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Working Group on Measuring E-commerce and the Digital Economy

Chair's summary of the first meeting of the Working Group on Measuring E-commerce and the Digital Economy

Summary

In this document, prepared by the Chair of the Working Group on Measuring E-commerce and the Digital Economy, a summarized account is given of discussions held during the first meeting of the Working Group, held at the Palais des Nations in Geneva from 3 to 4 December 2019. The Working Group discussed the revision of the 2009 edition of the UNCTAD *Manual for the Production of Statistics on the Information Economy*. The revised version of the manual should be published in 2020 and will include the inputs provided by the Working Group. The Working Group also discussed recent progress and challenges in measuring domestic and cross-border electronic commerce (e-commerce). At the first meeting, the concerns and needs of developing countries in order to assess, through statistics, their place in the fast-evolving digital economy were illuminated. Based on the discussions, the present Chair's summary proposes possible topics for future meetings of the Working Group on Measuring E-commerce and the Digital Economy, for the consideration of and decision by the Intergovernmental Group of Experts on E-commerce and the Digital Economy at its fourth session, to be held from 29 April to 1 May 2020.



Chair's summary

Opening plenary

1. The first meeting of the Working Group on Measuring E-commerce and the Digital Economy was held in Geneva, from 3 to 4 December 2019.
2. At the opening plenary meeting, on 3 December 2019, the Working Group elected the Chair of the Executive Board of Directors of the Electronic Transactions Development Agency of Thailand as its Chair.¹ The Chief of Digital Economy Metrics at Statistics Canada was elected as the Vice-Chair-cum-Rapporteur.²
3. After the election of officers, the Working Group agreed that the results of the meeting would be reported to the Intergovernmental Group of Experts on E-commerce and the Digital Economy at its fourth session, from 29 April to 1 May 2020, in the form of a Chair's summary to be finalized after the Working Group's first meeting.
4. The Working Group adopted an agenda, as follows:
 1. Election of officers
 2. Adoption of the agenda and organization of work
 3. Revision of the UNCTAD *Manual for the Production of Statistics on the Information Economy* (2009)³
 4. Measuring domestic and cross-border e-commerce
 5. Topics for future consideration by the Working Group
 6. Adoption of the Chair's summary.
5. The opening remarks of the UNCTAD secretariat's Division on Technology and Logistics underlined the need for Governments to have credible and internationally comparable statistics to be able to formulate evidence-based policies aimed at reaping development gains from information and communications technologies (ICTs). It was noted that the lack of official statistics on the ICT sector, e-commerce and on ICT use by enterprises in most developing countries, and especially the least developed countries, represented yet another dimension of the digital divide. The Working Group on Measuring E-commerce and the Digital Economy offered statistical experts from around the world an opportunity to explore ways towards improving the current situation. It was the first time that UNCTAD had had a regular intergovernmental forum for member States to come together to discuss statistics.
6. The Statistical Branch of the UNCTAD Division on Globalization and Development Strategies also welcomed experts, noting the timeliness of the meeting. The digital economy had brought a major challenge for official statistics and a structural change in the way that economic statistics were approached. The digital economy was changing constantly and rapidly, while statistical frameworks were designed to be robust and stable, with an emphasis on comparability. Thus, statistical frameworks tended to be conservative and slow to adapt to change. For example, national accounts were unable to measure digital services, such as social media, which were furnished free of charge (i.e. with no explicit market value) but did add value to consumers. The digital transformation of the economy had been named one of three priorities in the future revision of the System of National Accounts. Furthermore, the digital economy had created a wealth of data, and national statisticians were under pressure to incorporate those new data sources.
7. The UNCTAD secretariat mentioned that it aimed at developing new statistical products that were useful to member States, could help to monitor sustainable development

¹ Ms. Jirawan Boonperm.

² Mr. Mark Uhrbach.

³ UNCTAD/SDTE/ECB/2007/2/Rev.1.

and guide policy and were disseminated in a transparent and timely manner, in accordance with the new statistical quality assurance framework adopted by UNCTAD in 2019. Connecting ICT policy with statistics was part of that work, with a greater focus on businesses, trade and transactions. To measure e-commerce and the digital economy, the aim was to build a flexible statistical system that could be adapted over time, but that remained strong and based on stable frameworks.

