Report on Measuring Trade in ICT Services and ICT-enabled Services

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1

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Project background

- Partnership on Measuring ICT for Development
  (ITU, OECD, UNCTAD, UNDESA, Eurostat, UN Regional Commissions, World Bank, UNEP-SBC, UNESCO UIS, ILO)

  - ✓ Help countries produce official ICT statistics

- 2013 task group on Measuring Trade in ICT Services and ICT-enabled Services (TGServ)
  (UNCTAD, UNSD, WTO, OECD, UNESCWA, World Bank, ITU)
  - ✓ demand from developing countries on measuring offshoring
  - ✓ little official data, not comparable
  - ✓ Partnership previous work on defining the ICT sector

- Funding provided by the Government of Sweden
- Paper prepared by Dr. Timothy J. Sturgeon, Industrial Performance Center, MIT

The report

❑ 2 areas: ICT services and ICT-enabled services

❑ 10 recommendations

❑ Approach:

✓ Builds on existing measurement frameworks, current definitions, international classifications and data collections

✓ Comprehensive review of all services >>> identify both what is to be included & excluded from proposed definitions (rec.1)

✓ Uses correspondences EBOPS 2010 - CPC Ver.2 - ISIC Rev.4

✓ Previous draft reviewed by UNCTAD Expert Meeting, Geneva, March 2014 - with participation from the Ministry of Commerce and Industry of India

✓ Report presented for consultation at UN Inter-Agency Task Group on International Trade Statistics; IMF Balance of Payments Committee (Oct14)

Trade in ICT services (rec. 2, 4)

❑ Base data collection on existing international trade in services statistics (EBOPS 2010, balance of payments data)

❑ The definition should include (rec.2):
- ✓ telecommunications services (EBOPS 2010 9.1, incl. broadcasting)
- ✓ computer services (EBOPS 9.2)
- ✓ licenses to reproduce/distribute computer software (EBOPS 8.3)
- ○ but *exclude* information services (EBOPS 9.3)

❑ Recommended as complementary grouping for EBOPS 2010 div.9 (rec.2)

❑ Reinforce MSITS 2010 recommendation for countries to collect trade in services statistics at the 3rd level of EBOPS 2010 (rec.4)
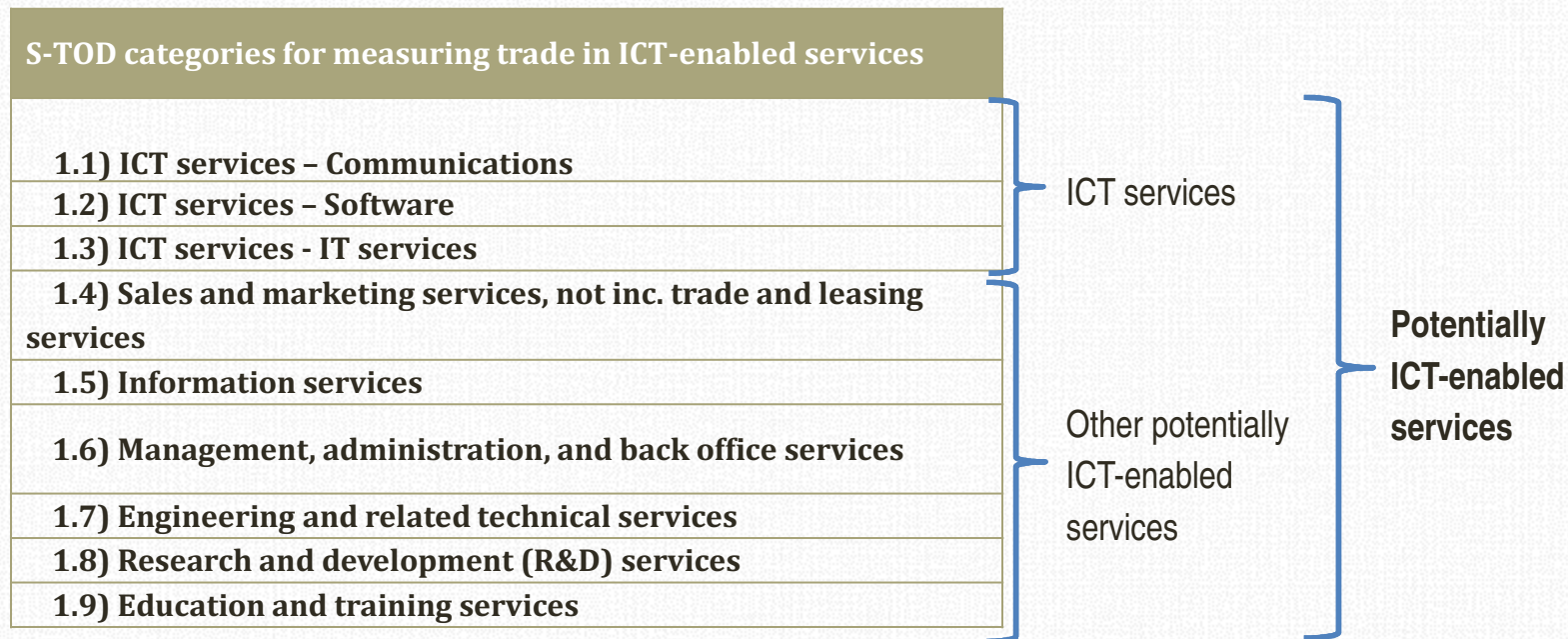
4

