

# DIGITAL TRADE IN SERVICES

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# Some definitions

- ✓ **E-commerce:** “The sale or purchase of a good or service, conducted over computer networks by methods specifically designed for the purpose of receiving or placing orders.”
  - Payments can be online or offline; delivery can be physical or digital
  - Equivalent to “digitally ordered trade” when involving cross-border transactions
  
- ✓ **Digitally delivered trade:** “International transactions that are delivered remotely in an electronic format, using computer networks specifically designed for the purpose.”
  
- ✓ **Digital trade:** Any trade that is the result of digitally placed orders and/or is digitally delivered.

# Measuring international trade in ICT-enabled services



- ✓ **Partnership Task Group on Measuring Trade in ICT Services and ICT-enabled Services:** UNCTAD, WTO, OECD, UNSD, UNESCWA, WBG and ITU
  - Tim Sturgeon, MIT, lead consultant
  - Close interaction with UN Task Force on International Trade Statistics (TFITS)
  - Built on existing methodologies and measurement frameworks
- ✓ **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** developed
- ✓ **Survey implementation** in Costa Rica, India and Thailand in 2017

# ICT-enabled services - delivered digitally



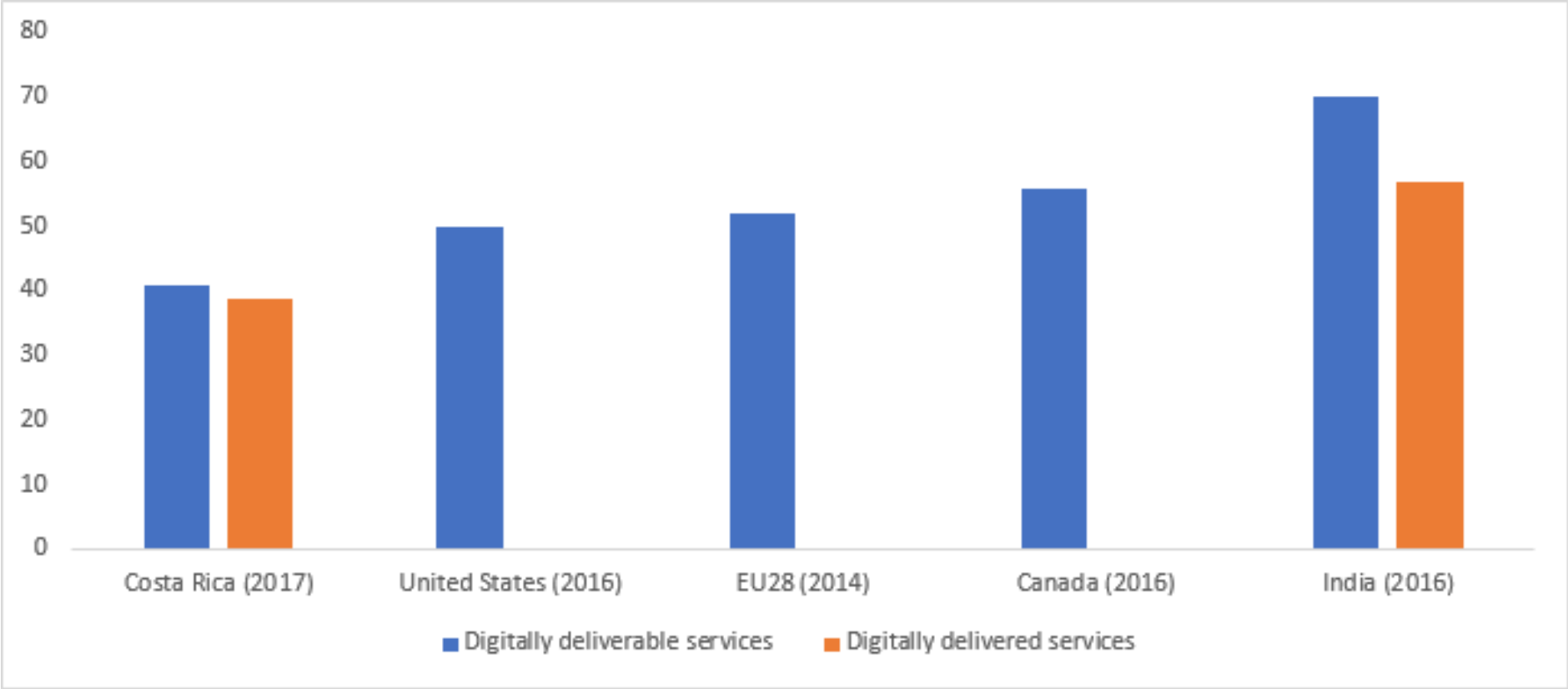
- ✓ **ICT-enabled services** = *services with outputs that can be delivered remotely over ICT networks*
  - ✓ EBOPS 2010 not amenable for identifying ICT-enabled services
  - ✓ Define **potentially** ICT-enabled services using detail in CPC Ver.2.1 and the official correspondence to EBOPS 2010
  - ✓ 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

