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

- WTO work program on e-commerce (1998)
- UNCTAD-led work on defining and measuring ICT-enabled services trade (2015 onwards)
- OECD definition of e-commerce for measurement purposes (2001, 2009)

=> Statistical definition and conceptual framework established

Handbook on Measuring Digital trade second edition (2023)
A brief history of the Handbook

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>The Inter-Agency Task Force on International Trade Statistics, co-chaired by the OECD and the WTO, created an Expert Group, with a large participation of countries</td>
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<tr>
<td>2019</td>
<td>Publication of the first version of the Handbook</td>
</tr>
<tr>
<td>2023</td>
<td>The Handbook was revised by a team comprising experts from the IMF, WTO, UNCTAD and OECD, after extensive consultations with countries</td>
</tr>
<tr>
<td>2024</td>
<td>The Handbook was endorsed by the Statistical Commission in February</td>
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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 domestic 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 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

Digital Trade
(included in conventional trade statistics)

Non-monetary digital flows
(not included in conventional trade statistics)

Nature (How)
- Enabled by DIPs
- Digitally ordered
- Digitally ordered and delivered
- Digitally delivered

Product (What)
- Services
- Goods

Non-monetary information and data

 Actors (Who)
- Corporations
  - DIPs
  - E-tailers
- Other producers only operating digitally
- Other corporations
- Governments
- Households
- Non-profit institutions serving households

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

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Total exports</th>
<th>Total imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Total digital trade</td>
<td>2+3 minus 4</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Digitally ordered trade</td>
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<tr>
<td>2.1</td>
<td>Goods</td>
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<td>2.1.a</td>
<td>of which: via DIPs</td>
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<td></td>
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<tr>
<td>2.2</td>
<td>Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.2.a</td>
<td>of which: via DIPs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Digitally delivered trade</td>
<td></td>
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<tr>
<td>3.a</td>
<td>of which: via DIPs</td>
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<td></td>
</tr>
<tr>
<td>4</td>
<td>Digitally ordered <em>and</em> digitally delivered trade</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.a</td>
<td>of which: digital intermediation services</td>
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*Addendum items*

<table>
<thead>
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<th>Total imports</th>
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<tbody>
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<td>Digital trade in services</td>
<td>2.2+3 minus 4</td>
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Source: IMF, OECD, UNCTAD and WTO (2023)
Known progress
Known progress as of February 2024

<table>
<thead>
<tr>
<th>All</th>
<th>Digitally ordered</th>
<th>Digitally delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Exports</td>
<td>Imports</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No country</td>
<td>Env. 17 countries</td>
<td>Spain, China and Turkiye, El Salvador</td>
</tr>
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<td></td>
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</tbody>
</table>
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