Item 3

Revision of the UNCTAD *Manual for the Production of Statistics on the Information Economy* (2009)

8. Under the first substantive item, the Working Group on Measuring E-commerce and the Digital Economy discussed the revision of the 2009 UNCTAD *Manual for the Production of Statistics on the Information Economy*. The Working Group considered an early revised draft and delegates were encouraged to provide comments on the draft to the UNCTAD secretariat by 17 January 2020. The final revised version would be presented to the Intergovernmental Group of Experts on E-commerce and the Digital Economy in April 2020. The revised edition would contain a change in the title of the publication, to the “UNCTAD Manual for the Production of Digital Economy Statistics”, to reflect evolving terminology.

9. In the introductory remarks of the UNCTAD secretariat, it was noted that the revised manual should reflect changes in the digital economy landscape of the past 10 years. The manual had been used by national statistical organizations in many developing countries as guidance to produce official statistics on the use of ICTs by enterprises, the ICT sector and international trade in ICT goods. In the revised manual, the areas of e-commerce, trade in ICT services and ICT-enabled services would be expanded. The 2009 manual was translated into six languages and had served as the basis for 12 regional training courses that trained 251 statisticians from 117 countries, between 2007 and 2016.

10. The secretariat noted that the demand for digital economy statistics was increasing as more countries were seeking to design, monitor and review national policies and strategies to take advantage of e-commerce and the evolving digital economy. However, availability of those statistics from developing countries remained very low. Despite training efforts, over the past 10 years, only 44 developing or transition economies had reported data to UNCTAD on ICT use by businesses.

11. The UNCTAD manual was a contribution to the body of methodological work carried out by the Partnership on Measuring ICT for Development, which had produced guidelines on e-waste statistics, e-government indicators, statistics on ICT access and use by household and individuals, statistics on ICT access and use by enterprises and the ICT sector and gender disaggregation of ICT statistics. At the time of the Working Group meeting, the International Telecommunication Union was also updating its *Manual for Measuring ICT Access and Use by Households and Individuals* (2014), including by adding new demand-side indicators on e-commerce. The revision of the UNCTAD manual was therefore timely.

12. The Working Group heard from the European Commission that the digital divide was also a problem within Europe, as documented by official statistics on ICT use by business and e-commerce contained in the European Union’s Digital Economy and Society Index. The measurement of Europe’s digital performance had an explicit link to policy actions and helped drive the region’s strategic digital development. A new international Digital Economy and Society Index included non-European countries and could be expanded to more developing countries in the future, if limitations of data availability could be overcome.

13. In discussing the new manual, experts recommended that it reflect collaborative efforts between international organizations, including to ensure international comparability thanks to agreed definitions and standards. Experts were encouraged that the new manual would be touching on new areas, even those pending a well-developed statistical framework.

14. The revised manual would include several model questionnaires as reference: questionnaires from Eurostat (European statistics) and the Organization for Economic Cooperation and Development (OECD), the UNCTAD model questionnaire on ICT use by enterprises and the questionnaire on trade in ICT-enabled services. It was underlined that the chapter on questionnaire design in the new manual should reflect the challenges of respondents that were less technologically savvy when model questions were proposed.

15. Experts noted that the matter of dissemination was very important and deserved more attention than in the previous version of the manual. In order to assess data comparability, there was a need for clear and reliable metadata. Data providers and other stakeholders also needed to be involved in dissemination, in order to raise awareness of how good statistics on the digital economy could help both policymakers and businesses.

16. The manual's chapter on institutional cooperation should note that national statistical systems ought to give priority to ICT surveys in their national statistical development strategy. That would hopefully also help channel donor resources to improving statistics in the area in developing countries. The revised manual should refer to collaboration between international organizations, including those that were involved in funding surveys in developing countries.

17. Some of the experiences shared showed that the inclusion of microenterprises (fewer than 10 employees) in surveys had sometimes significantly affected the picture in terms of the prevalence of ICT use and e-commerce. How to treat microenterprises in the production of digital economy statistics should be addressed in the revised manual.

18. One country suggested that the new manual should reflect the implementation of surveys on trade in ICT services and ICT-enabled services. UNCTAD was encouraged to organize awareness-raising activities linked to the launch of the manual, such as capacity-building activities and training workshops, in order to ensure that the manual received widespread attention.