# New complementary grouping for trade in ICT-enabled services

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

Potentially ICT-enabled services





# Costa Rica one of two countries that have surveyed the exports of digitally delivered services



# Costa Rica (1)

## Main ICT enabled services within the BOP

Millions of USD

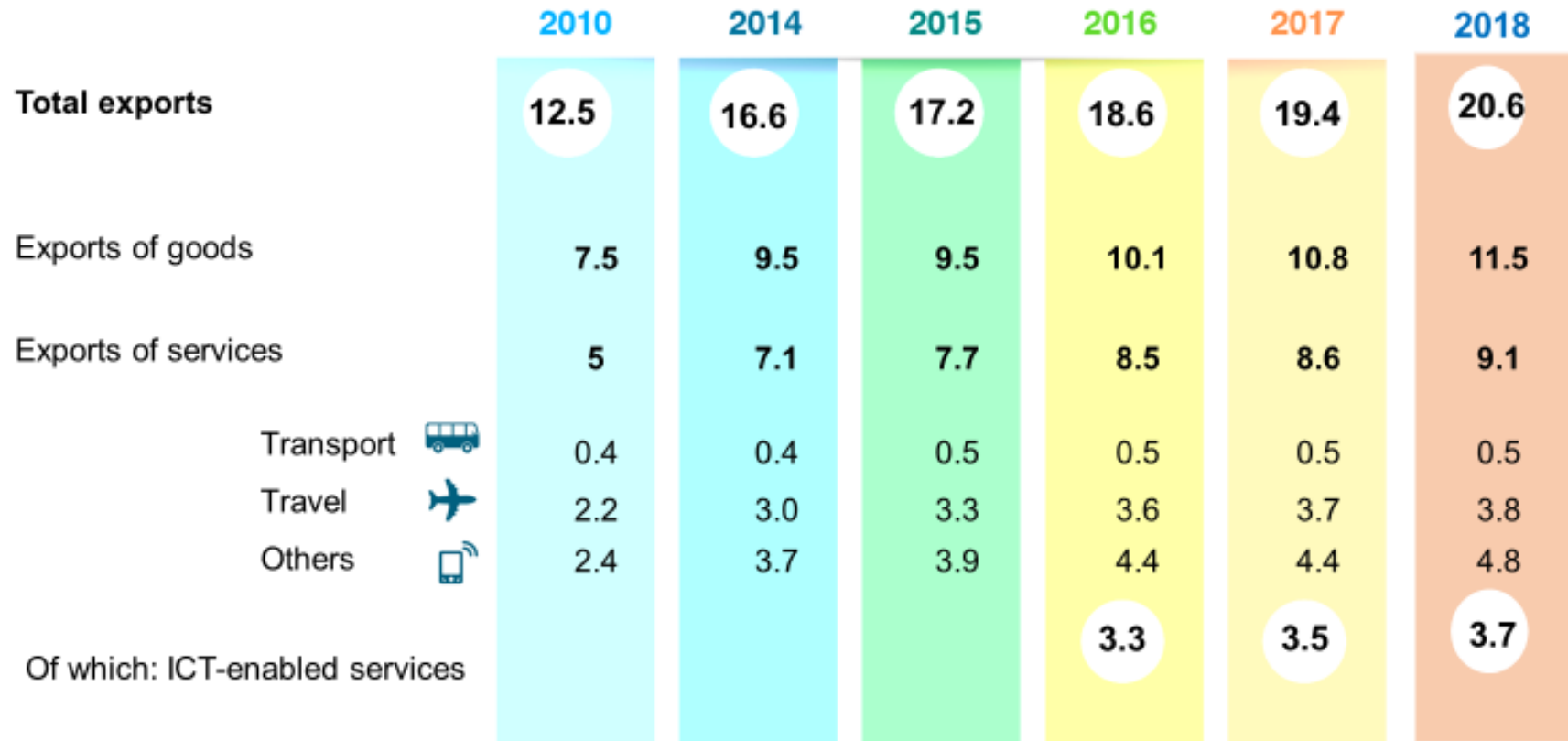
	2015	2016	2017	2018
 Insurance and pension services	2	2	2	2
 Financial services	65	90	90	85
 Telecommunications:	1,002	1,095	1,163	1,246
Telecommunications services	13	12	13	12
Computer services	928	994	1,076	1,155
Information services	61	89	74	79
 Other business services:	2,607	2,925	2,969	3,194
Research and development	155	169	152	168
Professional and management consulting services	2,188	2,539	2,655	2,845
Technical, trade-related and other business services	264	217	162	181
<b>TOTAL</b>	<b>3,676</b>	<b>4,112</b>	<b>4,224</b>	<b>4,527</b>

