

Information and Communications
Technologies



OECD Information Technology Outlook



2006

Information and Communications Technologies

OECD Information Technology Outlook

2006



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT

The OECD is a unique forum where the governments of 30 democracies work together to address the economic, social and environmental challenges of globalisation. The OECD is also at the forefront of efforts to understand and to help governments respond to new developments and concerns, such as corporate governance, the information economy and the challenges of an ageing population. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD member countries are: Australia, Austria, Belgium, Canada, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The Commission of the European Communities takes part in the work of the OECD.

OECD Publishing disseminates widely the results of the Organisation's statistics gathering and research on economic, social and environmental issues, as well as the conventions, guidelines and standards agreed by its members.

This work is published on the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of the Organisation or of the governments of its member countries.

*Also available in French under the title:
Perspectives des technologies de l'information de l'OCDE
2006*

© OECD 2006

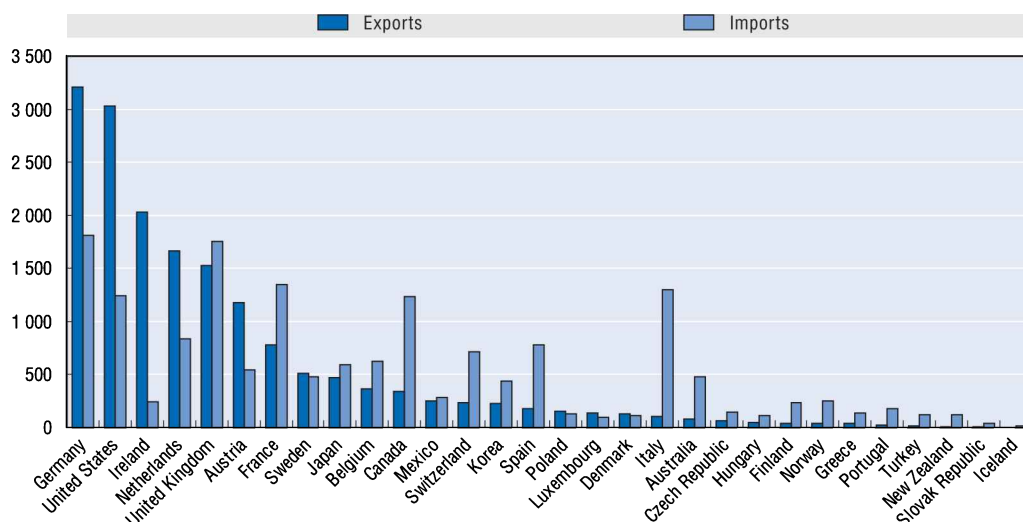
No reproduction, copy, transmission or translation of this publication may be made without written permission. Applications should be sent to OECD Publishing: rights@oecd.org or by fax (33 1) 45 24 13 91. Permission to photocopy a portion of this work should be addressed to the Centre français d'exploitation du droit de copie, 20, rue des Grands-Augustins, 75006 Paris, France (contact@cfcopies.com).

Box 2.1. Measuring software trade

There are many problems associated with tracking software in trade statistics. First, as border valuations are based on physical media, the value of the software traded is likely to be significantly understated. Second, the bundling of software with hardware leads to significant mis-measurement (equipment trade is overstated and software trade is understated). Third, trade statistics do not measure the value of copyright works sold in foreign markets. This is the “gold master” problem: only the original software product is counted in international trade, but it is then copied many times for sale in the importing country. Fourth, trade statistics do not measure the value of software transmitted electronically across borders, which accounts for a rapidly increasing share of sales, or the rise of application service providers of software (ASPs). Many of these issues (e.g. the treatment in balance of payments and National Accounts of royalty payments for use of intellectual property) are receiving increasing scrutiny as these payments increase in value (for Ireland, see Lucey, 2005). This section tracks trade in the physical supports (e.g. magnetic discs, tapes and other recorded media). When seen alongside trade in computer and information services (discussed below) these data give some indication of the relative size and geographical distribution of cross-border sales of software goods.

Figure 2.6. **OECD software goods trade, 2004**

USD billions



Source: OECD ITS database.

StatLink: <http://dx.doi.org/10.1787/150782758630>

The direction and composition of ICT goods trade

The direction and composition of trade in ICT goods show the global rationalisation of production, with rapid growth in non-OECD and eastern European countries as both producers and markets (see also WITSA, 2004). Differences in the trends during the boom years of the late 1990s and the recent recovery period are marked, with both boom and bust more pronounced for OECD countries than for non-OECD countries. Import trends in particular reveal a shift of manufacturing activity towards non-OECD countries, especially in Asia (e.g. China; Hong Kong, China; and Chinese Taipei). For example, imports of ICT