Measuring Digital Trade – state of play

Geneva, 1 March 2018

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Market capitalisation

- Apple market cap closes above $900 billion (Source: CNBC.com/8 November 2017)
- Alphabet: $757.5bn (15/2/2018)
- Amazon: $707.7bn (15/2/2018)
- Alibaba: $481.00bn (15/2/2018)
- In comparison: GDP in 2016
  - Spain: $1 232 billions
  - Mexico: $1 047 billions
  - Switzerland $ 670 billions
Digital trade – what is it?

There is no clear definition in statistics…

Part product
Part consumption
Part intermediation
Part business
Part household
Part national
Part international

Source: James Tebrake, Director General, Macroeconomic Accounts, Statistics Canada, “Capturing the Digital Economy in Canada’s Macroeconomic Accounts”
Trade statistics

Trade in merchandise
Value
quantity * price
origin and destination
“customs”

Trade in services
Value
- quantity (?)*price (?),
- origin and destination
- mode of supply
“payments”

Digital trade
- Value?
- origin and destination?
Scope of digital trade

Nature (‘how’)
- Digitally ordered
- and/or
- Platform enabled
- and/or
- Digitally delivered

Product (‘what’)
- Goods
- Services
- Information/data

Actors (‘who’)
- Corporations
- Households
- Government
- NPISH

Source: UN Statistical Commission, E/CN.3/2018/17
What efforts are under way to measure it?

- **G20 (Düsseldorf, 6/7 April 2017)**
  - TFITS charged to close data gap by developing framework, inventory of pilot studies

- **OECD/UNCTAD/UPU/WTO**
  - Exploit UPU database (postal services & merchandise)

- **WCO**
  - Cross-Border E-Commerce Framework of Standards

- **UNCTAD – ICT**
  - Partnership on Measuring ICT for Development
  - Intergovernmental working group on e-commerce measurement

- **OECD/IMF**
  - Stocktaking of country pilot projects
Are existing statistical classifications fit for purpose?

- SNA (goods and services)
- Goods: HS (digitalisation of goods)
- Services: BOP, EBOPS, ICT Partnership, potentially IT-enabled, CPC (downloaded products…)
- “New” products?
Figure 7.3

World exports of goods that can be digitized, 1996-2014


in: UN ESCAP, Asia-Pacific Trade and Investment Report, 2016, chapter 7
Trade in services that can be delivered remotely, 2005-2016

Source: WTO-UNCTAD-ITC joint dataset, 28 February 2018
How does it impact trade?

• Merchandise
  – Postal services, increase of small shipments

• Services
  – Location of consumer/producer (MoS?)
  – How to separate digital/non-digital? (ICT?)
  – Free online products (how to classify? value?)
What is the complexity?

A large share of online transactions that are perceived as domestic by consumers involve a cross-border element.
Possible data sources

• Production
  – Enterprise surveys

• Consumption
  – Household surveys

• Linking data

• Automatic tracking

• Firm-level data
Need for innovative solutions?

- Public-private partnerships
- Legal arrangements/data confidentiality
- Case studies?
- Non-official statistics
- Official statistics
- Foreign trade statistics/Satellite Account
Handbook on Measuring Digital Trade
first draft planned for October 2018

• Policy questions on digital trade
• Conceptual framework on digital trade
• Compiling digitally ordered goods and services
• Compiling transactions facilitated by platforms
• Compiling digitally delivered transactions
• Classifications for digitally ordered goods and services
THANK YOU!