



ORGANISATION DE COOPÉRATION ET  
DE DÉVELOPPEMENT ÉCONOMIQUES

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## MEASURING TRADE IN ICT GOODS: FROM HS2002 TO HS2007

[Frédéric.Bourassa@oecd.org](mailto:Frédéric.Bourassa@oecd.org)

[Vincenzo.Spiezia@oecd.org](mailto:Vincenzo.Spiezia@oecd.org)

OECD

# Why does it matters?

*Core ICT Indicators* include 2 indicators:

**ICT3:** ICT goods imports as a percentage of total imports

**ICT4:** ICT goods exports as a percentage of total exports

Two major changes in ICT trade statistics

**2007:** Change of the Harmonized System (HS) classification

**2008:** New ICT products definition based on CPC rev.2 by OECD

*Trade in ICT goods are not comparable before and after 1996 (time break)*

# Outline

1. New OECD definition of ICT products
2. Changes in the Harmonized System (HS)
3. Proposal for trade in ICT goods
4. Trade in ICT services
5. Recent trends

# New OECD definition of ICT products

- Change in the underlying classification:

*From HS2002 to CPC rev.2*

- A narrower scope:

*ICT goods must either be intended to fulfil the function of information processing and communication by electronic means, including transmission and display, or use electronic processing to detect, measure and/or record physical phenomena, or to control a physical process.*

- Includes Content media products, services and goods

- Rational:

ICT products are the output of the ICT producing sectors

# ICT products

Broad level categories	Number of CPC subclasses (products)
Computers and peripheral equipment	19
Communication equipment	8
Consumer electronic equipment	11
Miscellaneous ICT components and goods	14
Manufacturing services for ICT equipment	5
Business and productivity software and licensing services	11
Information technology consultancy and services	10
Telecommunications services	12
Leasing or rental services for ICT equipment	3
Other ICT services	6
<b>Total</b>	<b>99</b>