19. Experts also suggested that the manual should refer to new methods of data collection, such as harnessing big data from the public and private sectors, for the purpose of measuring certain aspects of the digital economy and to complement traditional survey-based data collection. The advantages and disadvantages of such methods should be explained, including cost implications and data privacy considerations. The potential of big data was also discussed under agenda item 4, on measuring domestic and cross-border e-commerce.

20. The UNCTAD secretariat invited further comments by the Working Group on Measuring E-commerce and the Digital Economy to be sent before 17 January 2020, with a view to finalizing the manual by April 2020.

Item 4

Measuring domestic and cross-border e-commerce

21. Participants acknowledged the importance of measuring domestic and cross-border e-commerce to identify challenges and opportunities and to formulate evidence-based policies and regulations in the area. They also recognized the need for international cooperation and the role of the Working Group on Measuring E-commerce and the Digital Economy in supporting the data collection efforts of member States. It could be instrumental in promoting the use of international standards and guidelines on data collection by national statistical offices, facilitating the harmonization of data collection efforts and generating internationally comparable statistics.

22. Two main approaches to collecting e-commerce data through surveys were highlighted: (a) adding questions to existing household and enterprise surveys; and (b) setting up stand-alone surveys. The first option had the advantage that it was relatively easy and inexpensive to implement but faced limitations in terms of the number of questions that could be included, not to increase the burden on respondents and survey enumerators. The second option was more costly and time consuming to implement but could provide more detailed information. Depending on the country, both options could be

relevant, and the issue should be addressed in the revised UNCTAD manual (e.g. by distinguishing indicators for household/enterprise surveys and indicators for stand-alone surveys).

23. Experts noted, however, that surveys only measured part of the e-commerce landscape and that there were numerous concerns regarding data collection efforts. For example, microenterprises were often excluded from surveys although they had a lot to gain from e-commerce and other opportunities in the digital economy, particularly in developing countries. Consumer-to-consumer e-commerce was typically not being measured in official statistics, yet the area had become an increasingly important component, especially in the use of social media platforms in developing countries.

24. There was little data on cross-border e-commerce transactions. Some experts noted that national statistical offices were experiencing lower response rates for household and enterprise surveys, making it urgent to find supplementary sources for data collection, including using big data analytics. The private sector (digital platforms) had been reluctant to share financial and other data, and it was not often difficult to collect data from companies that were not licensed/registered in the country.

25. Time series data were another challenge due to the fast-paced evolution of e-commerce and the digital economy. National statistical systems were struggling to keep pace with statistical user demands for information. At the national level, there might be a trade-off between producing internationally comparable data and data relevant to the national context. Finally, international classifications (e.g. of products or services) were not always useful for consumer and enterprise surveys as they were often not well connected to the reality of respondent experiences. Instead, answers needed to be aggregated later and adapted to fit the classifications. Although time series data might be affected, regular improvement of the quality of survey data was essential.

26. Participants discussed several possible solutions, including enhanced collaboration, both between international organizations and Governments, and within countries, to produce reliable and useful data on e-commerce and the digital economy. International cooperation was particularly important for producing comparable statistics, by helping to define indicators and proposing model questions and questionnaires. At the national level, cooperation between the ICT regulator and the national statistical office was highlighted as a good practice, including for the funding of surveys. Cooperation with the private sector, as both data providers and users, was important. In Colombia, an observatory for e-commerce that brought together public and private sector stakeholders had been able to define supply and demand of e-commerce in the country and identify e-commerce entrepreneurs and the challenges they faced. In Indonesia and Kenya, in an example of good practice, data collectors engaged the private sector to improve e-commerce measurement and raise awareness about the usefulness of such statistics.

27. Regarding survey design, experts sharing their experience noted that it was important to consult users before and after a survey (e.g. policymakers, other stakeholders) to guarantee the relevance of the results. Manuals for data collectors and test surveys were key tools to ensure accurate responses. To encourage responses, data collectors should communicate clearly with data providers (i.e. enterprises) on how survey results would benefit them.

28. Some countries had started to identify e-commerce in their balance of payments reporting (e.g. the Netherlands and Oman), while others (e.g. Malaysia) had set up ICT satellite accounts to estimate the contribution of e-commerce within the ICT sector. The approaches were flagged as something to be further explored.

