



INTERNATIONAL WORKSHOP ON THE INTEGRATED USE OF
INTERNATIONAL TRADE STATISTICS AND ECONOMIC STATISTICS

MEASURING DIGITAL TRADE

The OECD-WTO-IMF Handbook: state of play and way forward

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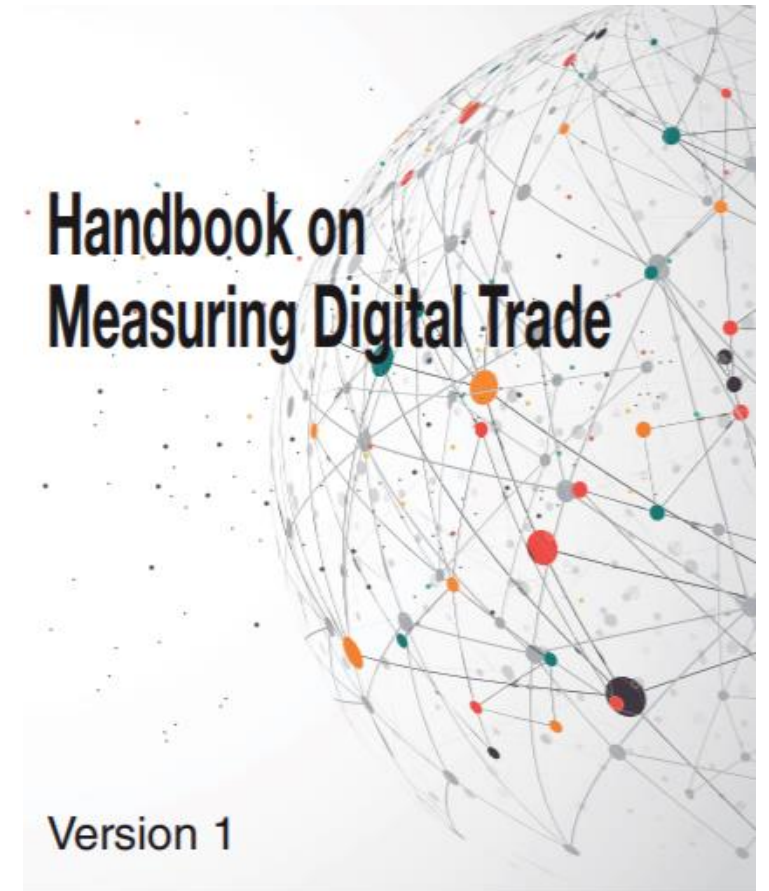
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Handbook on Measuring Digital Trade - outline

- 1st edition published end of 2019
- Provides
 - A **definition** and **conceptual framework** on measuring digital trade
 - Provisional compilation guidance on
 - Digitally ordered trade (goods and services)
 - Digitally delivered trade (services)
 - Digital Intermediation Platforms (DIPs)
 - A **reporting template**
- It contains some **areas for future work**
- Second edition expected in **2022**





What is digital trade?

- Can't be defined using the traditional approach: products (**what**) or industries (**who**)
- Plethora of concepts exist
 - E-commerce
 - Digitization
 - Digitalization
 - ...
- **Statistical definition** based on the *nature* of the transaction (how)