GOODS

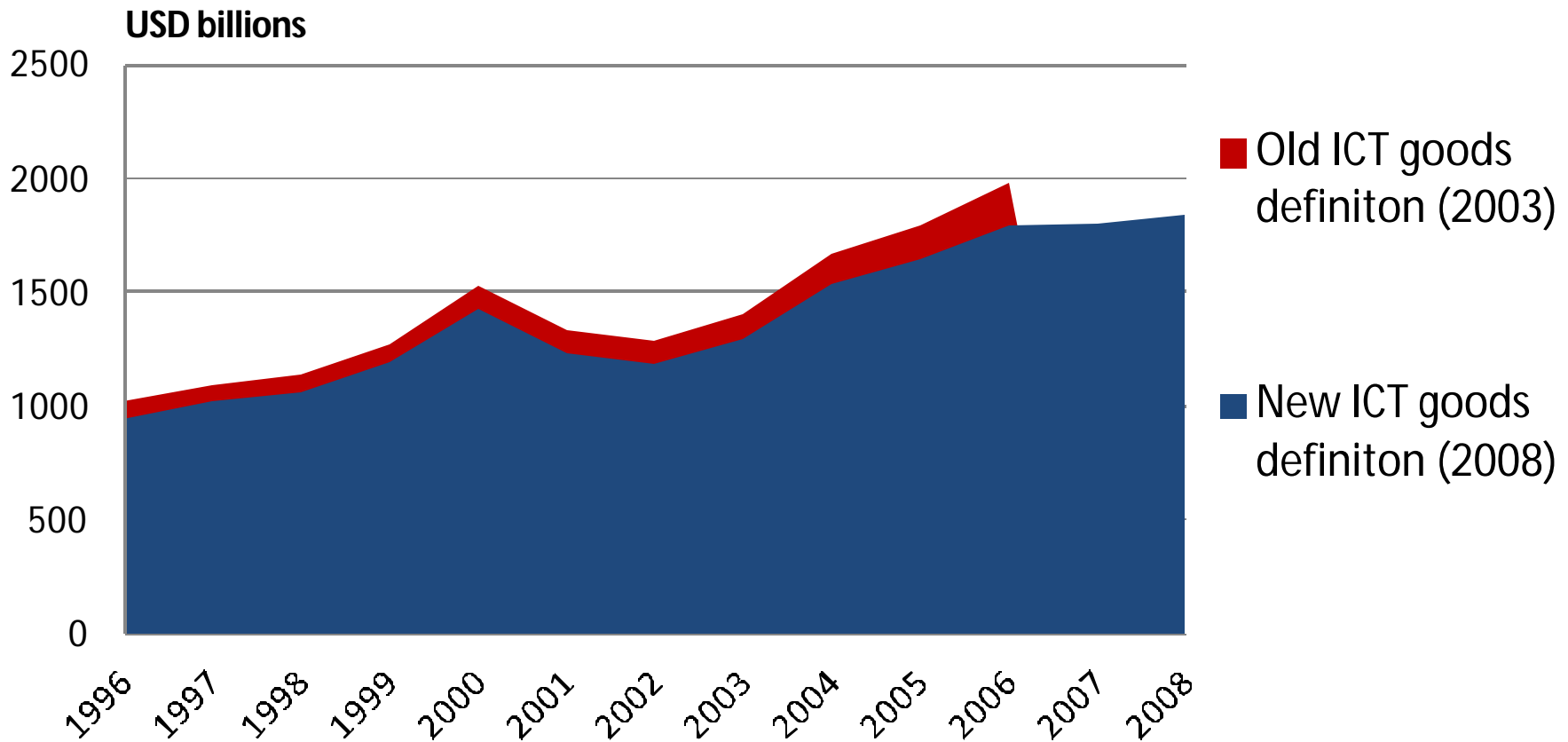
SERVICES

# Content and media products

<b>Broad level categories</b>	<b>Number of CPC subclasses (products)</b>
Printed and other text-based content on physical media, and related services	18
Motion picture, video, television and radio content, and related services	24
Music content and related services	5
Games software	3
On-line content and related services	12
Other content and related services	12
<b>Total</b>	<b>74</b>

# Effects on trade in ICT goods

The value of trade in ICT goods according to the new definition was about 10% lower in 2006





# The Harmonized System 2007

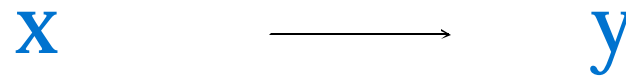
- The Harmonized System (HS) is the standard classification for measuring trade in goods
- In 2007 deep revision of the HS to stay: *“up-to-date in the light of changes in technology or changes the patterns of international trade”*
- Result: time break in the ICT trade series

# Matching HS 2002 to HS 2007

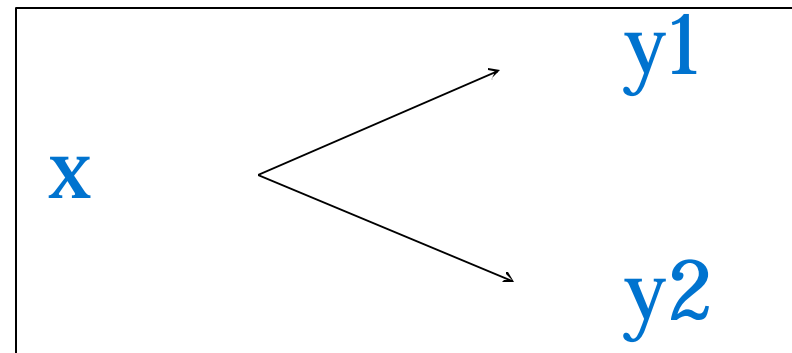
HS 2002

HS 2007

**One to one:**

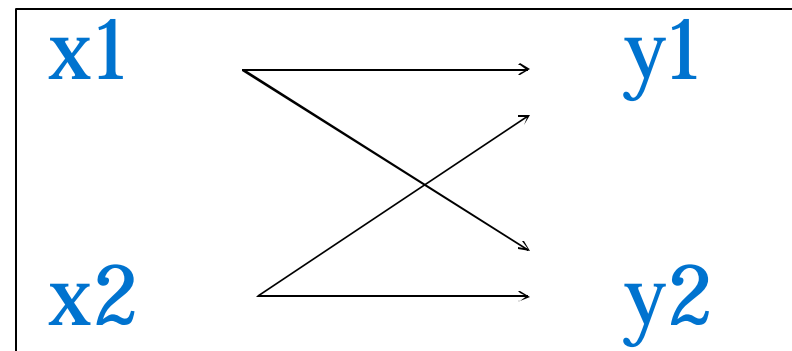


**One to many:**



Bloc 1

**Many to many:**



Bloc 2

# Proposed correspondence table

<b>Broad level categories</b>	<b>Number of HS 2007 series</b>
A. Computer and peripheral equipment	8
B. Communication equipment	4
C. Consumer electronic equipment	28
D. Electronic components	25
E. Miscellaneous	7
<b>Total</b>	<b>72</b>

- Under discussion by the OECD Working Party on Indicators for the Information Society (WPIIS)
- Final expected in Fall 2010

