# ACCOUNTING FOR GLOBAL VALUE CHAINS

## GVCs and ICT-enabled services

## UNCTAD

# UNCTAD-TFITS MEASURING INTERNATIONAL TRADE IN ICT-ENABLED SERVICES

- **Definition and methodology**: UNCTAD Technical Note on International Trade in ICT Services and ICT-enabled Services: (TN/UNCTAD/ICT4D/03) www.unctad.org/ict4d/technicalnotes
- United Nations Statistical Commission adopted definition, 47th session (March 2016)
- **Model survey questionnaire**
  - √ Comments received and integrated: WTO, OECD, IMF, Costa Rica, India, Thailand, Egypt
- **Survey implementation** in Costa Rica, India and Thailand in 2017
- **UNCTAD Expert meeting** to discuss results and lessons learned (4-5 December 2017)

# ICT-ENABLED SERVICES - DELIVERED DIGITALLY

- ICT-enabled services = *services with outputs that can be delivered remotely over ICT networks*

  - ✓ EBOPS 2010 not amenable for identifying ICT-enabled services
  - ✓ Define **potentially** ICT-enabled services using detail in CPC Ver.2.1 and the official correspondence to EBOPS 2010
  - ✓ Exclude *transport services* (involve manipulation or transport of people, physical objects, material, or electricity)
  - ✓ Exclude *on-site* or *in-person* services (require on-site or personal delivery)

- **Actual** ICT-enabled services are similar to Mode 1 (GATS) cross-border supply for the selected services

- Given the lack of data by mode of supply, a survey-based approach was preferred for producing the statistics

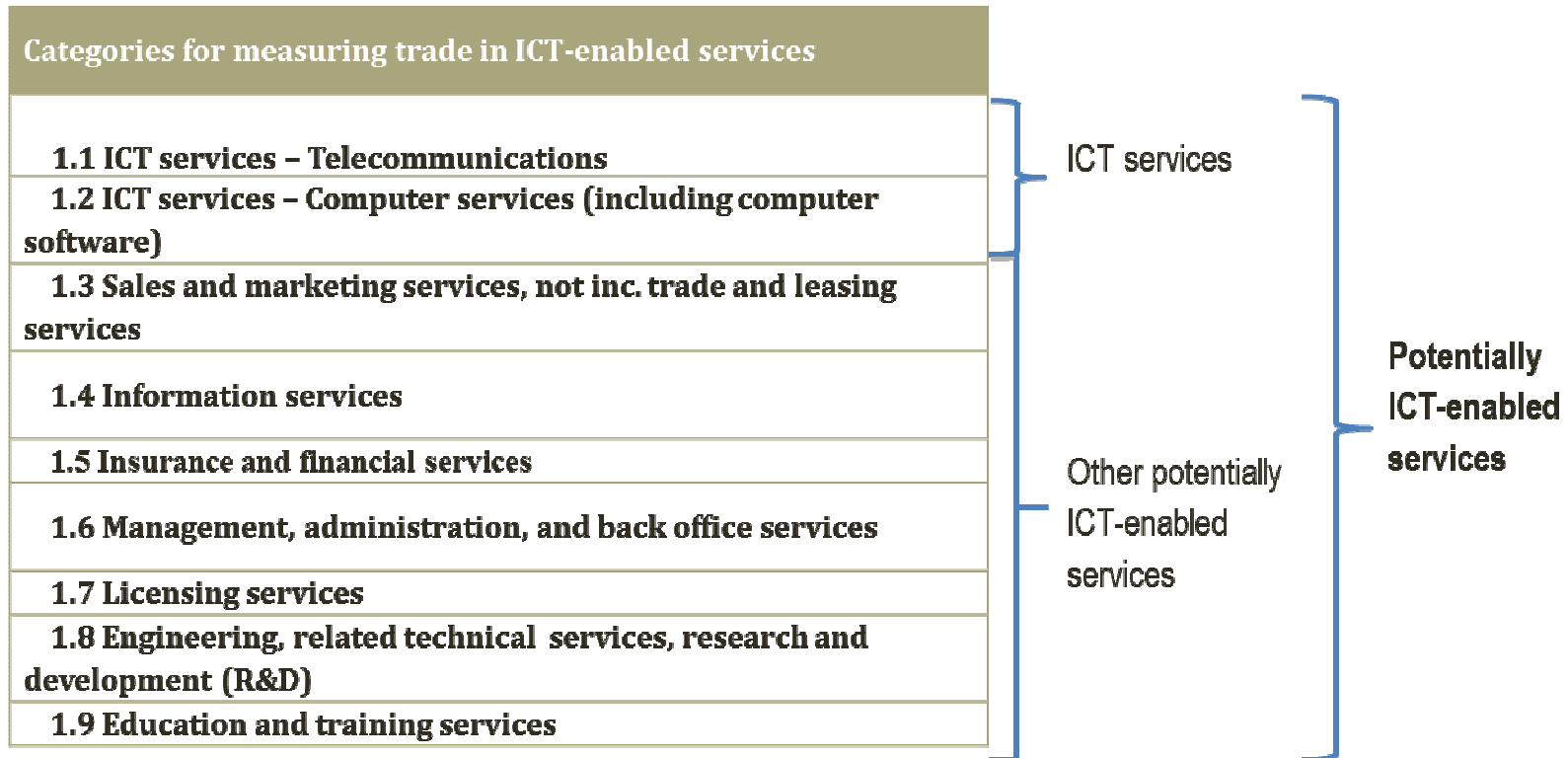- Focus on *exporting economies* - easier data collection