Item 5

Topics for future consideration by the Working Group

29. As per its terms of reference, the Working Group on Measuring E-commerce and the Digital Economy discussed possible topics that could be examined in future meetings.

30. One delegate proposed that the Working Group invite the World Customs Organization to report on its work, which sought to use data on cross-border shipments to measure e-commerce. It was noted that the Universal Postal Union was also working on collecting data on exports and imports of mailed items, which could be useful for national authorities to measure e-commerce. The interface between customs and postal data and the complementary information they provided on e-commerce were considered a possible topic for discussion.

31. Other experts noted that the use of big data to measure different aspects of the digital economy was relevant to examine within the Working Group at the next meeting. How to measure value created by digital platforms was yet another topic mentioned.

32. Furthermore, it was agreed that, at its next meeting, the Working Group should dedicate some time to discussing progress in the work of international and regional organizations to measure the digital economy, compare notes and share lessons learned. For example, the OECD was in the process of expanding its Going Digital Toolkit to non-OECD countries, publishing a handbook on measuring digital trade and conducting a study that linked ICT and innovation surveys. The United Nations Capital Development Fund also informed participants that it had developed an inclusive digital economy scorecard that could be used to measure inclusion in emerging digital economies and is currently being piloted in eight countries. That and other work could offer valuable insights to developing countries (see annex II for a list of resources shared and referenced during the first meeting).

33. The issue of institutional collaboration at the national level was raised as an area where UNCTAD could provide guidance. For example, countries could consider designating focal points on digital economy statistics to help ensure coordination between national stakeholders (national statistical offices, ministries and regulators) and relevant international organizations. That would also facilitate country-level work and ensure that national statistical offices were always informed.

34. Specific methodological issues encountered by countries when implementing surveys could also be discussed, including in the interest of harmonizing data collection and improving comparability of digital economy statistics. Areas of attention for harmonization in surveys should include scope, coverage, definitions, reference periods and classifications. Some written contributions to the Working Group had included suggestions to discuss how to measure the impact of e-commerce in terms of value added and in gross domestic product.

35. Experts suggested that UNCTAD find ways to increase the number of representatives from all regions, and especially representatives from national statistical offices. It was suggested that UNCTAD identify relevant regional meetings of statisticians and use them as opportunities to inform about the Working Group or organize side events.

36. Past training courses by the International Telecommunication Union and UNCTAD, conducted at the regional level by language groups, were cited as successful examples of collaboration in capacity-building. The UNCTAD Train for Trade methodology should be applied to a training course on digital economy statistics based on the new manual.

37. Regarding future working modalities of the Working Group, experts suggested that an online forum should be put in place by UNCTAD in order to facilitate discussions between annual meetings. Countries were encouraged to use such a forum to continue sharing national experiences and good practices in measuring the use of ICT for businesses, e-commerce and the ICT sector. The online forum of the Expert Group on ICT Household Indicators of the International Telecommunication Union was cited as a good model. If countries were interested in specific issues and wanted to lead discussions in that area, they could create subgroups through the online forum, facilitating discussions in between plenaries, through calls using telecommunications applications and teleconferences.

Conclusion

38. At the first meeting of the Working Group on Measuring E-commerce and the Digital Economy, concerns and needs of developing countries in order to assess their place in the digital economy were illuminated. In that context, the Intergovernmental Group of Experts on E-commerce and the Digital Economy may wish to consider the following conclusions, based on the outcome of the first meeting, to:

(a) Welcome an UNCTAD “Manual on the Production of Digital Economy Statistics 2020” and recommend that countries consider using the new manual in the production of official statistics on e-commerce and the digital economy. By aiming to improve and harmonize methodology, the manual could raise the quality and international comparability of digital economy statistics.

(b) Encourage development partners to provide funding for the development of training and for the provision of other technical assistance based on the new manual.

(c) Request that the Working Group continue its collaboration with other international organizations, including the Partnership on Measuring ICT for Development, to build on each other’s work and make the best use of resources for research, methodological development and capacity-building activities.

(d) Request that UNCTAD explore setting up an online forum for continued informal discussions of the Working Group in between annual meetings, subject to resources.

(e) Request that the Working Group address the following three topics at the next meeting:

(i) Progress in measuring e-commerce and the digital economy work by relevant international organizations;

(ii) Implementation of the revised UNCTAD “Manual on the Production of Digital Economy Statistics”: Next steps;

(iii) Use of non-survey sources of data to supplement the traditional measurement of e-commerce and the digital economy.