DIGITAL TRADE

=

all trade that is either digitally ordered and/or digitally delivered

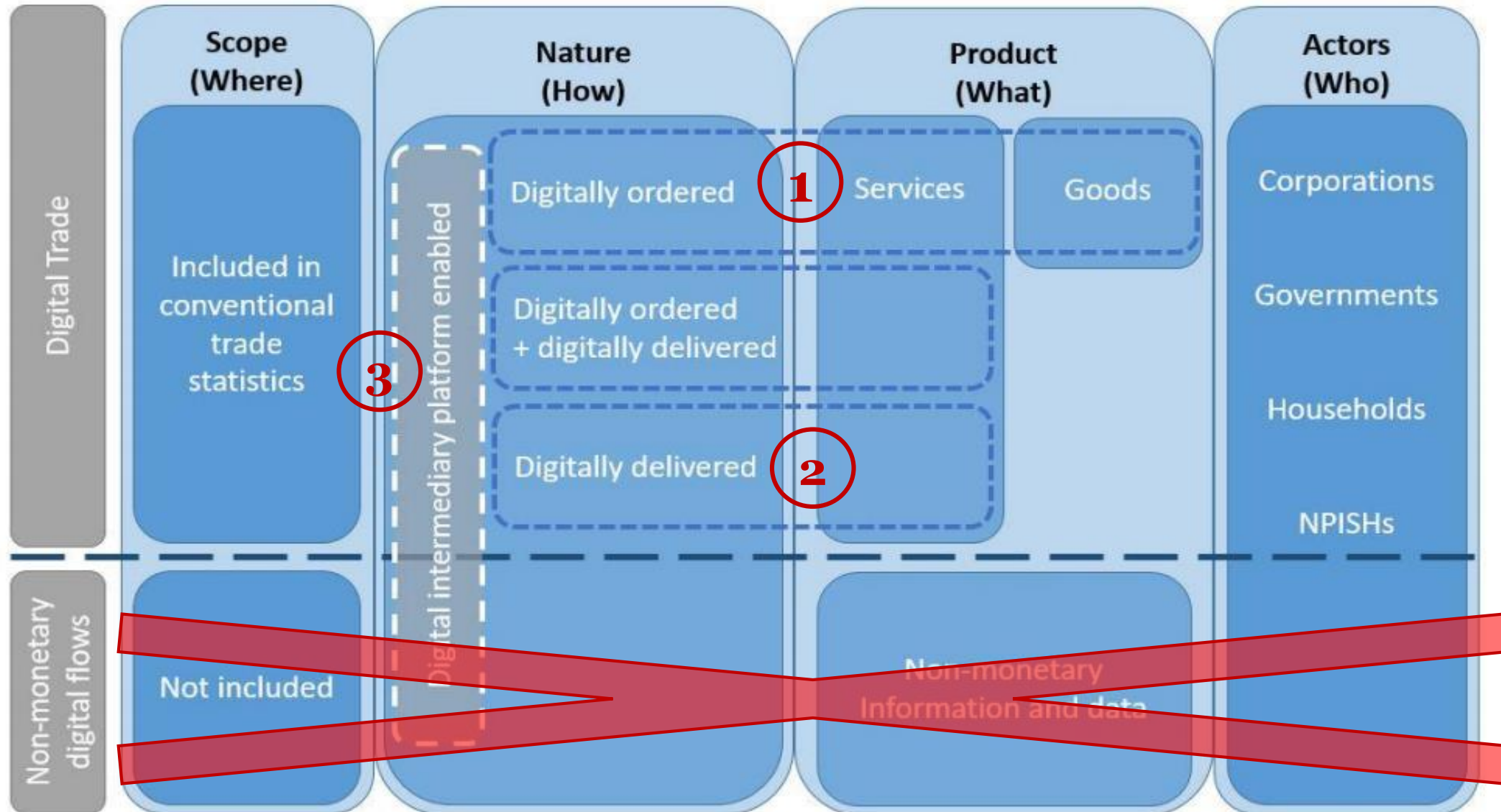


Where is digital trade?

- Digital trade transactions are in principle **included in existing international trade statistics**, BUT:
 - They are not visible
 - Some practical challenges to record them
- Accounting principles consistent with BPM6 and SNA 2008
 - With some additional needs/changes (in particular for DIPs)



Framework for the measurement of digital trade





What do we want to measure - 1

Digitally ordered trade

Digitally ordered trade = cross-border e-commerce

- **Digitally ordered trade** defined as “*the international sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders*”.
- Covers goods and services
- Ordering methods include
 - electronic data interchange system (EDI)
 - own website
 - third party website or app
 - **digital intermediation platforms (charging a fee)**