# ICT-ENABLED SERVICES - EXAMPLES

- Service delivered across international borders, but the customer and the supplier remain in their respective countries

  - ✓ Selling software from China to another country

  - ✓ A law firm in the Philippines delivers legal advice by phone to a customer in a foreign country

  - ✓ A physician in Viet Nam provides medical diagnosis to a patient or hospital abroad via email

  - ✓ A financial services company in Singapore supplies portfolio management services across the border via an Internet platform

- **Different from** when a client or supplier needs to meet in-person

# NEW COMPLEMENTARY GROUPING FOR TRADE IN ICT-ENABLED SERVICES

| Categories for measuring trade in ICT-enabled services |
| --- |
| 1.1 ICT services – Telecommunications |
| 1.2 ICT services – Computer services (including computer software) |
| 1.3 Sales and marketing services, not inc. trade and leasing services |
| 1.4 Information services |
| 1.5 Insurance and financial services |
| 1.6 Management, administration, and back office services |
| 1.7 Licensing services |
| 1.8 Engineering, related technical services, research and development (R&D) |
| 1.9 Education and training services |

ICT services

Other potentially ICT-enabled services

Potentially ICT-enabled services

## ICT-ENABLED SERVICES: EXPECTED OUTCOMES

| CATEGORY SERVICE | VALUE OF EXPORTS | |
| --- | --- | --- |
| | MODE 1 (DELIVERED DIGITALLY) | TOTAL EXPORTS |
| Telecommunications | | |
| Computer services | | |
| Sales and marketing services, not including trade and leasing services | | |
| Information services | | |
| Financial services | | |
| Management, administration and back office services | | |
| Licensing services | | |
| Engineering, related technical services and R&D | | |
| Education and training services | | |

- By partner country, by enterprise size, by principal economic activity

- Including information on foreign ownership and total turnover

# NEXT STEPS

- Expert meeting - December 2017

- Make adjustments to Survey Questionnaire as required

- Explore ways to scale up with a view to collect data in many more countries, especially developing countries

- Explore funding opportunities/partnerships

# FURTHER ONLINE RESOURCES

- *UNCTAD Information Economy Report 2015: Unlocking the Potential of E-commerce for Developing Countries*

- *UNCTAD Information Economy Report 2017: Digitalization, Trade and Development (from 3 October 2017)*

- UNCTAD B2C E-commerce Index 2016. *UNCTAD Technical Notes on ICT for Development N°7*. TN/UNCTAD/ICT4D/07

- In Search of Cross-Border E-commerce. *UNCTAD Technical Notes on ICT for Development N°6*. TN/UNCTAD/ICT4D/06

- International Trade in ICT Services and ICT-enabled Services: Proposed Indicators from the Partnership on Measuring ICT for Development (TN/UNCTAD/ICT4D/03)

- **unctad.org/ict4d/technicalnotes**

- **unctadstat.unctad.org**

# THANK YOU