

### 3. COMPETING IN THE WORLD ECONOMY

#### 3.4. International trade in ICT goods and services

Information and communication (ICT) goods and services have been among the most dynamic components of international trade over the last decade. Global trade in ICT goods (the sum of exports and imports) expanded strongly to USD 3.7 trillion in 2007. However, the share of OECD ICT trade in total world ICT trade has decreased steadily from 75% in 1997 to 52% in 2007 owing to a rapid rise in trade from non-OECD Asian countries.

In 2007, ICT goods trade accounted for 11% of total trade within the OECD area. China has been the world's largest ICT goods exporter since 2004 with exports growing by 30% a year from 1996 to almost USD 360 billion in 2007. The United States was the largest importer of ICT goods with USD 273 billion. In Europe, Germany is the largest exporter and importer of ICT goods.

Only 8 of the 30 OECD countries had a positive trade balance in ICT-related goods in 2007. Korea has the greatest trade surplus in ICT goods (almost 6% of total trade and over 26% of the country's total merchandise exports).

The majority of OECD countries showed a positive trade balance in ICT-related services. In 2007, the leading OECD exporter of ICT-related services was Ireland with USD 30.2 billion. The United States (USD 22.7 billion) and Germany were the largest OECD importers. With respect to computer and information services, India was the largest exporter in 2006 at USD 29 billion.

##### **ICT goods and services trade**

The ICT commodities trade list is defined according to the OECD definition (OECD, 2009) based on the 2002 version of the World Customs Organization's Harmonized System (HS). However it is difficult to compare values of OECD ICT goods trade in 2007 with earlier years owing to the new HS classification, adopted in 2007, differing radically from earlier revisions. The OECD Working Party on Indicators for the Information Society (WPIIS) is developing a correspondence between the HS 2002 and the HS 2007 for ICT goods. Efforts are also required to quantify and adjust for the impact of Missing Trader Intra-Community (MTIC) VAT Fraud from the mid-2000s which mainly affected the movements of ICT goods within the EU.

The ICT goods trade balance indicator is calculated as ICT exports minus ICT imports divided by total trade (exports plus imports). Data are at current prices.

Data on telecommunications and computer and related services are estimated within a Balance of Payments (BPM 5) framework and cannot be compared to data on trade in ICT goods based on customs returns and related surveys. It is therefore not possible to calculate indicators of overall trade in ICT goods and services.

##### **Sources**

OECD, International Trade by Commodity Statistics (ITCS) Database, 2009.

OECD, Statistics on International Trade in Services Database, 2009.

##### **Going further**

OECD (2009), "Information Economy Product Definitions Based on the Central Product Classification (Version 2)", Mimeo.

OECD (2009), "Guide to Measuring the Information Society", [www.oecd.org/sti/measuring-infoeconomy/guide](http://www.oecd.org/sti/measuring-infoeconomy/guide).

OECD (2008), *OECD Information Technology Outlook*, OECD, Paris, [www.oecd.org/sti/ito](http://www.oecd.org/sti/ito).

##### **Figure notes**

OECD ICT trade includes trade in copying machines and related parts to maximise the consistency of 2007 data with that for earlier years. The 2007 revision of HS groups together office printers (in the ICT good definition) with photocopiers (not in the current ICT list) whereas previous versions of HS classified them separately. Also, ICT trade does not include UK trade in "Transmit-receive apparatus for radio, TV, etc." due to uncertainties concerning the impact of MTIC VAT Fraud on UK Trade Statistics.

Data for EU15 exclude intra-EU trade.

When interpreting the magnitude of China's exports of ICT goods one should bear in mind the high volume of its imports of ICT parts and components for assembly into ICT final products for export. Export data for China includes exports to Hong Kong that are subsequently re-exported back to China.

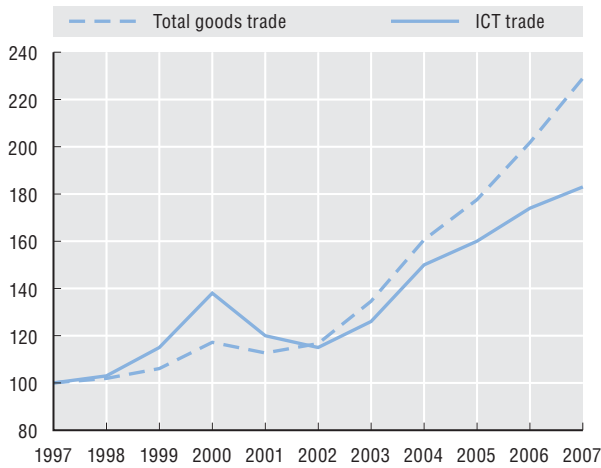
No data on ICT services exports are available for Greece in 2007. For Mexico and Switzerland, they refer to communications only. Telecommunication services include postal services.