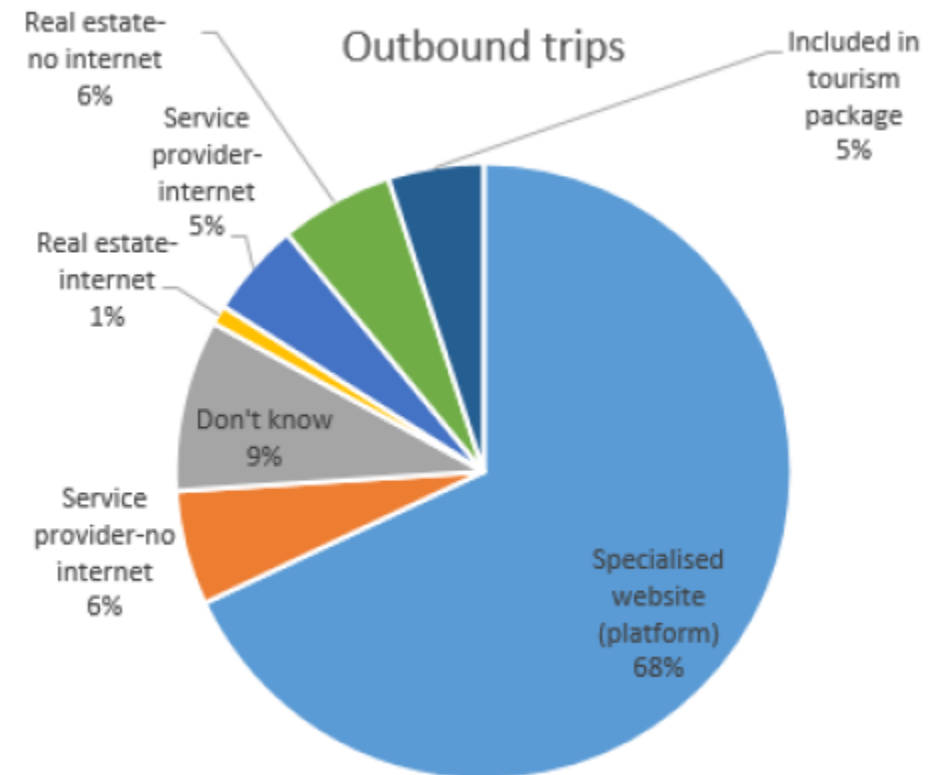


What do we want to measure - 1

Digitally ordered trade

- Significant **measurement challenges!**
 - Exports by firms can be estimated with additional questions in surveys, imports more difficult
 - Imports (and exports) by households hard to track
 - Platforms are not easy to identify and classify into resident/non-resident
- In practice we want to measure **digitally ordered trade not digitally delivered** (to avoid double counting)
- Exploratory estimates mostly related to
 - cross-border ecommerce for goods
 - accommodation and transport services

How did you book your main accommodation? Results of Spanish outbound travel survey (2017)