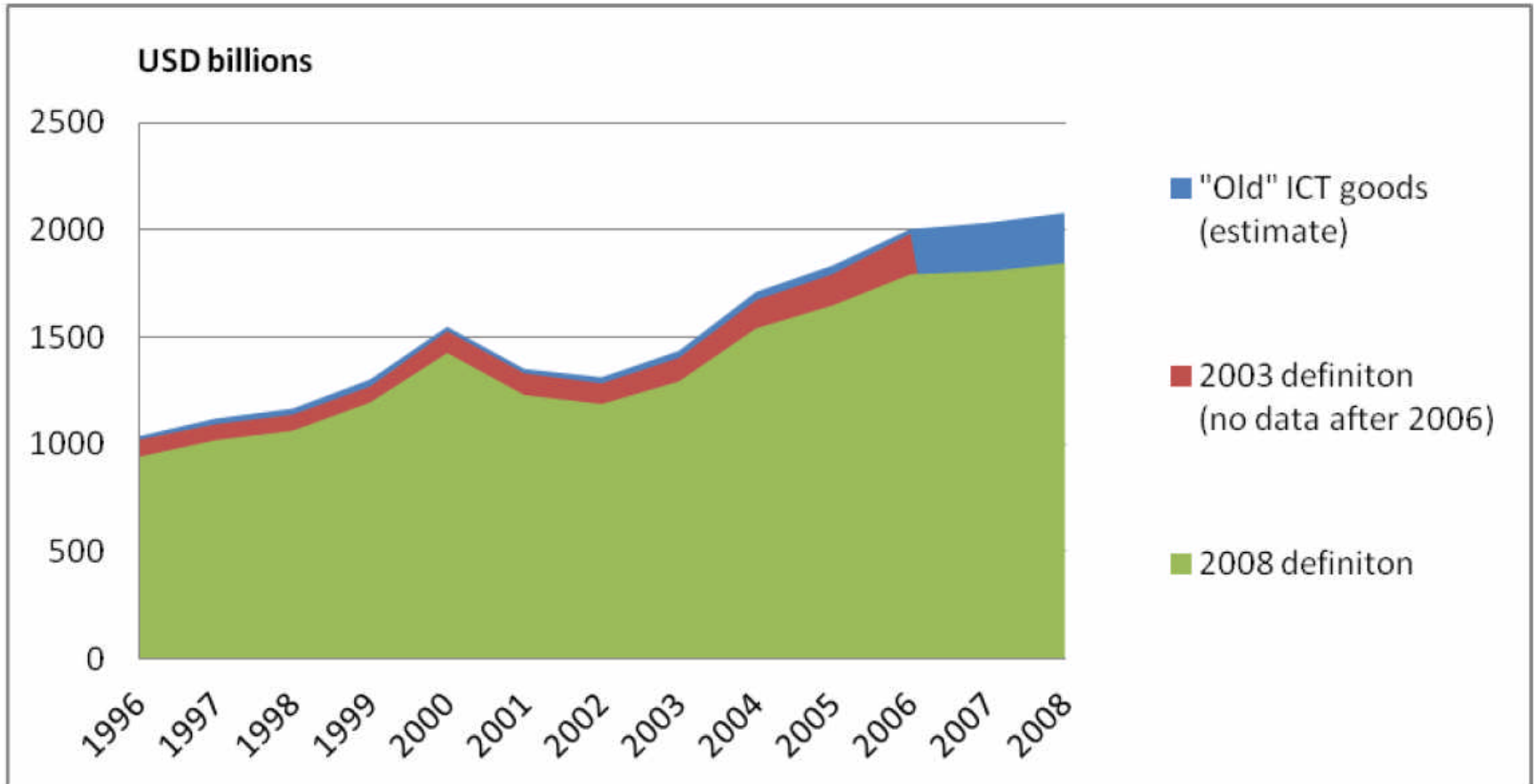
# Proposed correspondence table

- Separate “Electronic components” from “Miscellaneous group” in the 2008 ICT product definition
- Electronic components and Miscellaneous account for about 38% of the value of trade in ICT goods

## *Transitional measures*

- Estimated trade in ICT goods over 1996-2008 based on the old definition
- To reconcile the time series based on the old and the new definitions
- Not to be used from 2008 on.