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##### OECD trade in ICT goods, 1997-2007

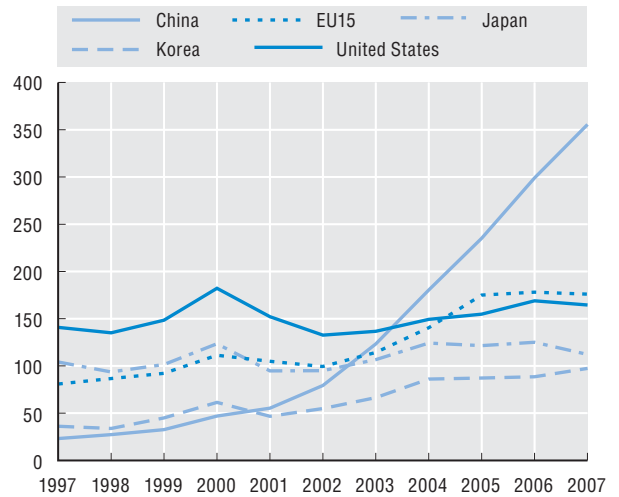
Index: 1997 = 100



StatLink <http://dx.doi.org/10.1787/744637884735>

##### Top exporting economies of ICT goods, 1997-2007

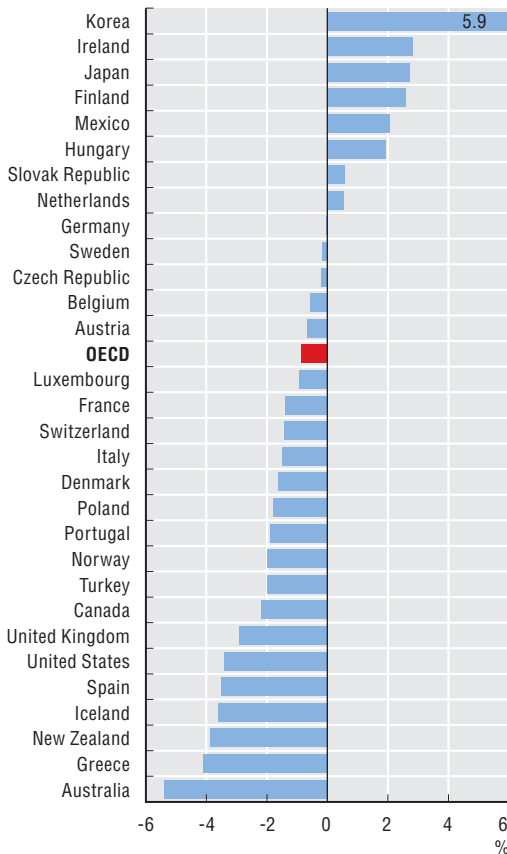
USD billions in current prices



StatLink <http://dx.doi.org/10.1787/744650503541>

##### ICT goods trade balance, 2007

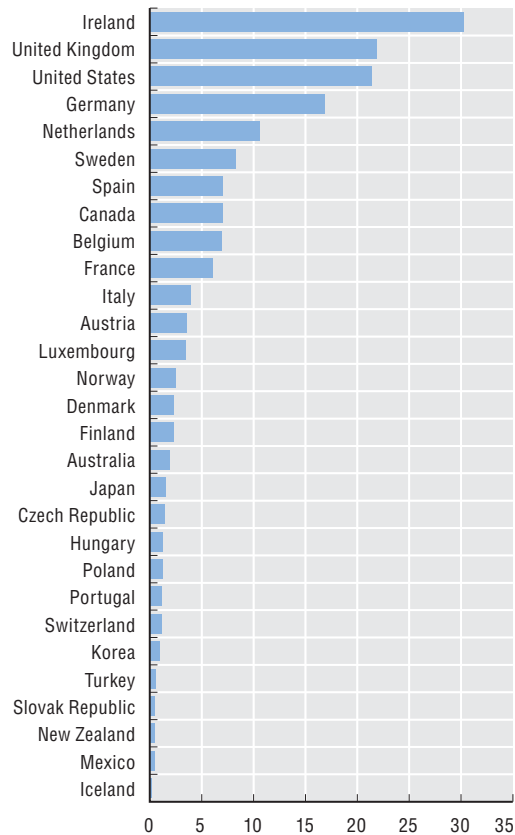
Share of total goods trade



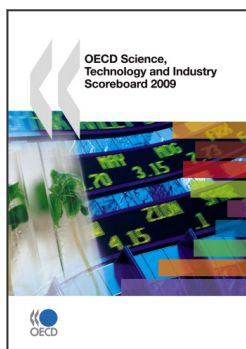
StatLink <http://dx.doi.org/10.1787/744730088214>

##### OECD exporters of ICT services, 2007

USD billions in current prices



StatLink <http://dx.doi.org/10.1787/744782707770>



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