What do we want to measure - 2

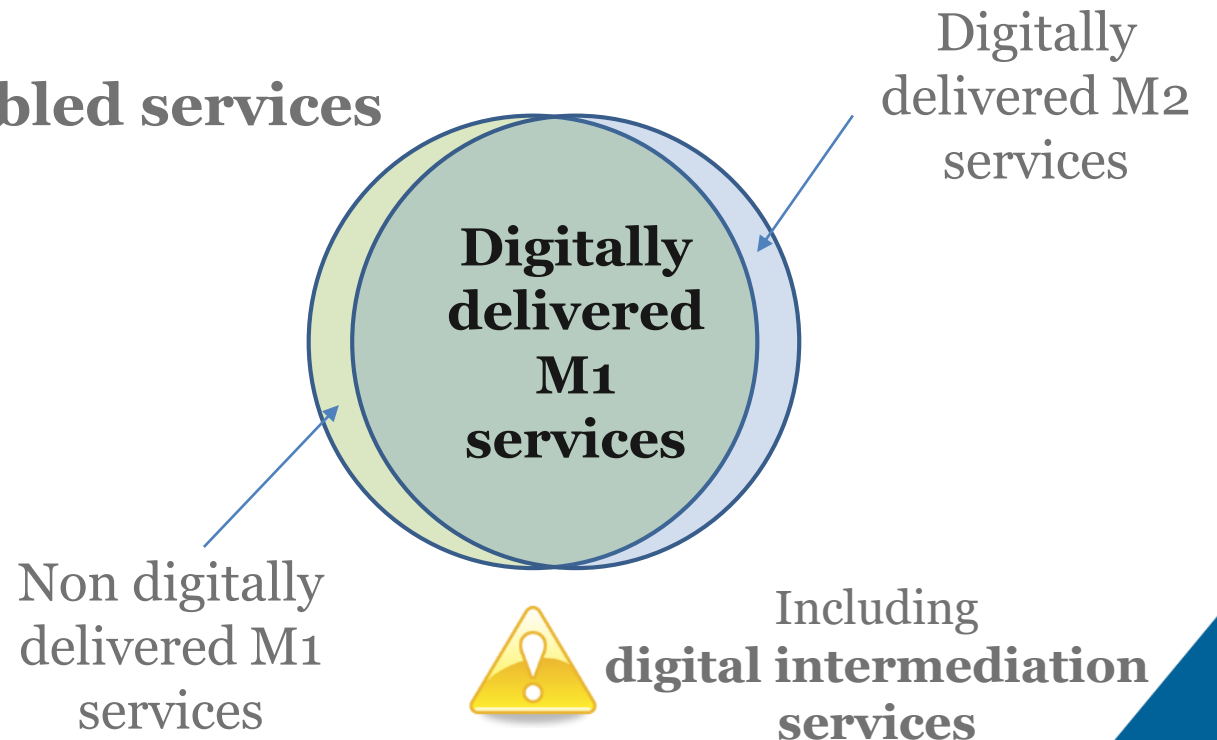
Digitally delivered trade

Digitally delivered trade = international transactions that are delivered remotely in an electronic format, using computer networks specifically designed for the purpose

- Only covers services!
- Great deal of overlap with:
 - A. UNCTAD's **potentially ICT-enabled services**
 - B. Services delivered via **Mode 1**



Reasonable upper-bound estimates relatively easy to achieve





What do we want to measure - 2

Potentially ICT-enabled services (UNCTAD)

Title	SDMX DSD ⁷
Insurance and pension services	SF
Financial services	SG
Charges for the use of intellectual property n.i.e.	SH
Telecommunications, computer, and information services	SI
Research and development services	SJ1
Professional and management consulting services	SJ2
Architectural, engineering, scientific and other technical services	SJ31
Other business services n.i.e.	SJ35
Audio-visual and related services	SK1
Health services	SK21
Education services	SK22
Heritage and recreational services	SK23

Digitally
deliverable
services =>
upper-bound
estimates of
digitally-delivered
services in the
same category



