



The OECD-WTO-IMF-UNCTAD Handbook on Measuring Digital Trade, v.2

What's new?

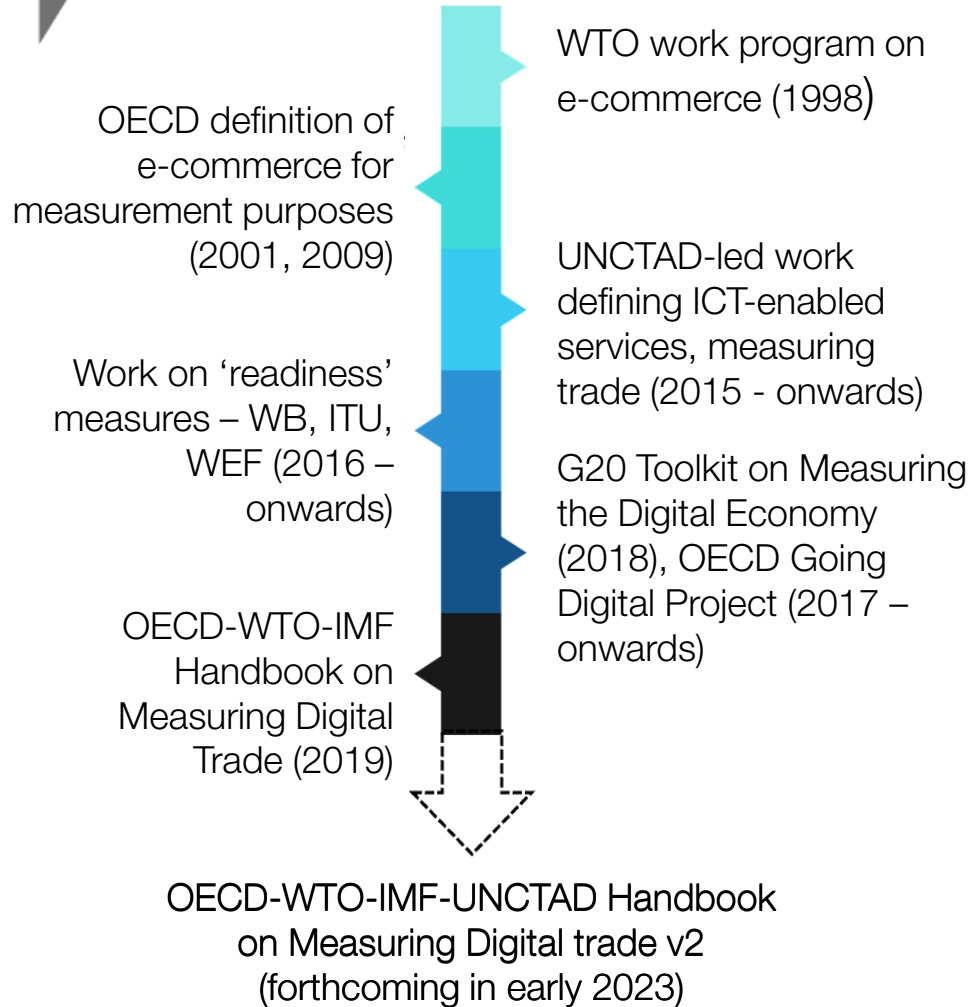
Antonella Liberatore, OECD and Daniel Ker, UNCTAD

On behalf of OECD, WTO, IMF and UNCTAD

28 November 2022

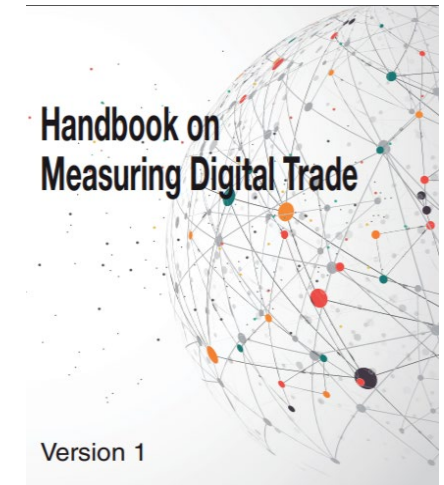


Background



Handbook v1:

