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Defining and Measuring the Digital Economy

Submitted by: United States



**Workshop on the Digital Economy:
Measurement, Regulation and Inclusion
Santiago, Chile
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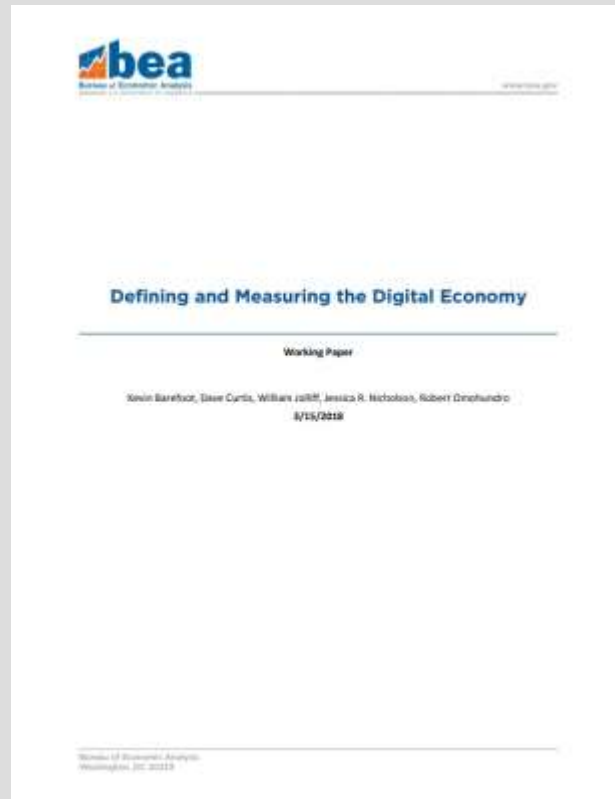
DEFINING AND MEASURING THE DIGITAL ECONOMY

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BEA WORKING PAPER



- Bureau of Economic Analysis (BEA) released Working Paper in March 2018
- Long-Term Goal: New digital economy account measuring contributions to Gross Domestic Product (GDP)
- Focused on goods/services that are primarily digital (not “partially digital”)

METHODOLOGY AND APPROACH

- Three Main Tasks:
 1. Defining the Digital Economy
 2. Identifying Goods and Services Relevant for Measuring the Digital Economy
 3. Identifying the Industries Producing These Goods and Services
 - Estimating Output, Value Added, Employment, etc.

DEFINING THE DIGITAL ECONOMY

- Key Challenge: Lack of Precise Definition
- Existing ICT Goods and Services Accounts + Others In Scope for Digital Economy:
 1. Digital-Enabling Infrastructure (e.g., Computer Hardware, Telecoms Equipment)
 2. Digital Transactions (“E-Commerce,” e.g., B2B, B2C)
 3. Content that Users Create and Access (“Digital Media,” e.g., Music, Videos)

IDENTIFYING RELEVANT GOODS AND SERVICES

- Relied on Analyst Expertise and Research
- Data and Resource Constraints – Partially vs. Primarily Digital Goods and Services
- Key Definitions:
 1. E-Commerce – B2B and B2C; Lack of Data on P2P
 2. Digital Media – Data Streaming, Online Publishing, and Broadcasting
- More Data Needed on Advertising Revenue

IDENTIFYING PRODUCING INDUSTRIES AND PREPARING RESULTS

- Most Technical Step
- Sample Items Measured:
 1. Digital Economy Gross Output by Industry
 2. Value Added for the Digital Economy
 3. Compensation and Employment for the Digital Economy

POTENTIAL AREAS FOR FUTURE STUDY

1. Including Additional Digital Goods and Services
2. Incorporating Updated Statistical Classifications, Methodologies, and Source Data
3. Accurately Measuring P2P Transactions
4. Accounting for Digital Inputs to Production
5. Estimating the Consumer Surplus Related to the Digital Economy

THANK YOU.

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