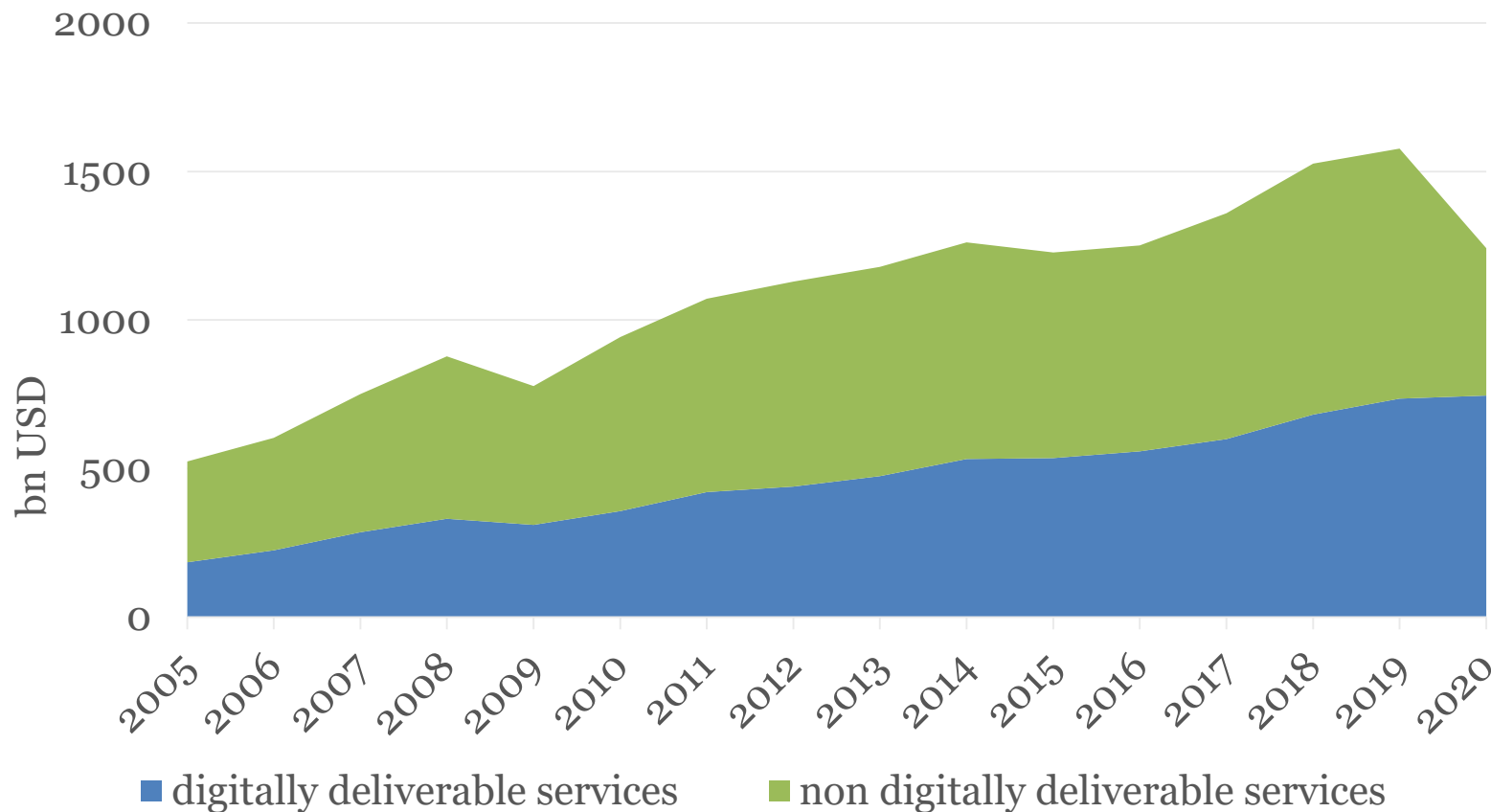
**digital intermediation
services**
**Maintenance and repair
services**



What do we want to measure - 2

Digitally deliverable services – an example

Exports of services from Asia, 2005-2020



Estimates
can and
should be
refined with
targeted
survey
questions!

Source: based on WTO-UNCTAD trade in services database.



Digital intermediation platforms (DIPs)

Transactions related to DIPs included in digitally delivered and/or digitally ordered trade => why a separate chapter?

- Policy: important ‘actors’ of digitalization
- Compilation issues:
 - ‘invisible’ in conventional firm based- surveys (focus on resident importers and exporters)
 - digitally ordered/delivered trade by households through foreign platforms particularly difficult to measure
- Accounting challenges: how to record intermediation services?

DIPs are online interfaces that facilitate, for a fee, the direct interaction between multiple buyers and multiple sellers, without the platform taking economic ownership of the goods or services that are being sold