Annex I

Attendance list of the first meeting of the Working Group on Measuring E-commerce and the Digital Economy

1. Participants from the following members States of UNCTAD were in attendance:

Algeria	Mozambique
Belgium	Myanmar
Brazil	Niger
Burkina Faso	Nigeria
Burundi	Panama
Canada	Peru
Colombia	Philippines
Congo	Russian Federation
Djibouti	Saudi Arabia
Ecuador	Spain
Egypt	State of Palestine
Estonia	Sudan
India	Sweden
Indonesia	Syrian Arab Republic
Iran (Islamic Republic of)	Thailand
Kenya	Togo
Kuwait	Tunisia
Lebanon	Turkey
Madagascar	United Kingdom of Great Britain and Northern Ireland
Malawi	Zimbabwe
Mongolia	
Morocco	
2. Participants from the following intergovernmental organizations and of United Nations and related entities were in attendance:
 - Commonwealth Secretariat
 - Cooperation Council for the Arab States of the Gulf
 - Economic and Social Commission for Asia and the Pacific
 - Eurasian Economic Commission
 - European Commission of the European Union
 - International Telecommunication Union
 - Organization for Economic Cooperation and Development
 - United Nations Capital Development Fund
 - Universal Postal Union
 - World Trade Organization

Annex II

List of resources shared and referenced at the first meeting of the Working Group

- **European Union, Digital Economy and Society Index.** The Digital Economy and Society Index is a composite index that summarizes relevant indicators on Europe's digital performance and tracks the evolution of European Union member States in digital competitiveness (<https://ec.europa.eu/digital-single-market/en/desi>).
- **Group of 20, Toolkit for Measuring the Digital Economy.** A toolkit highlighting methodological approaches and indicators used to monitor the digital economy and key gaps and challenges regarding digital economy measurement for further study (<http://www.oecd.org/g20/summits/buenos-aires/G20-Toolkit-for-measuring-digital-economy.pdf>).
- **International Telecommunication Union statistics.** The International Telecommunication Union page includes selected core indicators on telecommunications, ICT access and use by households and individuals, methodological documents, and the ICT Development Index and the ICT Price Basket (<https://www.itu.int/en/ITU-D/Statistics/Pages/publications/manual2014.aspx>).
- **OECD, *Measuring the Digital Transformation: A Road Map for the Future*.** This publication maps indicators against the policy issues presented in the OECD Going Digital project and provides a road map to filling gaps in the current measurement framework (<https://www.oecd.org/going-digital/measuring-the-digital-transformation-9789264311992-en.htm>).
- **Partnership on Measuring ICT for Development.** The Partnership webpage hosted by the International Telecommunication Union includes links to the manuals produced by partners on e-waste statistics, e-government, ICT in education, ICT access and use by household and individuals, and ICT access and use by enterprises and the ICT sector. The webpage also has the Partnership core list of ICT indicators and the thematic list of ICT indicators to measure progress towards the Sustainable Development Goals (<https://www.itu.int/en/ITU-D/Statistics/Pages/intlcoop/partnership/default.aspx>).
- **United Nations Comtrade.** Free access to detailed global trade data. United Nations Comtrade is a repository of official international trade statistics and relevant analytical tables (<https://comtrade.un.org/>).
- **United Nations Capital Development Fund, inclusive digital economies scorecard.** A tool to track the key components of an inclusive digital economy (<https://ides.uncdf.org/homepage>).
- **UNCTAD, technical notes on ICT for development.** A series on the latest UNCTAD research and analysis in ICT for development, including a business-to-consumer e-commerce index and methodological reports on e-commerce and digital economy measurement (https://unctad.org/en/Pages/DTL/STI_and ICTs/ICT4D-Technical-Notes.aspx).
- **World Bank, Global Financial Inclusion Index database.** The Global Financial Inclusion Index (Findex) database has data from over 140 economies, including indicators on the use of financial technology, and the use of mobile phones and the Internet, to conduct financial transactions (<https://globalfindex.worldbank.org/>).
- **World Customs Organization, Cross-Border E-commerce Framework of Standards.** Included in the E-commerce Package of the World Customs Organization, with documents supporting its implementation (<http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/frameworks-of-standards/ecommerce.aspx>).