# Trade in ICT goods: old and new definitions

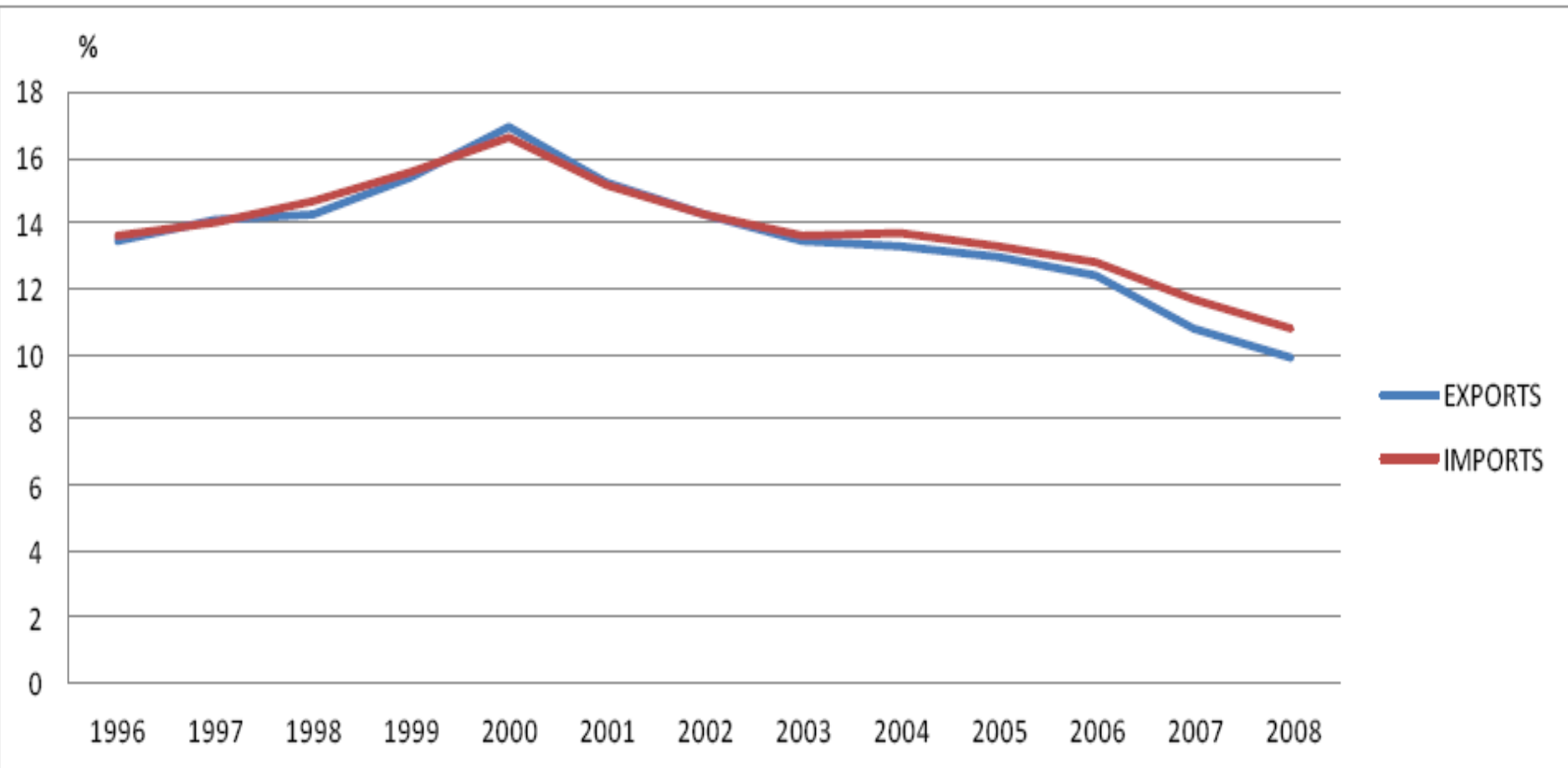


# Trade in ICT services

- Extended Balance of Payments Services (EBOPS)
- Comparability over time but...
- 2 “broad” categories only:
  - Communication services
  - Computer and information services
- Finer classification in new EBOPS (BPM6) but...
- Data not available before 2014!
- “Goods for processing” will be classified as services
- Trade in ICT Service not in *Core Indicators*

