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](http://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-ENABLED SERVICES: EXPECTED OUTCOMES

<table>
<thead>
<tr>
<th>CATEGORY SERVICE</th>
<th>VALUE OF EXPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MODE 1 (DELIVERED DIGITALLY)</td>
</tr>
<tr>
<td>Telecommunications</td>
<td></td>
</tr>
<tr>
<td>Computer services</td>
<td></td>
</tr>
<tr>
<td>Sales and marketing services, not including trade and leasing services</td>
<td></td>
</tr>
<tr>
<td>Information services</td>
<td></td>
</tr>
<tr>
<td>Financial services</td>
<td></td>
</tr>
<tr>
<td>Management, administration and back office services</td>
<td></td>
</tr>
<tr>
<td>Licensing services</td>
<td></td>
</tr>
<tr>
<td>Engineering, related technical services and R&amp;D</td>
<td></td>
</tr>
<tr>
<td>Education and training services</td>
<td></td>
</tr>
</tbody>
</table>

- 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)**
- 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](http://unctad.org/ict4d/technicalnotes)
- [unctadstat.unctad.org](http://unctadstat.unctad.org)
THANK YOU