«Potentially ICT-enabled»

Source: Banco Central de Costa Rica.

# Case of Costa Rica (2)

## Total exports Billions of USD












«Actually ICT-enabled»

Source: Banco Central de Costa Rica.



# Costa Rica (3)






## Exports of ICT-enabled services by type Millions of USD, 2018

		Services Exports	Exports of ICT-enabled services	Share (%)
Telecommunications		24	24	100
Computer services		760	699	92
Sales and marketing services		187	109	58
Information services		15	15	100
Insurance and financial services		92	92	100
Management, administration and back office services		2,612	2,599	99
Licensing services		2	2	100
Engineering, related technical services and R&D		200	197	98
Education and training services		3	2	67
<b>Total</b>		<b>3,895</b>	<b>3,739</b>	<b>96</b>

Source: Banco Central de Costa Rica.

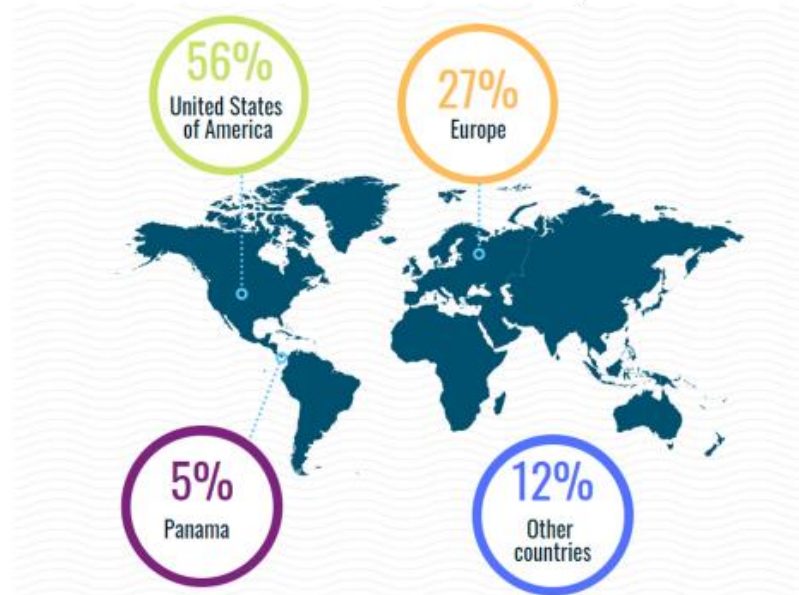
# Costa Rica (4)

## Exports of ICT-enabled services by size class, 2018

	 Large	 Medium	 Small	 Micro	 TOTAL
Enterprises	<b>232</b>	<b>95</b>	<b>37</b>	<b>720</b>	<b>1,084</b>
Millions of USD	<b>3,630</b>	<b>60</b>	<b>21</b>	<b>28</b>	<b>3,739</b>
Share	<b>97%</b>	<b>1.7%</b>	<b>0.6%</b>	<b>0.7%</b>	<b>100%</b>

