

Challenges of Measuring E-Commerce in International Trade

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ESCWA Workshop on measurement of
e-commerce and external trade indicators

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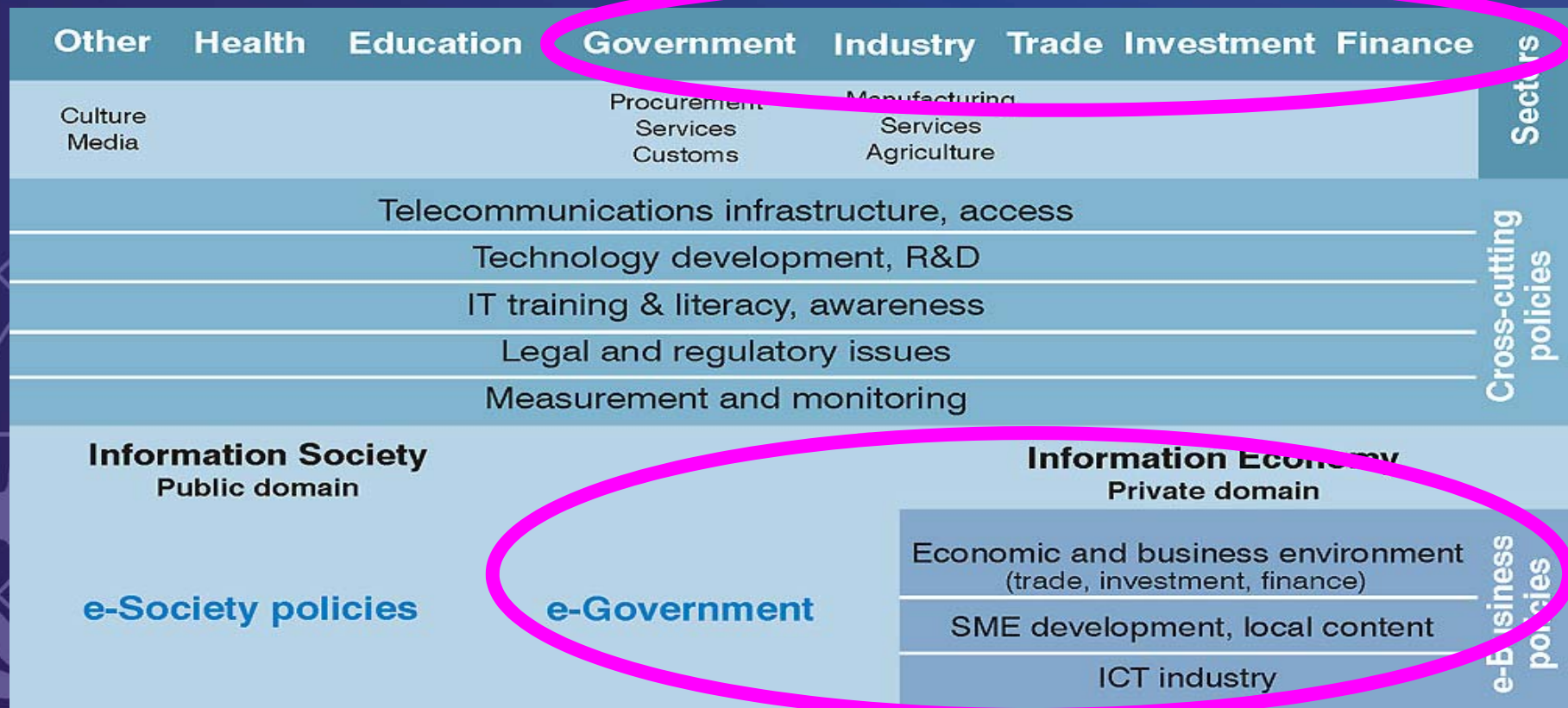
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Outline