Trade in ICT-enabled services (rec. 5, 6)

❑ "ICT-enabled services = outputs that can be delivered remotely (electronically or by mail)" (rec.5)

    ✓ Excluding *transport services* (involve manipulation or transport of physical objects, material, and electricity)

    ✓ Excluding *on-site or personal services* (require on-site or personal delivery)

❑ Equivalent to Mode 1 (GATS) - cross-border supply

❑ "ICT-enabled services" proposed as a complementary grouping in EBOPS (more comprehensive coverage than "call centers" or "Business Process Outsourcing")

❑ If maintained, "call centers" grouping should be renamed "customer contact centers" (rec.6) >>> following the Indian example

Trade in ICT-enabled services (rec. 7)

❏ S-TOD proposed as a complementary grouping and definition of potentially ICT-enabled services (rec.7) (with CPC, EBOPS and ISIC correspondences)

S-TOD categories for measuring trade in ICT-enabled services
1.1) ICT services – Communications
1.2) ICT services – Software
1.3) ICT services - IT services
1.4) Sales and marketing services, not inc. trade and leasing services
1.5) Information services
1.6) Management, administration, and back office services
1.7) Engineering and related technical services
1.8) Research and development (R&D) services
1.9) Education and training services

ICT services

Other potentially ICT-enabled services

Potentially ICT-enabled services

Trade in ICT-enabled services (rec. 10) - data collection

❑ Need to measure share of ICT-enabled trade in each service category >>> necessary to collect data by modes of supply (1,2 and 4)

❑ BUT — little data by mode available — separate enterprise survey needed (rec.10)

- ✓ Exporting economies can survey only the relevant cluster of enterprises (see ISIC rev.4 correspondence)
- ✓ S-TOD helps to identify services that are potentially ICT-enabled

❑ feedback on S-TOD welcome!

- ✓ Travel and tele-medicine could be included among potentially ICT-enabled services

Model questions: 2 steps

☐ 1. Please provide information on your services transactions with [country X]

☐ 2. Estimate the % of services transactions with [country X] that were delivered remotely

Type of Service (based on S-TOD group 1)	Revenue (from sales of services; <u>exports</u> to country X)	Expenses (purchases of services; <u>imports</u> from country X)
1.1) ICT services - Communications <u>CPC categories:</u> Include broadcasting, programming and programme distribution services; telephony and other telecommunications services; Internet telecommunications services		
1.7) Engineering and related technical services <u>CPC categories</u>: Include audiovisual and related services; architectural services, urban and land planning and landscape architectural services; engineering services; surface surveying and map-making services; technical testing and analysis services; design originals, interior design services, other specialty design services; restoration and retouching services of photography, other photography services, photographic processing services; weather forecasting and meteorological services; scientific and technical consulting services n.e.c.; ….		

Final key points

❑ Comprehensive review of all services, based on international clasifications EBOPS 2010- CPC Ver.2 - ISIC Rev.4

❑ Feedback needed on proposed definitions for trade in ICT services and ICT-enabled services

❑ Feedback needed on S-TOD, including components (see table 20 annex of the report for full S-TOD-EBOPS-CPC-ISIC corresp.)

❑ Feedback needed on feasibility of data collection for trade in ICT-enabled services (enterprise survey, based on business register)

Thank you for your attention!

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