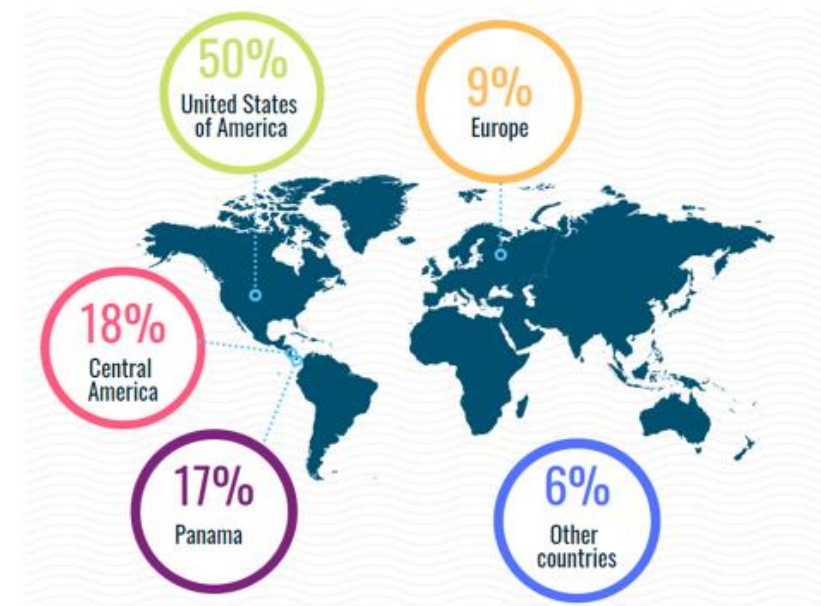
# Costa Rica (5)

**Origin of direct investment enterprises with export of ICT-enabled services, 2018**



Source: Banco Central de Costa Rica.

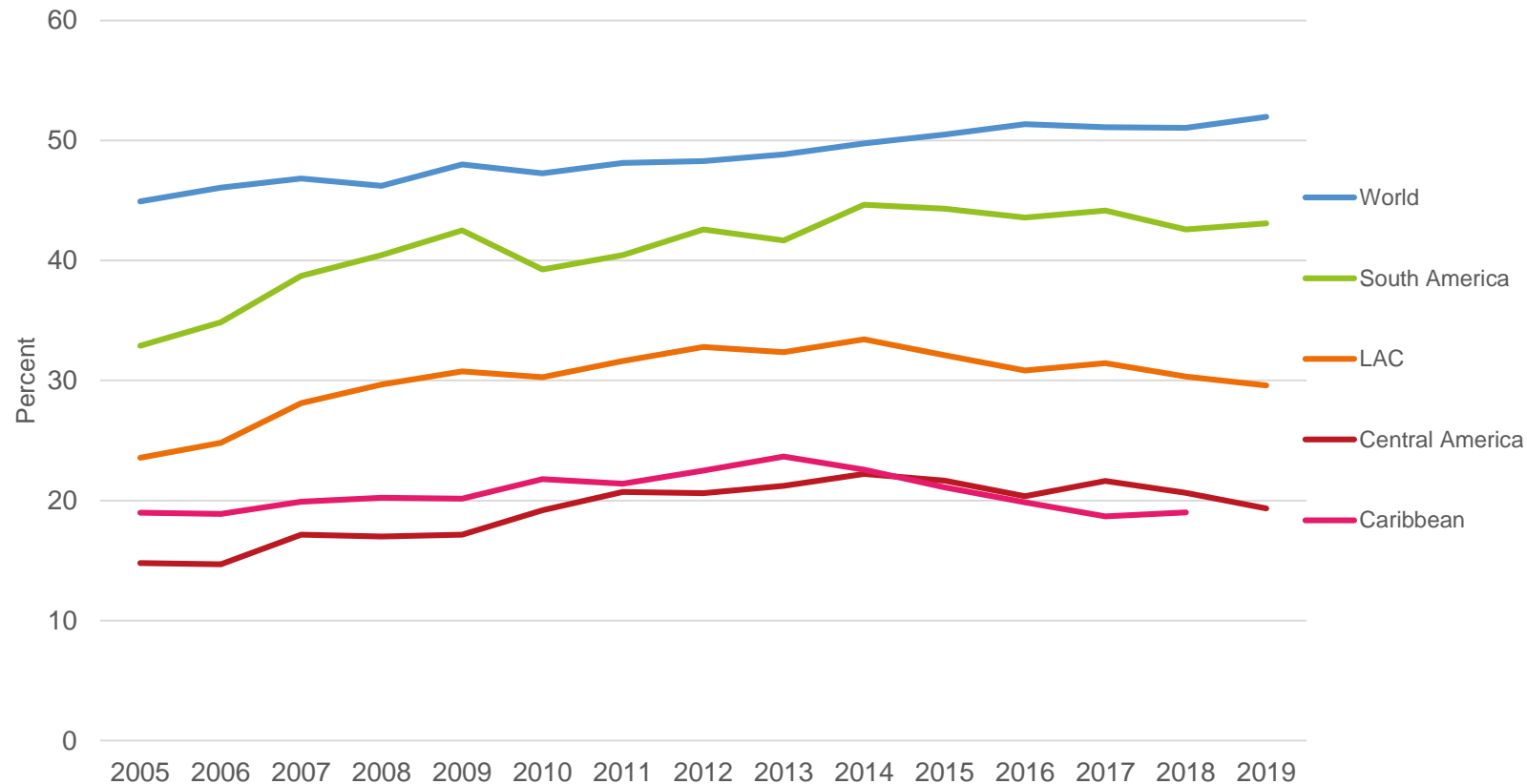
**Exports of ICT-enabled services by countries and regions of destination, 2018**