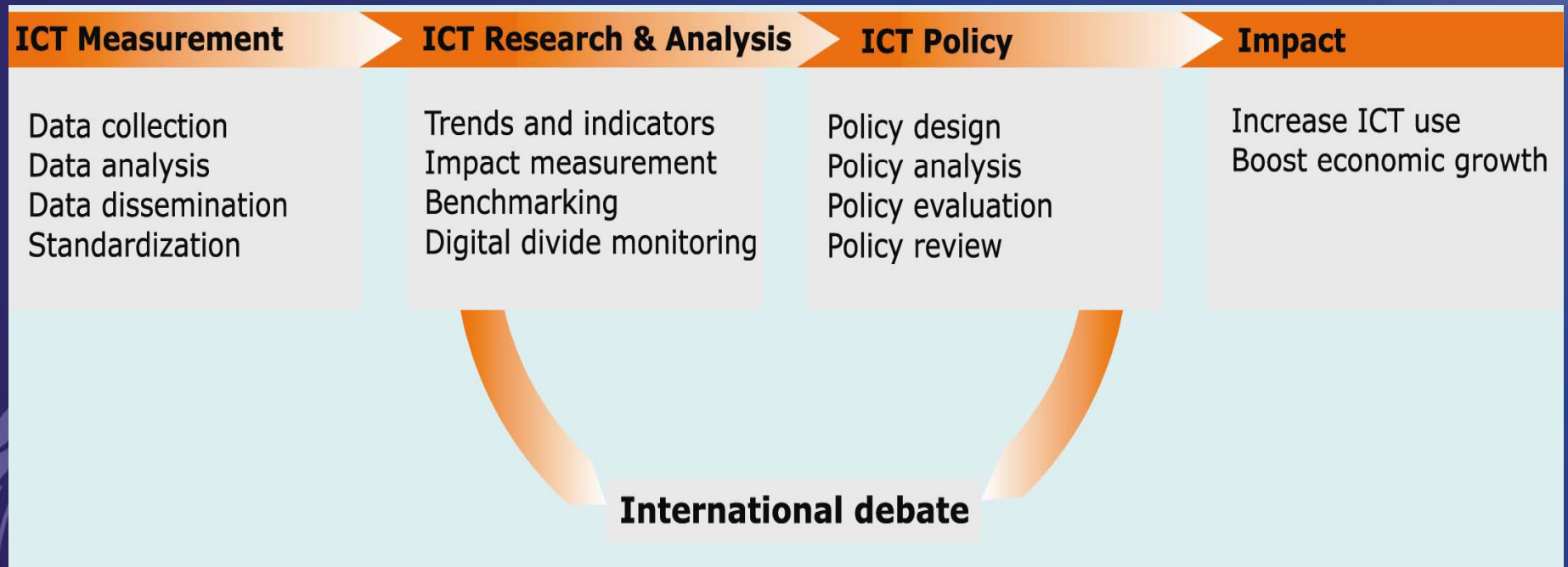
- UNCTAD and ICT (statistics)
- Core indicators on ICT use by business
 - E-Commerce indicators
- Challenges in measurement
 - Current limitations in data sources
 - Legal aspects of e-commerce

UNCTAD's mandate on ICT

- Enhance developing countries' capacity to *adopt & use ICT for economic growth*
- Increase SMEs' participation in global trade by exploiting ICT
- Secretariat to the CSTD – WSIS Follow-up



UNCTAD and ICT for Development



Collecting Data

to Measure the Information Economy

- *Partnership on Measuring ICT for Development*
 - *Partnership*: response to WSIS request to produce official statistics to monitor information society
 - Launched at UNCTAD XI (2004)
 - Member of Steering Committee and of the Task Groups on Capacity Building and on Impacts
- UNCTAD responsible for statistics on “core indicators” related to:
 - The ICT sector
 - ICT access and use by businesses
- More countries collect ICT statistics and adopt the *Partnership’s* core list of ICT indicators

Research and Analysis

- Information Economy Report (annual)
 - Monitors trends in ICT diffusion, digital divide, trade, investment and policy developments
- Studies on the Impact of ICT
 - Case of the impact of ICT on productivity of manufacturing in Thailand (2007-2008). First study of its kind jointly with the NSO of Thailand.

Why measure ICT and review policies?