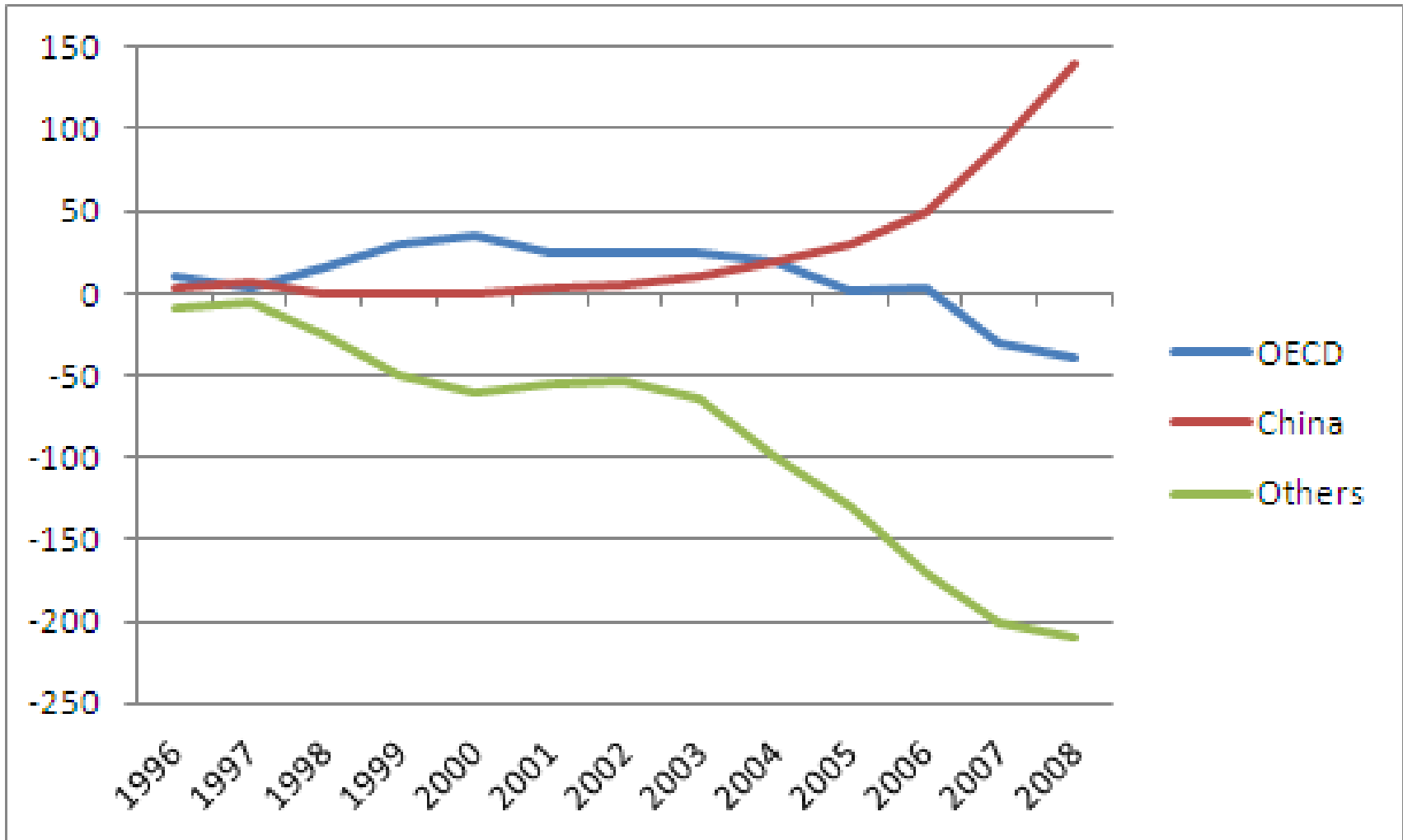
# Recent trends in ICT trade

## Trade in ICT goods, % of total trade



# Recent trends in ICT trade

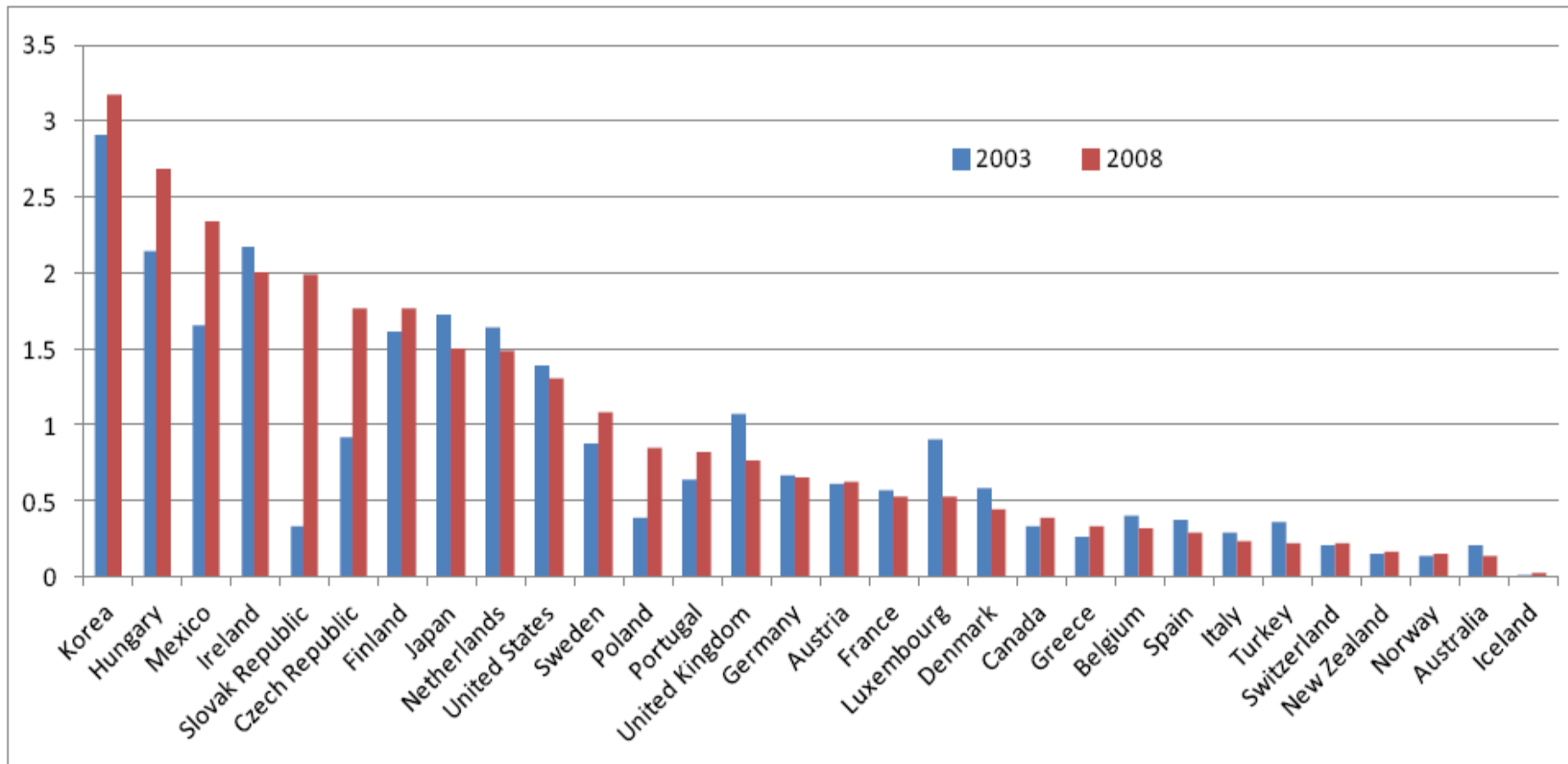