Source: Banco Central de Costa Rica.

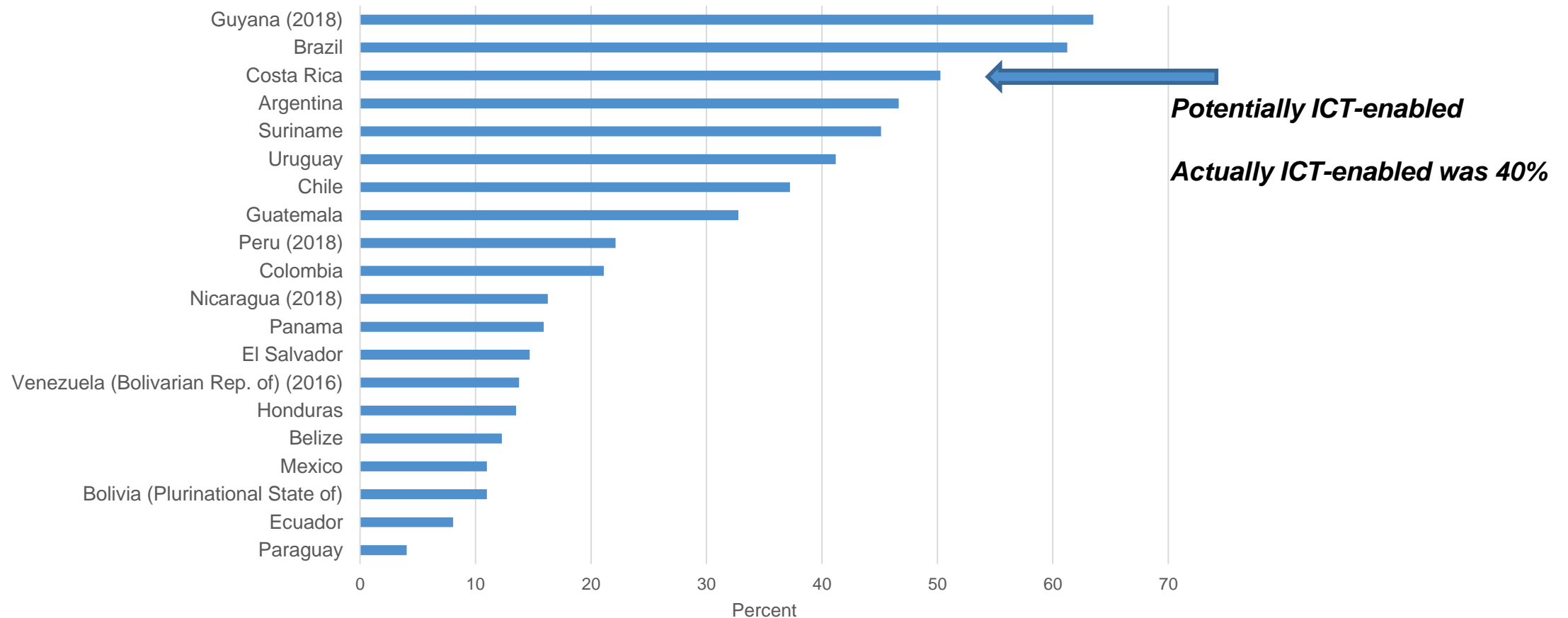
# Digitally deliverable services: diverging trends in Latin America and the Caribbean

Exports of digitally-deliverable services as a share (%) of total services exports, 2005-2019