- To assess the impact of ICTs on economic growth, trade, enterprise competitiveness and poverty
- To collect evidence on ICT uptake and use at the national level
- To better formulate national ICT policies and create an enabling environment for e-business
- To benchmark your country's information economy against those of your neighbours, and globally
- To take informed investment and business decisions

UNCTAD and ICT statistics

- What we do:
 1. Advocacy and consensus building:
 - Founding member of Partnership on Measuring ICT for Development
 - Collect ICT data worldwide and publish it
 2. Research and Analysis
 - Information Economy Report (trends and policy analysis),
 - Thailand Report on Measuring the impact of ICT use in business
 3. Capacity Building
 - Manual for the production of statistics on the information economy
 - Training courses on Measuring ICT in business
 - Ad-hoc technical assistance to countries measuring ICT in business

UNCTAD and ICT statistics

- Promoting core indicators on ICT usage by businesses and ICT sector and trade in ICT goods that are defined through a consultative process **led by the Partnership on Measuring ICT for Development** and involving the NSOs and the UNSC
 - 12 indicators for use of IT by businesses
 - 2 indicators on the ICT sector
 - 2 indicators on trade in ICT goods
- UNCTAD promotes coordination of statistics on ICT use by business for developing countries while OECD and Eurostat coordinate it for developed and EU countries respectively

12 Core Indicators on ICT use by business

- Proportion of...

B1... businesses using computers	B7... businesses receiving orders over the Internet
B2... persons employed routinely using computers	B8... businesses placing orders over the Internet
B3... businesses using the Internet	B9... businesses using the Internet by type of access (narrowband, fixed broadband and mobile broadband)
B4... persons employed routinely using the Internet	B10... businesses with a local area network (LAN)
B5... businesses with a web presence	B11... businesses with an extranet
B6... businesses with an intranet	B12... businesses using the Internet by type of activity

Core indicators related to e-commerce

- B7 – Proportion of businesses receiving orders over the Internet
- B8 – Proportion of businesses placing orders over the Internet
- For international comparability, the proportion of businesses is most simply calculated by dividing the number of in-scope businesses receiving/placing orders over the Internet by the total number of in-scope businesses. Alternatively, output can be presented as the proportion of in-scope businesses using the Internet.

Definition of e-commerce

- The Partnership on Measuring ICT for Development recommends the use of the OECD narrow definition, but not excluding e-mails:

« An Internet (e-commerce) transaction is the sale or purchase of goods or services, whether between businesses, households, individuals, Governments, and other public or private organizations, conducted over the Internet. The goods and services are ordered over the Internet, but the payment and the ultimate delivery of the good or service may be conducted on or off line.

This includes orders received or placed on any Internet application used in automated transactions, such as web pages, extranets and other applications that run over the Internet such as EDI over the Internet or over any other web-enabled application regardless on how the Web is accessed (e.g. through a mobile phone or a TV set, etc.) . The definition excludes orders received or placed by telephone or fax. It excludes orders that were cancelled or not completed. »

- See UNCTAD Manual for the Production of Statistics on the Information Economy, 2009 Revised Edition, paragraphs 45 to 49.

