



# Measuring the Digital Economy

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## Motivations and Initiatives

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# Overview

- Motivation
- Related Commerce Initiatives
  - Digital Economy Board of Advisors (DEBA)
  - Digital Economy Research

# Who is NTIA?

- National Telecommunications and Information Administration (NTIA)
  - Executive Branch agency within Department of Commerce (“Department”)
  - Principal advisor to the President on telecom and information policy, including Internet policy
  - Mission includes ensuring that the Internet remains an engine for continued innovation and economic growth.
- Promote the Department’s digital economy agenda



# Why Measure The Digital Economy?

- Internet and digital economy are critical to success of American economy, as a source of growth, enabler of trade, and key to U.S. competitiveness.
- Economic evidence to support the digital economy is limited.
  - U.S. exported \$385 billion and imported \$193 billion in ICT services and ICT-enabled services in 2014. (Grimm, 2016)
  - USITC estimated that in 2011, digital trade increased U.S. GDP by between \$517 billion and \$711 billion (3.4 percent to 4.8 percent); increased average wages by 4.5 to 5.0 percent; and was the catalyst for the creation of up to 2.4 million jobs. (USITC, 2014)
- Measurement definitions are often inconsistent and research is ad hoc.

# Why Measure The Digital Economy?

- Digital economy and data are important priorities in the Department's Strategic Plan (FY 2014-2018)
  - Promoting free and open Internet, trust, privacy and security, access and skills, and innovation.
- The Department leads the world in providing methodologically sound and consistent economic data
  - Data drives policy choices, international negotiations, regulations and legislation; as well as industry decisions.
- Policymakers, industry decision makers, and researchers need improved and consistent measurement of the size and the importance of the digital economy.

# Digital Economy Board of Advisors

- Industry, policy and academic experts in the digital economy.
- Two working groups providing expertise on digital economy and data measurement:
  - Working Group 1: Digital Economy Measurement
  - Working Group 2: Future of Jobs and Work in the Digital Economy
- Preliminary recommendations expected in December 2017.

# Cross-Border Data Flows Initiative

- DELT began initiative to elevate economic evidence on open Internet and cross border data flows in the United States and globally.
- Led by NTIA and ESA, research included review of available literature and data, meeting with stakeholders, and roundtable of stakeholders.
- Resulted in report with 6 recommendations:
  - Improve the overall coverage and quality of service sector statistics;
  - Develop a standard nomenclature or standard definitions;
  - Develop a greater understanding of how firms use cross-border data flows;
  - Improve macro-economic statistics to measure the value of cross-border data flows and the digital economy;
  - Maintain the Commerce-private industry dialogue to facilitate data sharing and the linking of public and private datasets, where possible;
  - Continue to maintain the collaborative efforts of Commerce and international organizations on digital economy issues.

# Questions?