which: via DIPs			
2.2	Services			
2.2.a	of which: via DIPs			
3	Digitally delivered trade			
3.a	of which: via DIPs			
4	Digitally ordered <u>and</u> digitally delivered trade			
4.a	of which: digital intermediation services			
	Addendum items			
A.1	Digital trade in services	2.2+3 minus 4		

Source: IMF, OECD, UNCTAD and WTO (2023)









Known progress













Known progress as of February 2024

All	Digitally ordered		Digitally delivered		
	Exports	Imports	Exports	Imports	
No country	Env. 17 countries	Spain China and Turkiye El Salvador	Costa Rica and India Canada, United States and United Kingdom	El Salvador and Namibia Germany and Ireland	









Turning the Handbook into action

- The IMF, OECD, UNCTAD, and WTO are working to develop in-person, online, and blended training to support Handbook implementation
- In-person workshops of 4-5 days
- First workshop took place in November
 2023 in Abu Dhabi for Arab countries
- Workshop provision is demand-led. To express interest contact emeasurement@unctad.org; barbara.dandrea@wto.org and pquill@imf. org



Regional Workshop on Measuring Digital Trade 20-23 November 2023 Abu Dhabi, UAE









Key take-aways

 The Handbook on Measuring Digital Trade sets out key definitions, a conceptual framework, and reporting template for digital trade statistics.

 It was endorsed by countries through global consultation and the Statistical Commission.

 Countries have started to use the conceptual framework, although much more needs to be done in particular in measuring digitally delivered services.









Thank you for your attention



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