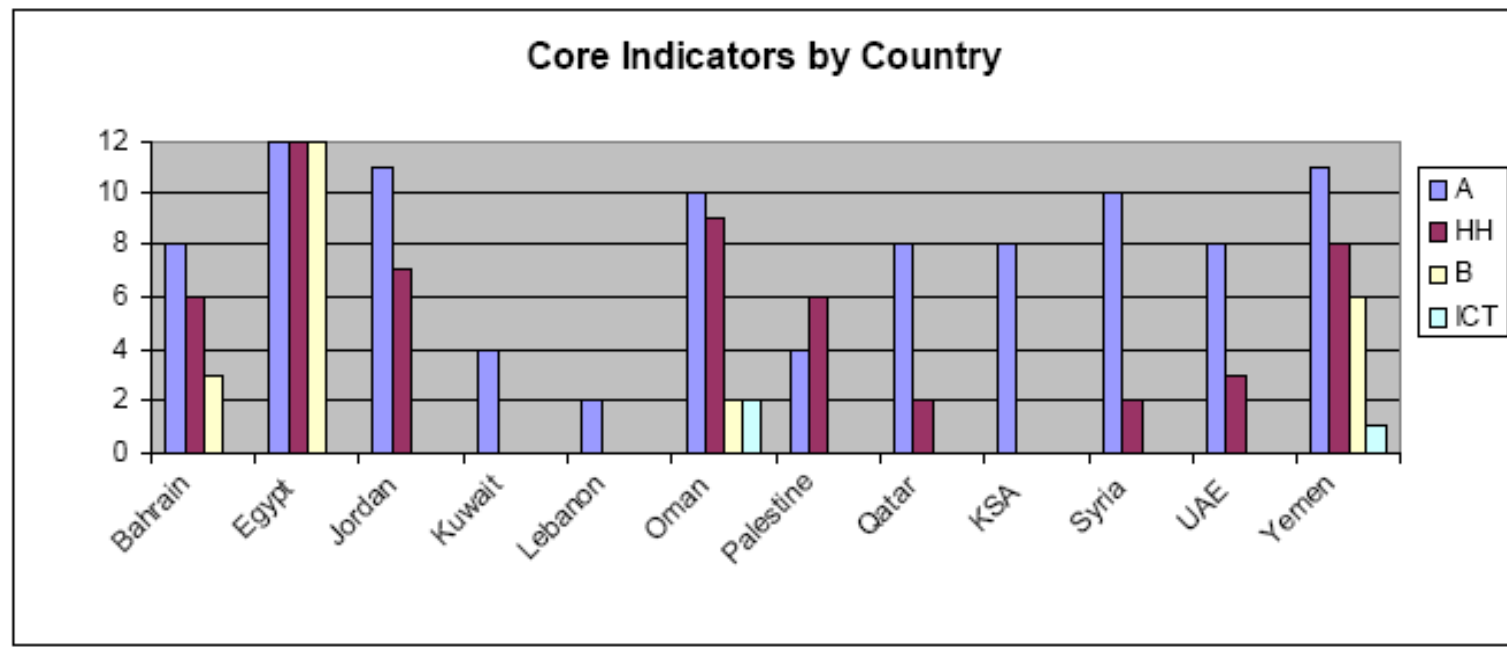
Current limitations in data sources

- Enterprise surveys: ICT indicators collected in few developing countries; few ESCWA countries; limits on enterprises' ability to provide data
- Customs data do not capture nature of transaction, nor digitized products.
- Other sources: only on volume of total e-commerce in GCC, not on exports or imports. See ESCWA's regional profile of the information society in Western Asia, pages 55 to 59.

Core indicators in ESCWA

Current Status

- In 2006-2007 ESCWA tried to collect core indicators through national focal points:



ICT indicators in enterprise surveys in ESCWA

- Egypt: first time, only core indicators, CAPMAS and MCIT, <http://www.egyptictindicators.gov.eg/>
- Oman: first time, only core indicators (ongoing), <http://www.ita.gov.om/>
- See Arab Information and Communication Technologies Organization, <http://www.aicto.org/>

