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

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

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

<table>
<thead>
<tr>
<th>Type of Service (based on S-TOD group 1)</th>
<th>Revenue (from sales of services; exports to country X)</th>
<th>Expenses (purchases of services; imports from country X)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1) ICT services - Communications</td>
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<tr>
<td><strong>CPC categories:</strong> Include broadcasting, programming and programme distribution services; telephony and other telecommunications services; Internet telecommunications services</td>
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<tr>
<td>1.7) Engineering and related technical services</td>
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<tr>
<td><strong>CPC categories:</strong> 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.; ....</td>
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</tbody>
</table>
Final key points

- Comprehensive review of all services, based on international classifications 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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