## Trade balance of ICT goods





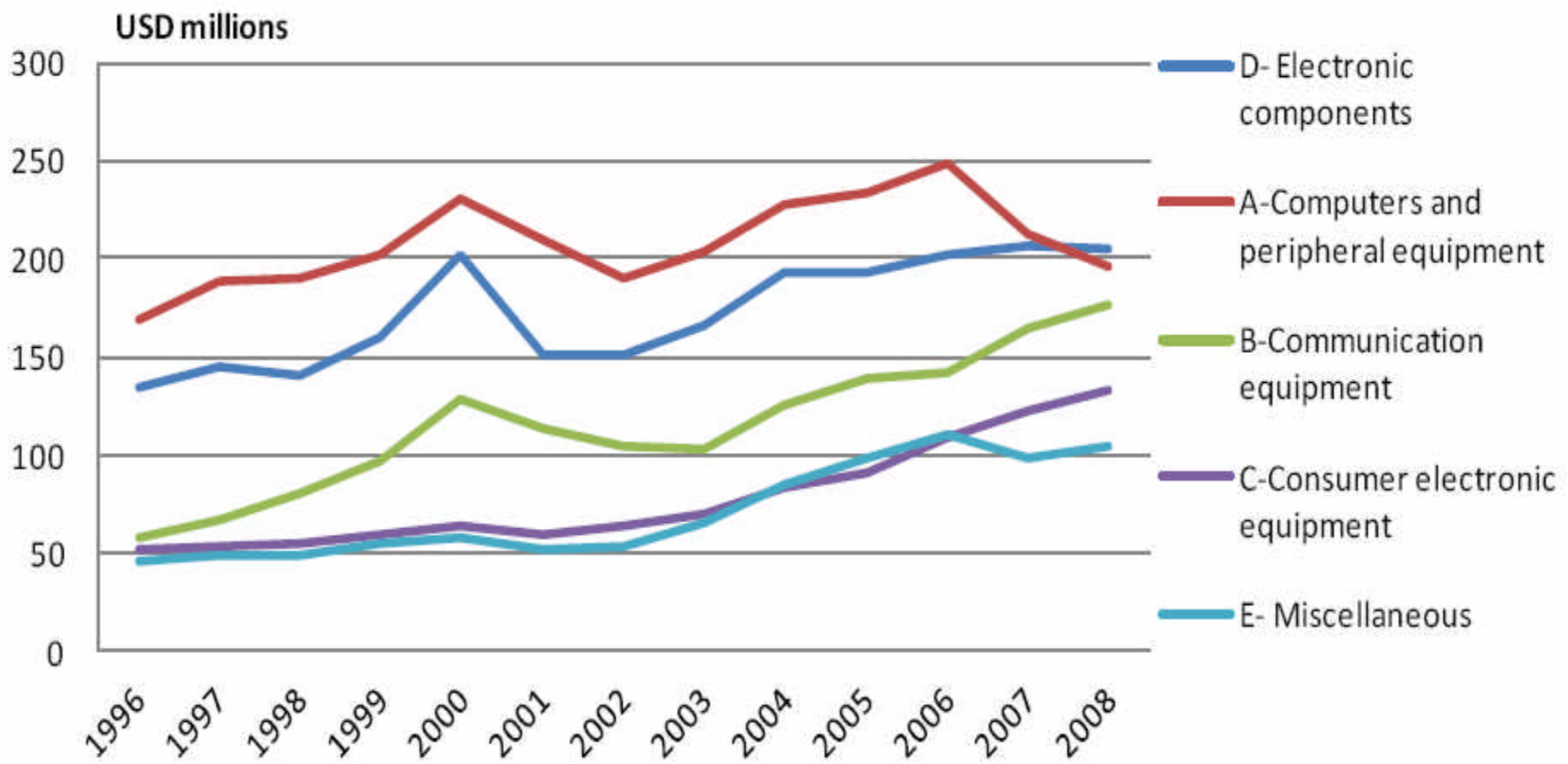
# Recent trends in ICT trade

## Revealed comparative advantage (RCA) in ICT goods, 2003-2008



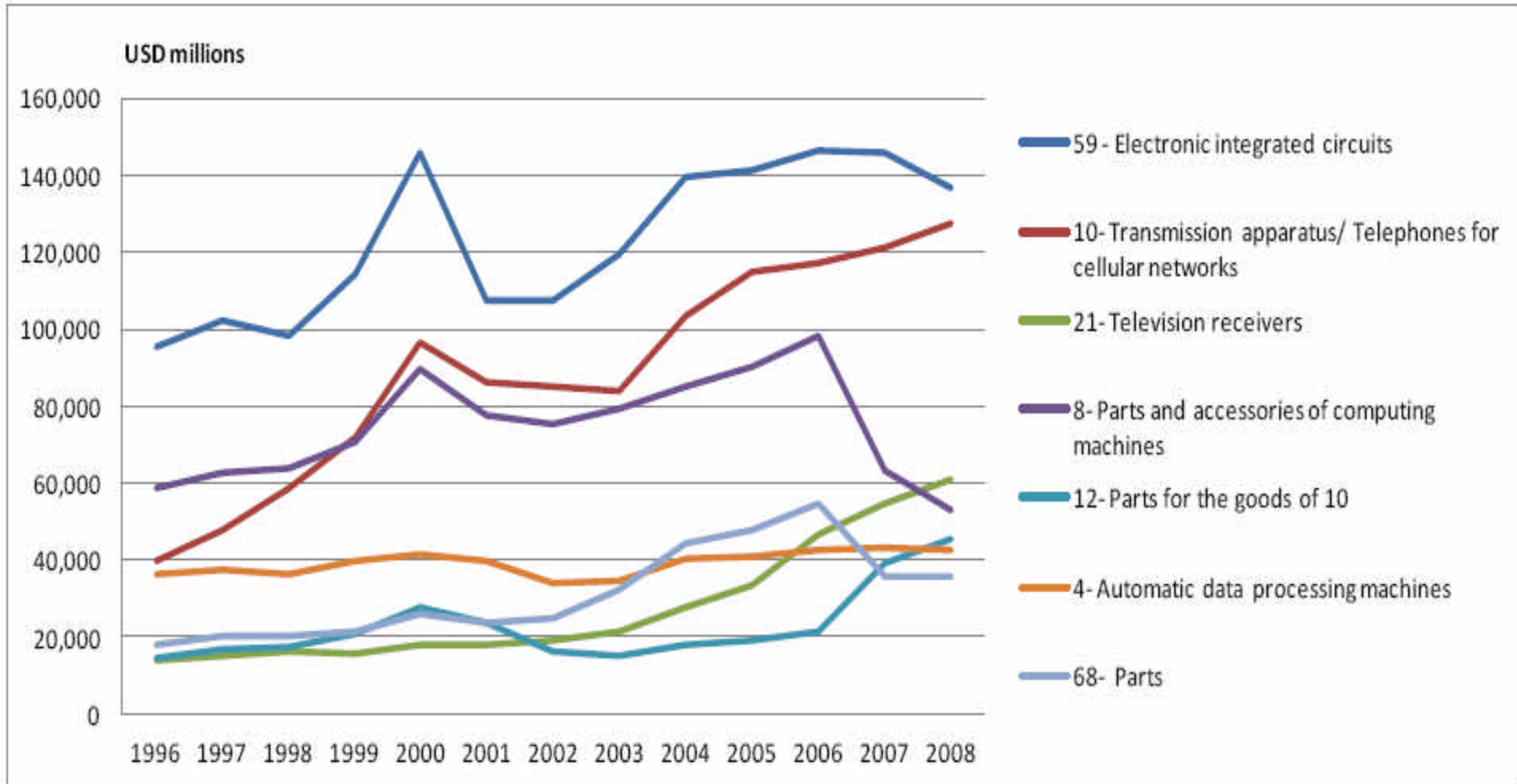