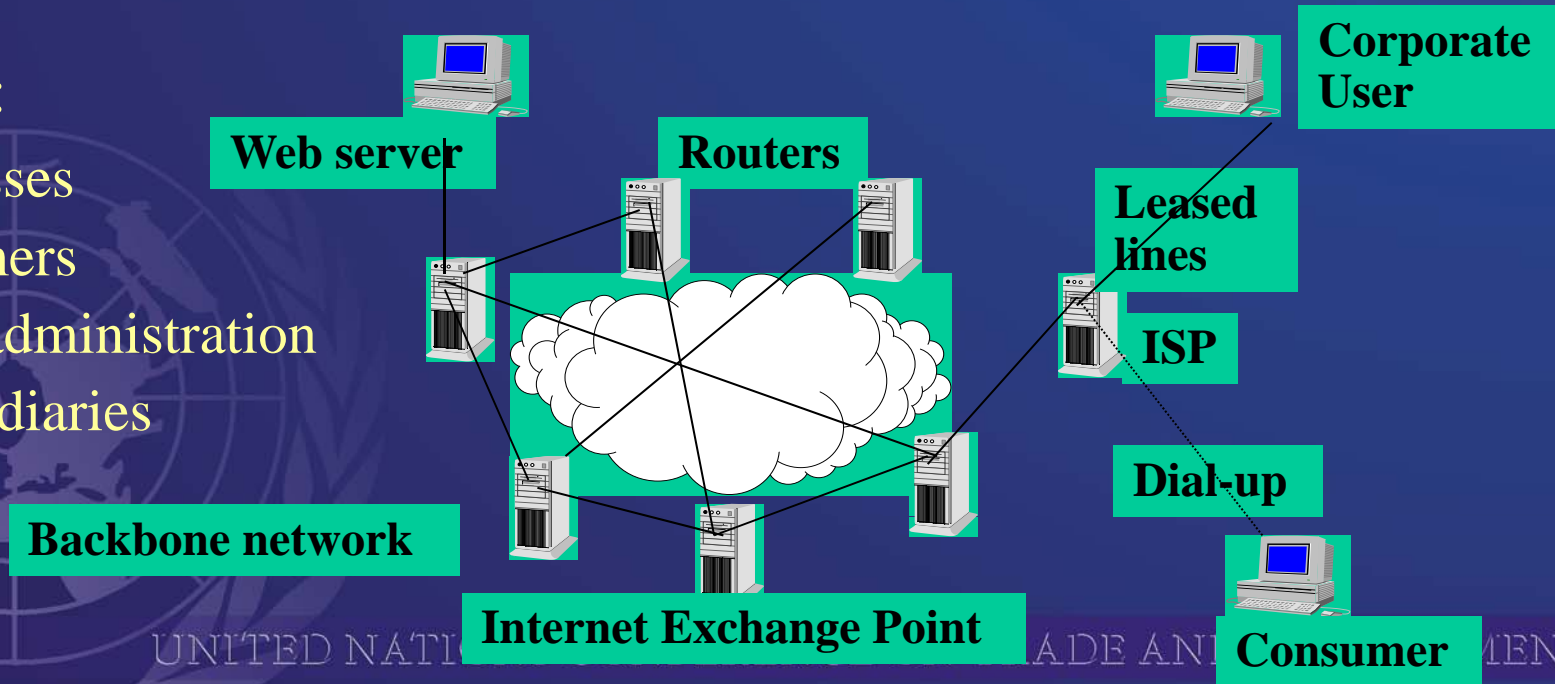
Legal aspects of E-Commerce

The Internet and E-Commerce : Great challenge

Internet: no borders - no location
decentralised (no inherent control)
ubiquity (too many rules)
rapidity (urgency for quick dispute resolution)

Actors:

- Businesses
- Consumers
- Public administration
- Intermediaries



Legal aspects of E-Commerce

- New business opportunities – New legal issues
 - New activities and markets –ICT goods and services (eg data and records processing, customer service, telemarketing, call centres, software, development)
 - Enhanced access to foreign markets (Internet export sales, offshoring, tourism)
- Arising legal issues:
 - Need to build TRUST for new means of communication and trade
 - Classification difficulties: the “virtual goods” (digitized products)
 - New contract types, etc.
 - Need for regional/international harmonization

Legal aspects of E-Commerce

Implementation challenges

- At the domestic level:
 - Lack of government/policy support
 - Shortage of skills and trained experts
 - Limited resources
- At the regional level:
 - Differences among countries (legislation, capacity, resources)
 - Lack of regional ICT-related policies
 - Lack of capacity in legal community

Legal aspects of E-Commerce

Selected international legal instruments

- Model laws/ guidelines
 - UNCITRAL Model Laws (www.uncitral.org)
 - on E-Commerce
 - on Electronic signatures
 - EU Directives on Electronic Commerce
 - The “E-Commerce Directive”
 - The “Signatures Directive”
- International convention
 - UNCITRAL Convention on e-contracting

For information on UNCTAD technical assistance
on e-commerce and law reform, see

http://r0.unctad.org/ecommerce/ecommerce_en/ecomlaw.htm

Trade regulation

classification of digitized products

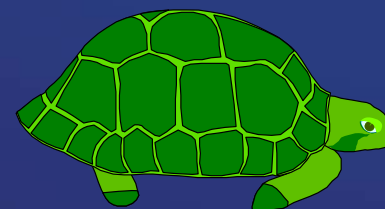
➤ Books, music, film,
software, video games = Goods or services?

➔ Implications: different rules apply

GATT (goods)

GATS (services)

Slow progress, tendency towards services



Documents for further reference

- UNCTAD Manual for the Production of Statistics on the Information Economy, 2009 revised edition (E)
- Revisions and additions to the core list of indicators (E)
- Partnership report to the UNSC (E, A)
- Partnership's publication « Global Information Society: A statistical view 2008 » (E)
- ESCWA's Information Society profile (E)

Thank you

Visit <http://measuring-ict.unctad.org>



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