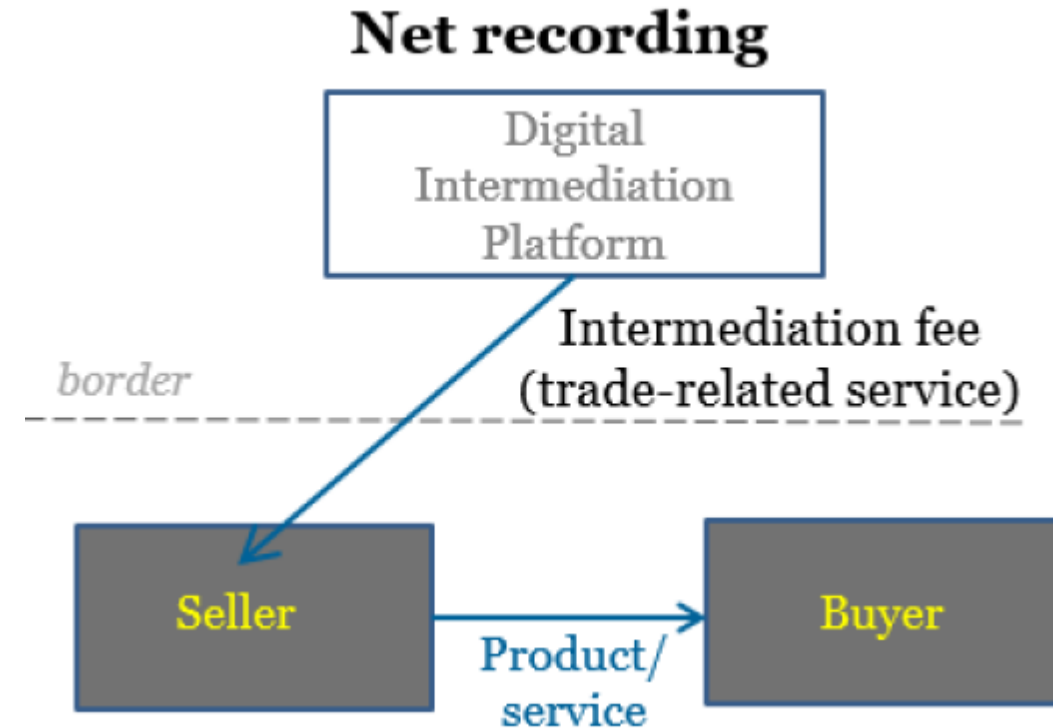
What do we want to measure - 3

Recording the fees of DIPs

- **NET recording of intermediation fees** proposed in the HB (\neq BPM6 recommendations for subcontracting)
- Where to classify intermediation services?
 - if intermediation of services => in the service category being intermediated
 - if intermediation of goods: in trade-related services
- **Residence** of buyer, seller, DIP not always easy to determine
- Explicit vs implicit fees?



Work in progress (also in the context of the BPM revision)





To summarize: reporting template

- Built around data sources and focussing on what's **most feasible**
- Based on the assumption that most of what can be digitally delivered is actually digitally delivered
- Provides practical ways to deal with double-counting

i	Digitally ordered	ii+iii
ii	Goods	
iii	Services*, not digitally delivered	
iv	Digitally delivered services*	v+vi
v	Digitally ordered*	
vi	Not digitally ordered*	
vii	Total Digital Trade	i+iv
viii Transactions via DIP's		
ix	Digitally ordered	$x+xi \leq i$
x	Goods	$\leq ii$
xi	Services*	$xii+xiii \leq iii+v$
xii	Digitally delivered*	$\leq v$
xiii	Not digitally delivered*	$\leq iii$
<i>Addendum items</i>		
xiv	Digital services*	iii+iv
xv	Digitally ordered total	i+v
xvi	ICT goods total	
xvii	of which: digitally ordered	$\leq ii$
xviii	of which: via DIPs	$\leq x$
xix	Potentially digitally delivered services*	$\geq iv$
xx	Potentially ICT-enabled services*	$\geq xix$
xxi	Non-monetary transactions in information/data (imputed)	
xxii	DIPs intermediation fees (imputed)	



What happened since December 2019?

- Some efforts at national level to fill in (part of) the reporting template on digital trade
- Ongoing research on frontier topics (crypto assets, valuation of data, provision of free services...)
- Broader revision of accounting standards in progress (SNA and BPM)



Revision of the handbook: way forward

- Improve **compilation guidance** (most notably on digital ordering and DIPs)
 - Add practical experiences on how to fill the reporting template
 - Incorporate comments received on V1 (there's still time to send feedback!)
- Address issues left open in V1:
 - How to measure **non monetary transactions**
 - value of data
 - provision of free services (e.g. email, social media, free cloud storage...)
 - Treatment of **crypto assets**
 - what do we want to measure?
 - Digitalization and Mode 3

=> new version of Handbook **to be released in 2022**



Thank you!

- [OECD-WTO-IMF Handbook on Measuring Digital Trade](#)
- [OECD Going digital toolkit note](#)

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