# Recent trends in ICT trade

## Exports ICT groups for OECD countries



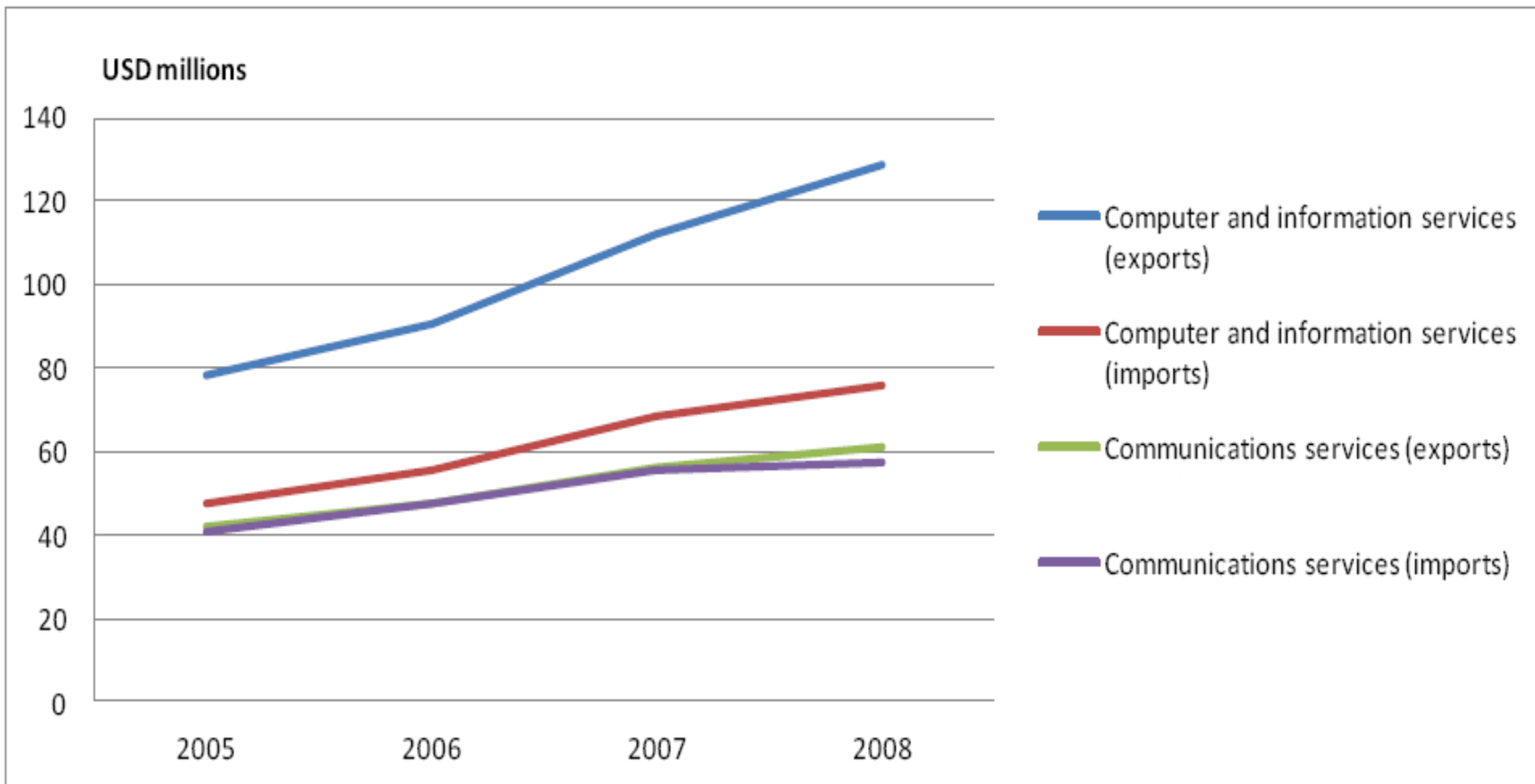
# Recent trends in ICT trade

## The most important traded goods



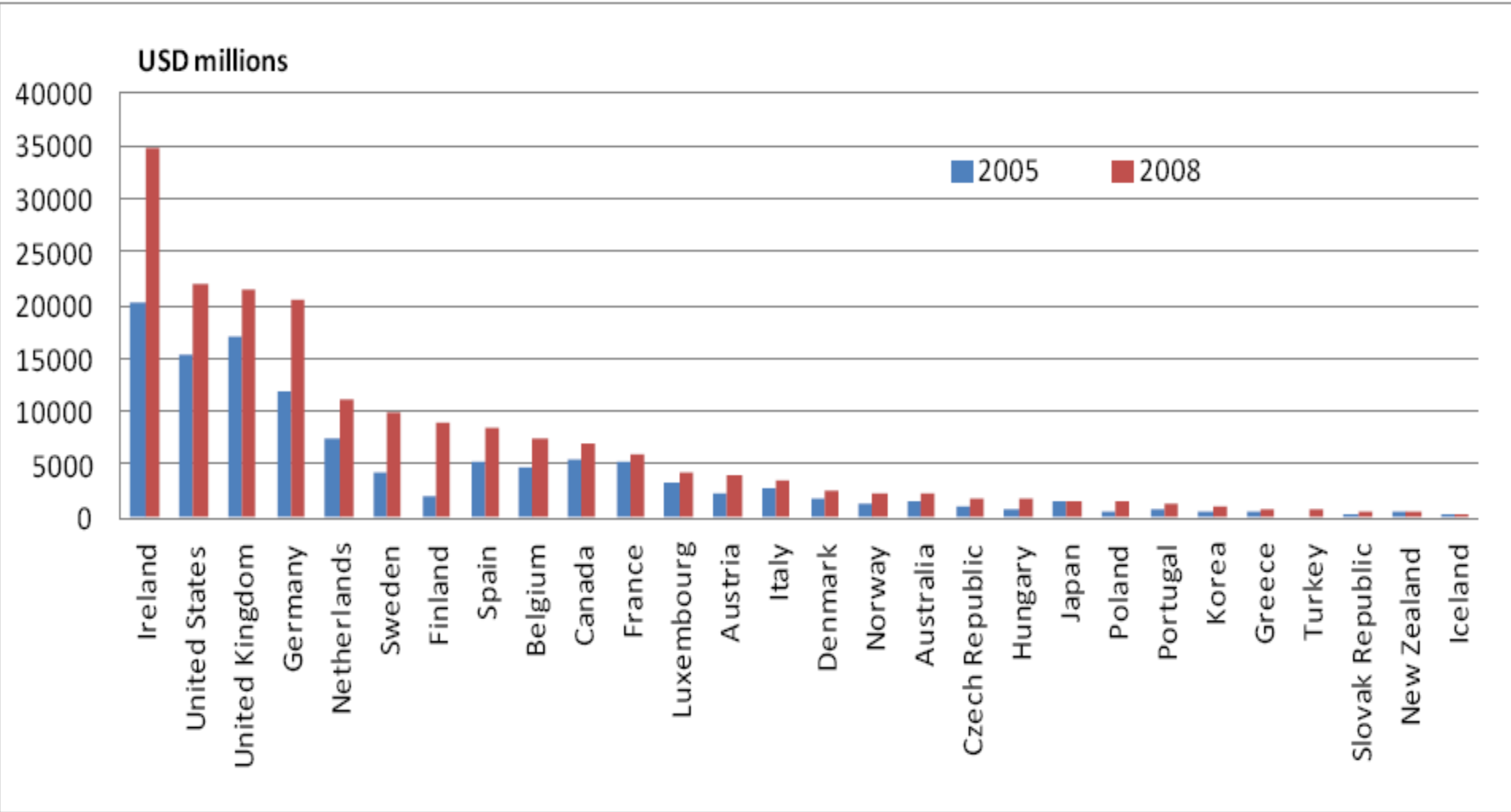
# Recent trends in ICT trade

## Trade in ICT services



# Recent trends in ICT trade

## ICT services exports by countries



Thank you!

[Vincenzo.Spiezia@oecd.org](mailto:Vincenzo.Spiezia@oecd.org)