- First *statistical definition* of digital trade based on the nature of the transaction
- Established a *conceptual framework* for measurement
- Provided initial *compilation guidance* on digital trade transactions





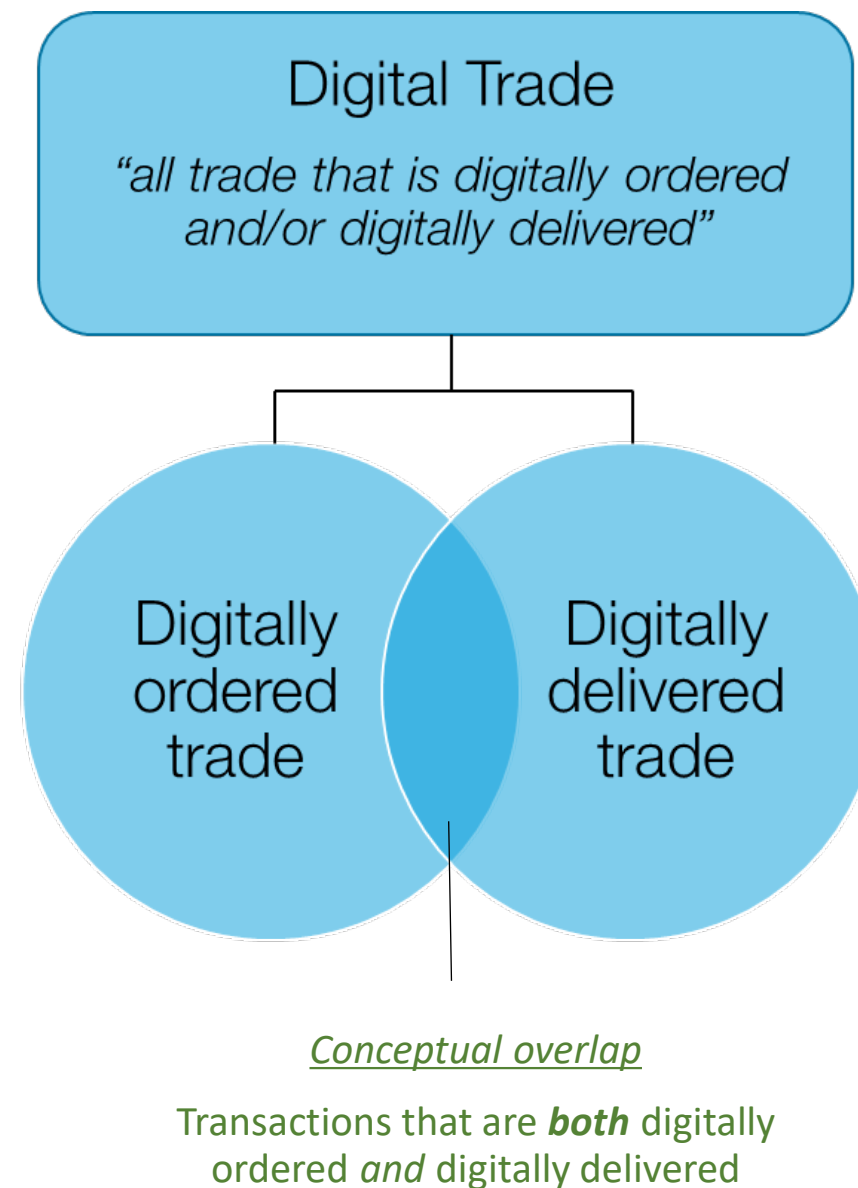
Structure of Handbook, v2

- Ch1. Introduction
- Ch2. Conceptual framework for measuring digital trade
- Ch3. Measuring digitally ordered trade
- Ch4. Measuring digitally delivered trade
- Ch5. Digital intermediation platforms (DIPs)
- Ch6. Country case-studies
- Annexes



Key concepts

- Nature of transaction is key
 - Digitally ordered and/or digitally delivered
- Framework consistent with SNA 2008 and BPM6
- Framework covers goods and services
 - Only services can be digitally delivered
- All economic actors can engage in digital trade as importers or exporters
 - Businesses, households, government, Non-profits
- Non-monetary digital flows, including data flows, acknowledged but not included in digital trade





