Digital Trade: A Framework for Analysis and Measurement

Submitted by: OECD
Digital Trade: a framework for analysis and measurement

Javier Lopez Gonzalez, Trade and Agriculture Directorate, OECD

Trade Policy Dialogue: Identifying building blocks for facilitating digital trade,
APEC SOM 2, Ha Noi, Viet Nam, May 12, 2017

Developing a flexible and modular typology to unpack digital trade transactions
Highlighting **transactions** involved in delivery of goods or services…

Transactions involved in hypothetical delivery of ride-sharing service
(one of many possible)

And identifying emerging **trade policy** issues and measurement challenges…

Hypothetical 3D printing transaction
(one of many possible)

Hypothetical Social networking transaction
(one of many possible)
Need to think more carefully about **barriers to trade in the 21st Century**…

- Concerns range across goods and services (bundling), if part of value of traded good relies on embedded service, then measures impacting supply of service may condition sale of goods – and vice-versa.

- **Traditional measures, new issues**: Access to digital (telecom services liberalisation), delivery of goods (trade facilitation), tariffs.

- **New measures, new issues**: Service restrictions conditioning goods trade (e-payments), interoperability. Measures restricting movement of data.

- An how to measure impact

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Data localisation measures **growing**…

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Understanding the measures (cross-border transfer restrictions)...

Conditional

Free / No specific mention

One-of
Private sector safeguards
Actionable
Non-actionable
Government safeguards
Domestic / focus
International / focus

Combination
Private sector safeguards
Actionable
Non-actionable
Government safeguards
Domestic / focus
International / focus

Prohibition

General level of restrictiveness

Understanding how firms use data: Importance of personal data varies but stronger for services

- Majority or all
- Significant amount
- Small amount or none

Total
Communications
Heavy manufacturing
Other manufacturing
Other business
Other financial
ICT services
Trade
Other machinery
Utilities
Other government
Lumber and paper
Insurance
Food
Electronic equipment
Construction
Coal oil gas mining
Agriculture

0% 20% 40% 60% 80% 100%
separating or identifying personal versus non-personal

Mapping possible transmission mechanisms (cross border transfer measures)
… or relative impacts (storage measure)

Contact us
We look forward to hearing from you!

Access all of the information from the Trade & Agriculture Directorate at:
www.oecd.org/tad

You can reach us via e-mail by sending your message to the following address:
tad.contact@oecd.org

We invite you to connect with us on Twitter by following:
@OECDtrade
### Table: Indicator of Exposure to Data

<table>
<thead>
<tr>
<th>Sector</th>
<th>Data Transfer (as share of total costs)</th>
<th>Storage (as share of ICT costs)</th>
<th>Data Transfer (as share of total costs)</th>
<th>Storage (as share of ICT costs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.31%</td>
<td>34%</td>
<td>0.00%</td>
<td>25%</td>
</tr>
<tr>
<td>Coal oil gas mining</td>
<td>0.63%</td>
<td>1%</td>
<td>0.00%</td>
<td>0%</td>
</tr>
<tr>
<td>Food</td>
<td>3.84%*</td>
<td>23%*</td>
<td>2.68%*</td>
<td>14%*</td>
</tr>
<tr>
<td>Textiles wearing apparel and leather</td>
<td>3.84%*</td>
<td>1%</td>
<td>2.68%*</td>
<td>0%</td>
</tr>
<tr>
<td>Lumber and paper products</td>
<td>1.26%</td>
<td>1%</td>
<td>0.10%</td>
<td>0%</td>
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<tr>
<td>Heavy manufacturing</td>
<td>3.84%*</td>
<td>0%*</td>
<td>2.68%*</td>
<td>0%*</td>
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<tr>
<td>Motor vehicles and transport equipment</td>
<td>0.01%</td>
<td>21%</td>
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<tr>
<td>Electronic equipment</td>
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<tr>
<td>Other machinery and equipment</td>
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<td>31%</td>
<td>3.91%</td>
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<td>Other manufacturing</td>
<td>3.84%*</td>
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<td>12%*</td>
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<tr>
<td>Utilities</td>
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<td>1.15%</td>
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<td>Construction</td>
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<td>23%</td>
<td>5.35%</td>
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<tr>
<td>Trade</td>
<td>7.58%</td>
<td>41%</td>
<td>6.42%</td>
<td>32%</td>
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<td>Transport air water and other</td>
<td>3.84%*</td>
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<td>14%*</td>
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<td>Communications</td>
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<td>Other financial services</td>
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<td>Insurance</td>
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<td>ICT services</td>
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<td>Other business services</td>
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<td>Recreation and other services</td>
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<td>21%</td>
<td>1.30%</td>
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<td>Other government services</td>
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<td>0.00%</td>
<td>12%</td>
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<td>Standard deviation</td>
<td>2.18%</td>
<td>11%</td>
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<tr>
<td>Mean-Sdev</td>
<td>3.16%</td>
<td>9%</td>
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</tbody>
</table>

**Diagram:**

Some firms think they will gain from measures, others are concerned about losses.