Measuring the ICT Sector
An introduction

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Torbjörn Fredriksson
(torbjorn.fredriksson@unctad.org)
Chief, ICT Analysis Section, UNCTAD

What is the ICT Sector?
ISIC Rev 3.1

- Manufacturing
  - information processing and communication equipment
  - instruments that use electronic means to measure, test and control physical processes
- Services
  - Wholesale and renting of ICT goods
  - Telecommunication services
  - Computer-related services
- Only activities for which the production of ICT products represents the main activity
Changes to the ICT Sector definition to reflect ISIC Rev.4

- Instruments that use electronic means to measure, test and control physical processes – *removed from definition*
- Two new classes of activities added
  - repair or computer and peripheral equipment
  - repair of communication equipment.
- New ICT-related service activities included
  - software publishing
  - computer programming
  - data processing
  - web portals

Why measure the ICT sector?

- A dynamic ICT sector contributes to making the private sector more productive and competitive.
- It creates new jobs and spurs innovation
- It also supports sustained use of ICTs throughout the entire economy.
- Even in low-income countries, a thriving ICT sector can make a difference:
  - Kenya: ICT sector grew 20% a year on average since 2000, accounted for 24% of GDP growth since then (World Bank, 2010).
- New technology and business models are creating many employment opportunities.
- Governments should carefully consider how best to tap into these.
Two core ICT indicators

- Share of business sector employment accounted for by the ICT sector (ICT-1)
- Share of the total business sector value added accounted for by the ICT sector (ICT-2)

<table>
<thead>
<tr>
<th>Country</th>
<th>Reference Year</th>
<th>ICT 1</th>
<th>ICT 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Republic of Korea</td>
<td>2008</td>
<td>6.10</td>
<td>12.19</td>
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<tr>
<td>Mauritius</td>
<td>2008</td>
<td>5.65</td>
<td>6.92</td>
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<td>Switzerland</td>
<td>2008</td>
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<td>7.48</td>
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<td>Russian Federation</td>
<td>2008</td>
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<td>4.89</td>
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<tr>
<td>United States</td>
<td>2009</td>
<td>4.05</td>
<td>5.27</td>
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<tr>
<td>Mexico</td>
<td>2008</td>
<td>2.24</td>
<td>4.03</td>
</tr>
</tbody>
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Data coverage still patchy

- ICT-1 indicator reported by 55 economies (of which 16 developing)
- ICT-2 indicator reported by 48 economies (of which 9 developing)
- Data missing for the majority of developing countries, including several economies in which the ICT sector plays a prominent role (e.g. China and the Philippines)
- No LDC is currently included
- Paucity of data underlines need for capacity-building
- Orbicom’s project welcome contribution