Defining digitally ordered trade

- **Digitally ordered trade** is 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”*
- Matches the OECD definition of e-commerce (2009)
- Covers goods and services
- Ordering methods include
 - electronic data interchange system (EDI)
 - own website
 - third party website or app
 - digital intermediation platforms (DIPs)

Digitally ordered trade = international e-commerce



Compiling digitally ordered trade

Revised chapter structure

- Survey sources (largely new)
 - Business surveys
 - Household surveys
 - Government and NPISH surveys
- Non-survey sources (largely unchanged)
 - Card payment data
 - *De minimis* trade estimates
 - Customs data
- Recommendations (revised)

Compiling digitally ordered trade

“Digitally ordered trade” = “international e-commerce”

→ use surveys covering e-commerce to measure digitally ordered trade
notably *business and household ICT usage surveys*

Recommended to **prioritise business**

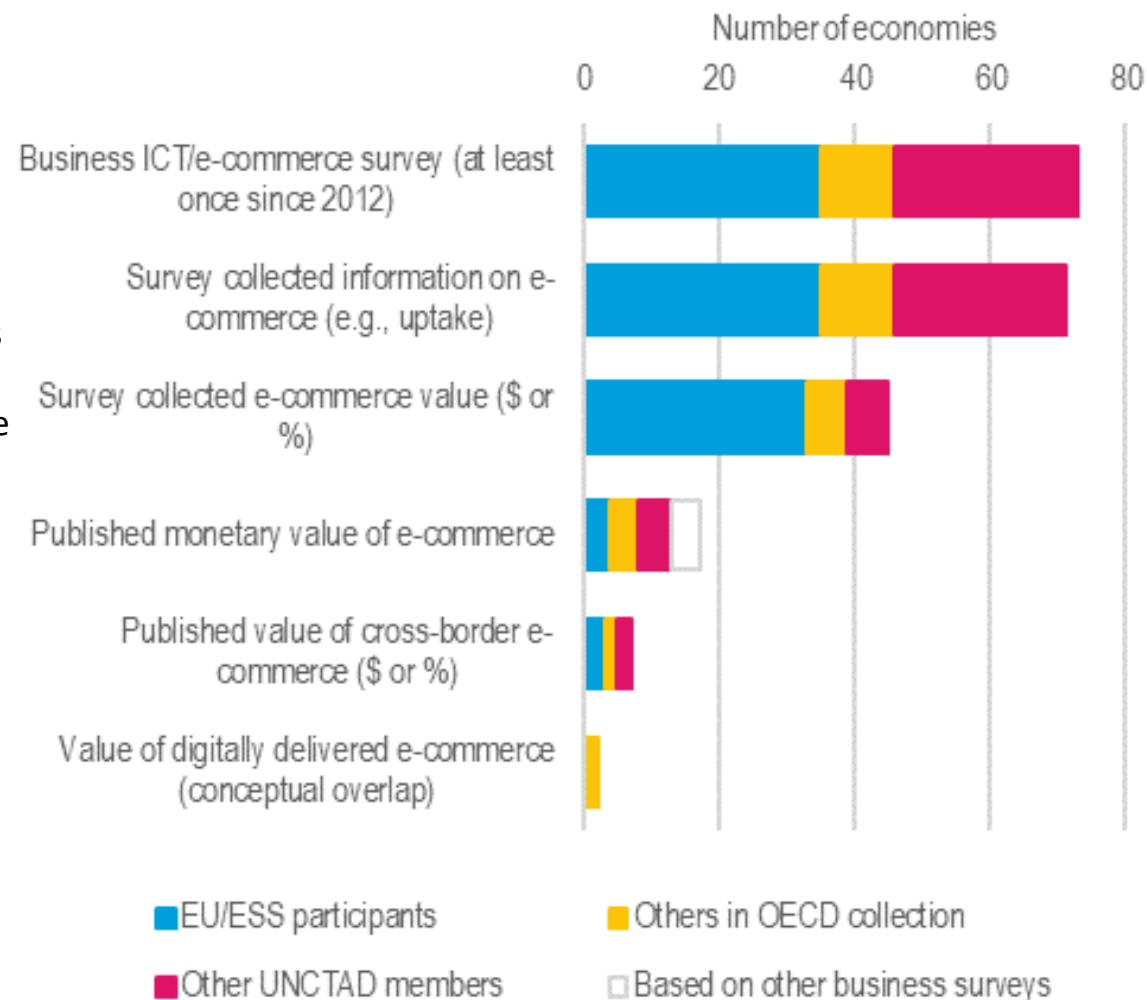
- Biggest “piece of the puzzle” for both sales (exports) and purchases (imports)
- More developed/fewer challenges for measuring e-commerce value than Household Surveys
- Almost 80 economies have business ICT surveys

