Digital Economy:
A Policy Perspective from Brazil

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Brazil
International Organizations and Coordination Mechanisms are engaged in promoting the digital economy and identifying comparable metrics.
definition

A broader definition of the Digital Economy

Digital Economy

Definition

A broader definition of the Digital Economy

Digital Economy

Digital Industrialization
(Added Value of the Information Industry)

Industrial Digitization
(Marginal Contribution to the Application of Information Products in Other Fields)

Digital Economy

National Economy

Source: China – G20 DETF (2018)

G20 DETF 2016: G20 Digital Economy Development and Cooperation Initiative

"... a broad range of economic activities that include using digitized information and knowledge as the key factor of production, modern information networks as an important activity space, and the effective use of information and communication technology (ICT) as an important driver of productivity growth and economic structural optimization."
**Definition of the Digital Sector**

- A less ambiguous term than “the digital economy”
  - Some use “digital economy” to mean the Internet, new activities enabled by the Internet, and production of ICT goods and services
  - Others include all processes, products and transactions embodying digital technology
- Digital sector definition is broader than the ICT sector of ISIC 4
  - More complete/clearer coverage of online platforms
  - Includes platform-enabled services
- Definition of “digital sector” comprises areas of main measurement concern:
  - Producers of ICT equipment, software, and ICT services
  - Online platforms
  - Platform-enabled activities (the Sharing Economy, gig economy, ...)
- Online platforms include e-commerce, (social) media, search, sharing/gig/collaborative economy, on-demand property rental, crowdsourcing, fintech, ...
- Definition of *Digital transactions* also needed for analytical purposes
  - “digital ordering” is criterion for defining e-commerce
  - “digital delivery” of services (e.g. in foreign trade)
  - “platform-enabled” services

Source: Reinsdorf (2018)
The level of readiness of a country for the Digital Economy affects the perception of its level of Competitiveness.
Digital Economy Challenges and Opportunities

Digital Economy = opportunity for growth in Productivity and Competitiveness. Positive correlation between productivity, digital technology intensity and per capita income.
Brazil Digital Transformation Strategy Structure

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100 Strategic Actions focused on **enablers** and **drivers** of the Digital Economy.
The ICT sector (goods and services) is at the core of the Digital Economy.

ICT “Ecosystem”:
- Network equipment
- User devices
- Telecom services
- IT services
- etc.
E-commerce is globally recognized as an important driver for growth in the Digital Economy: Digital Marketplaces + Digital Means of Payment + Goods and Services

SMEs TOTAL 9 MILLION COMPANIES:
- 99% of Brazilian companies;
- 52% of Brazilian workforce;
- 27% of GDP;
17% of Brazilian export value, with great potential for growth

Brazil (2017) 32% of total online shopping done on mobile devices

8.0% Estimated share of online goods in total retail of goods
3.0% Estimated share of online goods in total retail of goods
Digital Startups (platforms, fintechs, etc.) bring growth and productivity to the Digital Economy.
Digital Economy
Internet of Things

Expand the Digital Economy by exploring comparative advantages in key sectors, with the support of Digital Technology, Big Data and Analytics.

Example: Smart Farming & Precision Agriculture
New data sources (e.g., Private Sector Data) can improve measurement of the Digital Economy.
Thank You!

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