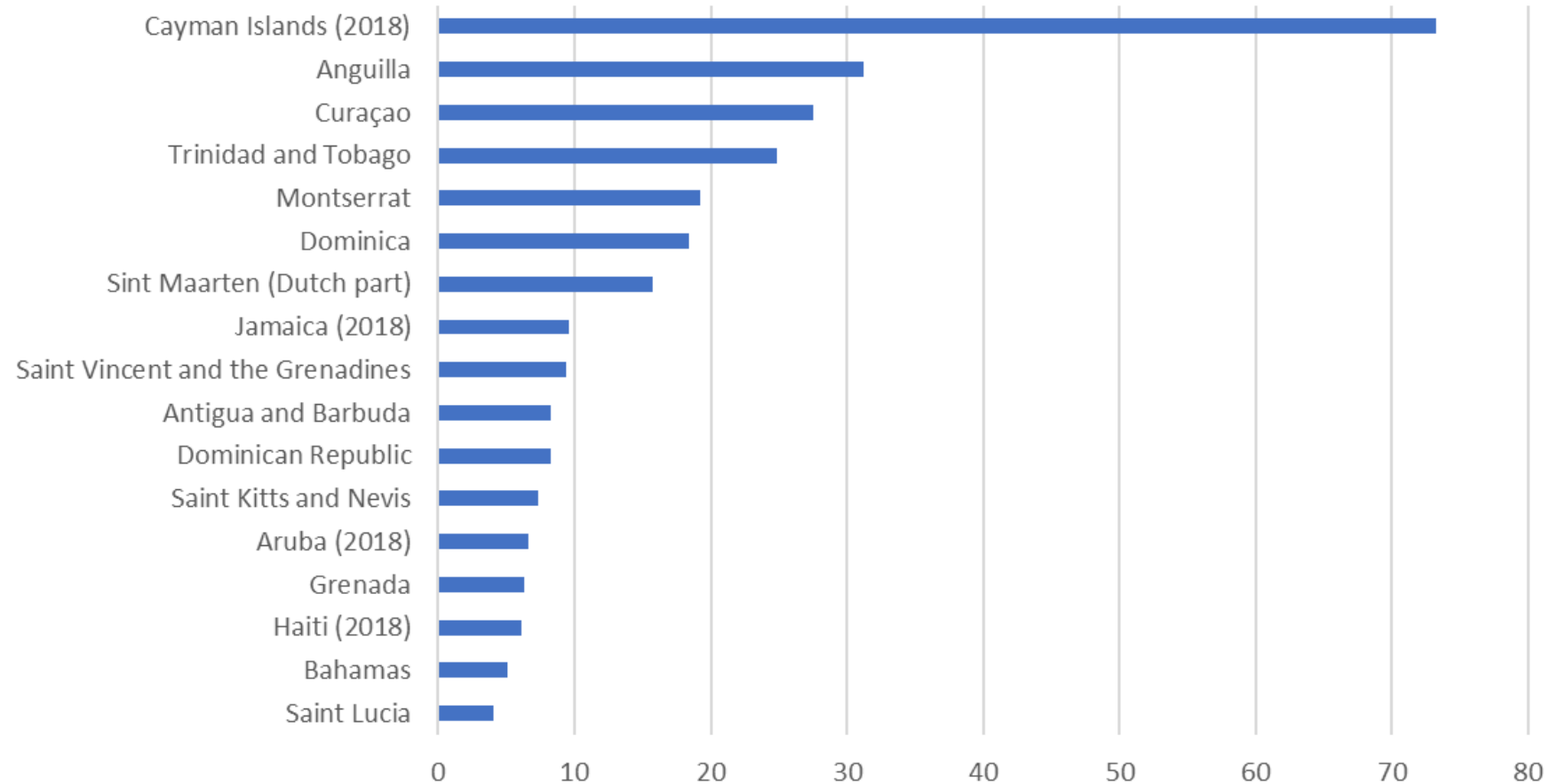
# Great variety at country level in Latin America

Exports of digitally deliverable services as a share of total services exports,  
Latin America, 2019



# As well as in the Caribbean

**Exports of digitally deliverable services as a share of total services exports, Caribbean, 2019**



# Working Group on Measuring E-commerce and the Digital Economy



- ✓ First meeting December 2019
  - Revision of the UNCTAD Manual for the Production of Statistics on the Information Economy – *more information on measuring digitally delivered services.*
  - Measuring domestic and cross-border electronic commerce (e-commerce).
  
- ✓ Second meeting: Q2 2021 (tbc)
  - Progress in measuring e-commerce and the digital economy work by relevant international organizations
  - Implementation of the revised UNCTAD “Manual on the Production of Digital Economy Statistics”: Next steps
  - Use of non-survey sources of data to supplement the traditional measurement of e-commerce and the digital economy.



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Thank you!