Top-down approach:

1. Measure total e-commerce \$
2. Break down into domestic/international
3. Further breakdown by product type (good, digitally delivered service, other service) to measure conceptual overlap

Handbook provides practical examples (incl. survey questions) from countries with varying statistical systems.

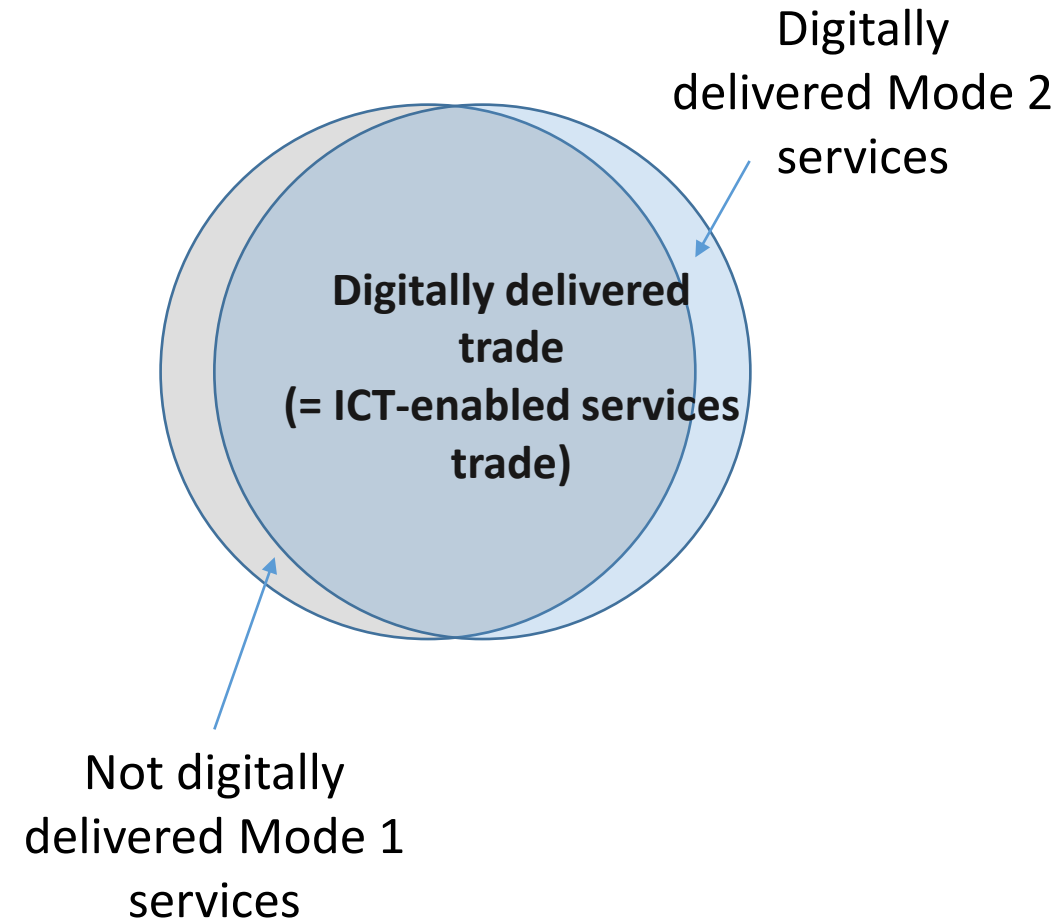
- Can also provide a basis for questions on **other surveys** (e.g. surveys of business activity).





Defining digitally delivered trade

- **Digitally delivered trade** is defined as “*all international transactions that are delivered remotely over computer networks*”
- Only covers services
- Definition simplified compared to HB v1
 - Full alignment with definition of ICT-enabled services (TGServ)
 - Broad alignment with services supplied via Mode 1 (if digitally deliverable)





Compiling digitally delivered trade

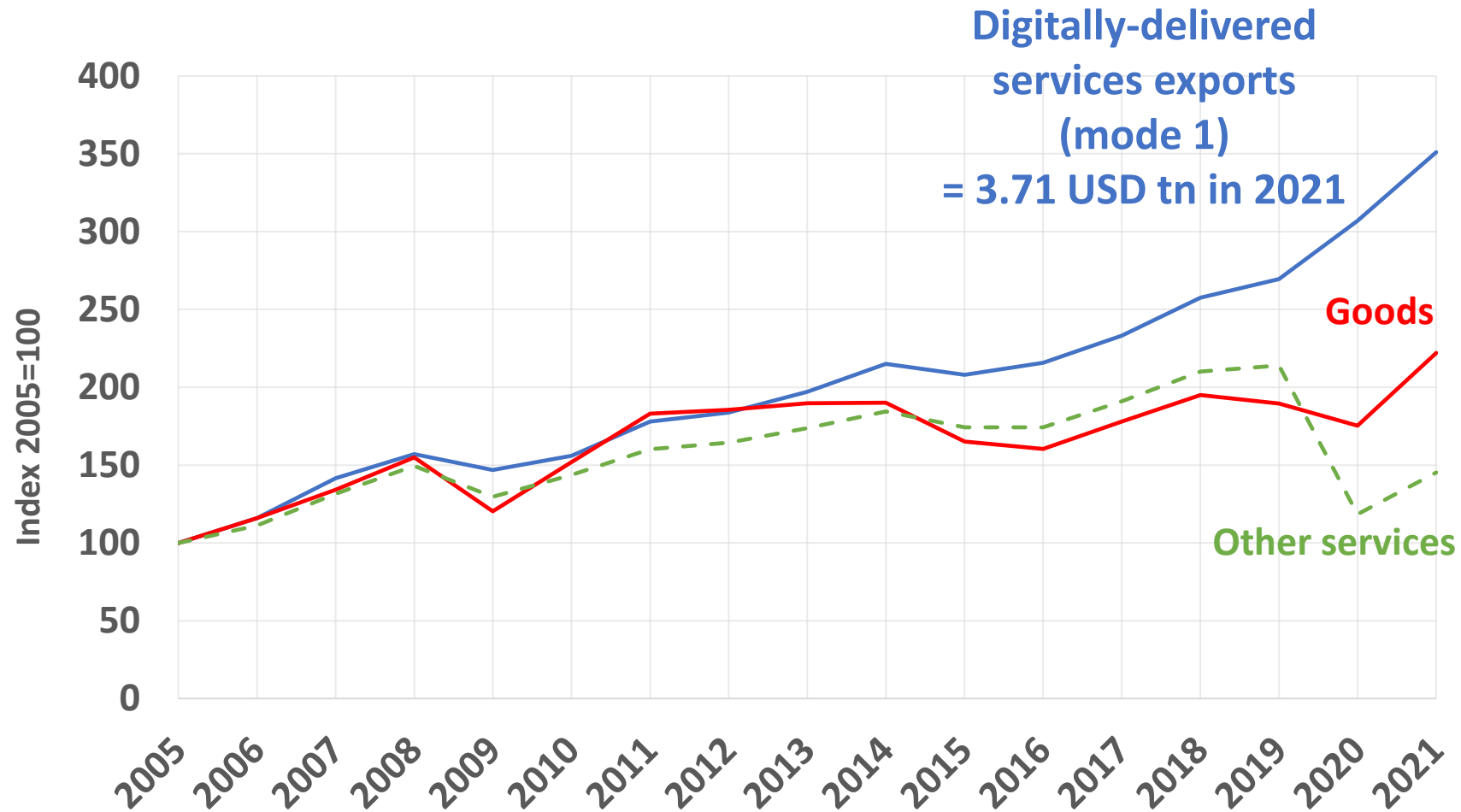
1. Identify services which *can be* delivered remotely through computer networks
 - Total for (most) **digitally deliverable** services can be aggregated from **existing trade by products data**
 - but this will include trade via Mode 4 (presence of natural persons)
2. Focus in on Mode 1 (cross-border) supply to yield a **reasonable estimate** for **digitally delivered** trade
 - Recommended to **add questions on digital/remote delivery to ITS and/or ICT surveys**
 - Also to add questions on digitally delivered products to Travel (Mode 2) surveys

Table 4.1 – Digitally deliverable services

| |
|---|
| Insurance and pension services |
| Financial services |
| Charges for the use of intellectual property n.i.e. |
| Telecommunications, computer, and information services |
| Research and development services |
| Professional and management consulting services |
| Architectural, engineering, scientific and other technical services |
| Other business services n.i.e. |
| Audio-visual and related services |
| Health services |
| Education services |
| Heritage and recreational services |
| Digital intermediation services provided by DIPs n.i.e |
| Digitally deliverable services consumed abroad (Mode 2) |



Global exports of digitally delivered services (estimated)

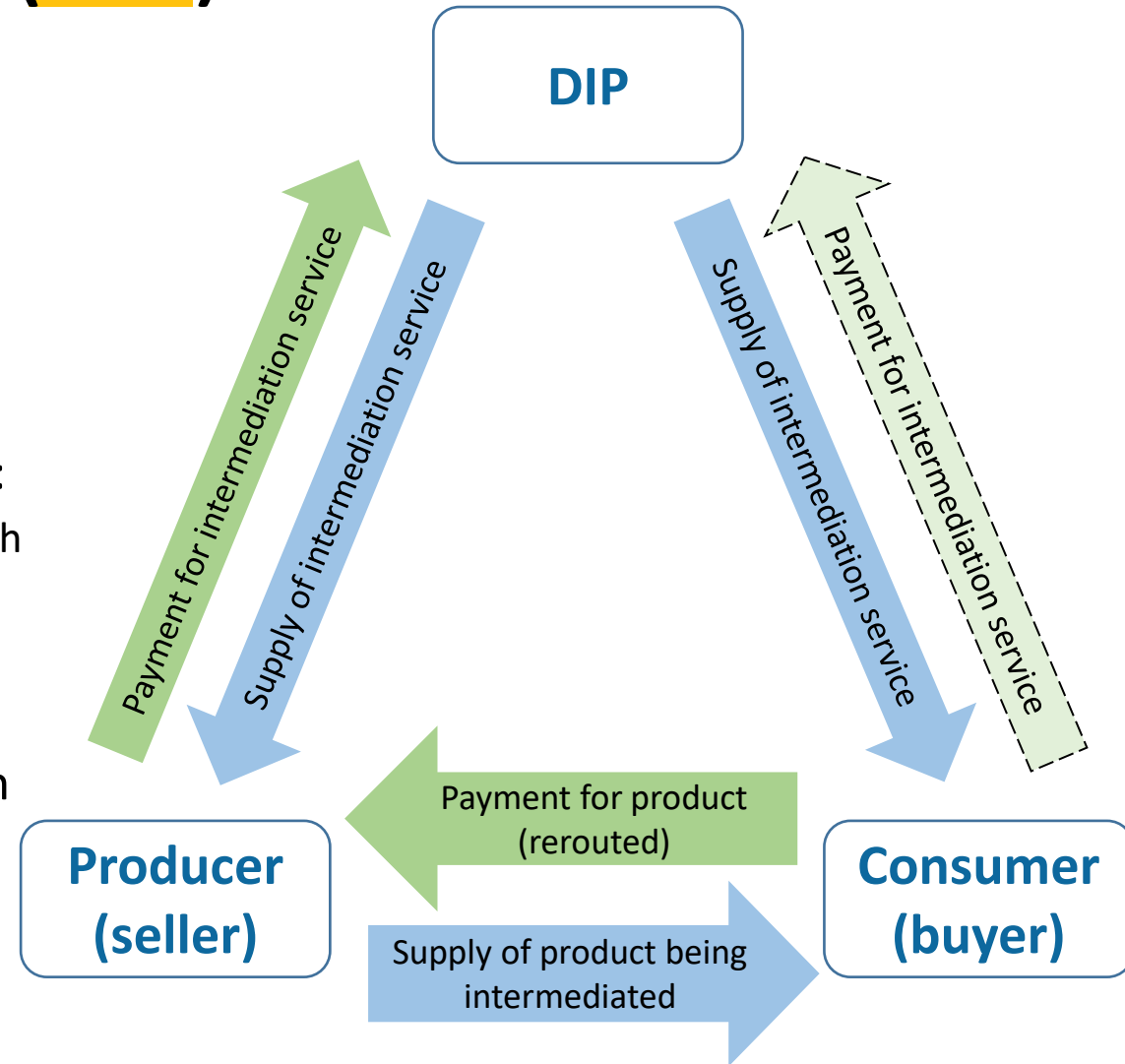


Source: WTO



Digital intermediation platforms (DIPs)

- DIPs are defined as *'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 rendering the services that are being sold (intermediated)*
- DIPs provide a *digital intermediation service* that should separately recorded in the accounts. The fee:
 - can be invoiced to the producer, to the consumer or both
 - if not separately invoiced, is assumed to be paid by the producer
- Treatment in line with v1 of the Handbook and now endorsed in BPM revision and in OECD Handbook on Digital SUTs (forthcoming)
- Intermediation services to be classified in *trade-related services* (for both goods and services)





Country case studies

- **Spain (INE)**
 - Inventory of **existing survey instruments** which can be exploited to generate insights on digital trade at relatively low cost
- **Turkey (Turkish Statistical Institute)**
 - Approach to measure **digitally ordered trade** at monthly frequency using **customs declarations** and **postal data**
- **Jamaica (Bank of Jamaica)**
 - Stocktaking exercise of **existing data sources** that could be used to estimate digital trade in Jamaica (surveys, payment card and payment gateway data, as well as administrative sources)
- **China**
 - Approach to measure **digitally ordered trade** via **customs data** (specific customs procedure codes), complemented with ad hoc **surveys** and other information from **DIPs** and **logistics platforms** (General Administration of China Customs)
 - **Survey** approach to measure **digitally delivered computer services** (Ministry of Commerce)

Reporting template for Digital Trade

| | | | Total exports | Total imports |
|----------|---|----------------------|---------------|---------------|
| 1 | Total Digital Trade | 2 + 3.2 | | |
| | | or 2 + 3 minus 2.2.a | | |
| | | or 2 + 3 minus 3.1 | | |
| 2 | Digitally Ordered Trade | 2.1+2.2 | | |
| 2.1 | Goods | | | |
| 2.1.a | of which: via DIPs | | | |
| 2.2 | Services | | | |
| 2.2.a | of which: digitally delivered | =3.1 | | |
| 2.2.b | of which: via DIPs | | | |
| 3 | Digitally Delivered Trade | 3.1+3.2 | | |
| 3.1 | Of which: Digitally ordered services | =2.2.a | | |
| 3.1.a | of which: via DIPs | | | |
| 3.1.b | of which: digital intermediation services | | | |
| 3.2 | Of which: not digitally ordered services | | | |
| | | | | |
| | <i>Addendum items</i> | | | |
| A.1 | Digital trade in services | 2.2+3 minus 2.2.a | | |
| | | or 2.2+3.2 | | |
| A.2 | Digitally deliverable services | >3 | | |



What's left to do?

- Chapter 2 (conceptual framework) and chapter 3 (compilation of digitally ordered transactions) currently under consultations
- Chapter 4 (compilation of digitally delivered transactions) and chapter 5 (accounting for DIPs) to be shared for consultation in next few weeks
- Outcomes of ongoing revisions of international standards and classifications to be integrated to the extent possible
- Final manuscript expected by end 2022
- Publication planned for spring 2023



(cover page under development)



THANK YOU

OECD, WTO, IMF and UNCTAD

Feedback welcome!

Barbara.Dandrea@wto.org

Daniel.Ker@unctad.org

Antonella.Liberatore@oecd.org

Pquill@imf.org