

ANNEX 1. THE OECD DEFINITION OF THE ICT SECTOR

In 1998, OECD member countries agreed to define the ICT sector as a combination of manufacturing and services industries that capture, transmit and display data and information electronically. This definition, based on an international standard classification of activities (ISIC Rev. 3), was considered to be a first step towards obtaining some initial measurements of ICT sector core indicators.

The principles underlying the definition are the following:

For *manufacturing* industries, the products of a candidate industry:

- Must be intended to fulfil the function of information processing and communication including transmission and display.
- Must use electronic processing to detect, measure and/or record physical phenomena or control a physical process.

For *services* industries, the products of a candidate industry:

- Must be intended to enable the function of information processing and communication by electronic means.

The ISIC Rev. 3 classes included in the definition are:

Manufacturing: 3000 – Office, accounting and computing machinery; 3130 – Insulated wire and cable; 3210 – Electronic valves and tubes and other electronic components; 3220 – Television and radio transmitters and apparatus for line telephony and line telegraphy; 3230 – Television and radio receivers, sound or video recording or reproducing apparatus and associated goods; 3312 – Instruments and appliances for measuring, checking, testing, navigating and other purposes, except industrial process equipment; 3313 – Industrial process equipment.

Services: 5150 – Wholesaling of machinery, equipment and supplies (if possible only the wholesaling of ICT goods should be included); 7123 – Renting of office machinery and equipment (including computers); 6420 – Telecommunications; 72 – Computer and related activities.

The OECD's 1998 activity-based definition of ICT was reviewed in April 2002. It was decided that, although this definition gives only a first approximation of the ICT sector, it should not be changed at this stage; rather its implementation should be improved with the help of more detailed national classifications. This decision is subject to reconsideration at a later date and in the context of the major revision of ISIC to be undertaken in 2007. The only minor modification to the OECD ICT sector definition is to take into account the split of ISIC 5150 (Wholesaling of machinery, equipment and supplies) that was introduced in the ISIC Rev. 3.1 of 2002, *i.e.* class 5151, "Wholesale of computers, computer peripheral equipment and software", and class 5152, "Wholesale of electronic and telecommunication parts and equipment".

One important feature of the OECD ICT sector definition is that it breaks the traditional ISIC dichotomy between manufacturing and services activities. Activities producing or distributing ICT products can be found everywhere in the economy. Moreover, by identifying the key sectors whose main activity is producing or distributing ICT products, this definition constitutes a first order approximation of the "ICT producing sector". In 1998, it was recognised that an activity-based definition should be complemented by an ICT products classification. Mapping products to activities would allow a more precise quantification of ICT-related production, value added and employment, both within the core ICT sectors and in other sectors of the economy. The OECD is currently working on an ICT products classification.

The existence of a widely accepted definition of the ICT sector is the first step towards comparisons across time and countries. However, the definition is not yet consistently applied. Table A.1 shows the concordance between ISIC Rev. 3 ICT sector classes and national classifications used by member countries to report business survey data on the ICT sector (gross fixed capital formation, employment, production, value added, wages and salaries). Tables with core business survey statistics on the ICT sector, as well as detailed metadata on every country and variable, will be published in the electronic version of *Measuring the Information Economy 2002* (www.oecd.org/sti/measuring-infoeconomy).

The ICT sector business survey data provided by member countries have been combined with different data sources to estimate ICT aggregates compatible with national accounts totals. For this reason, the charts presented in *Measuring the Information Economy 2002* are based on data that may differ from figures contained in national reports and in previous OECD publications.

Table A.1. The OECD sector definition. Concordance table between ISIC Rev.3 and national classifications¹Activity classes used in the reporting of ICT sector data for the *Measuring the Information Economy 2002* publication

Classifications ISIC rev. 3	European Union NACE Rev.1	Canada NAICS	United States		Australia ANZSIC	New Zealand ANZSIC	Japan JSIC Rev.10 (1993)	Mexico CMAP 1994
			US SIC	NAICS				
30	30	33331	3571,2,5,7pt,8,9pt	333313	2841	2841	2981	382301
		33411		334111, 334112, 334113, 334119			3051	
3130	31.3	33592	3357	33592 = (335921+335929)	2852	2852	2741 2742	383109
3210	32.1	33441	3671	334411	2849	2849	3081	383202 383206
			3672	334412			3082	
			3674	334413			3083	
			3675, 6, 7, 8, 9pt, 3661pt	334414, 334415, 334418, 334419			3088	
3220	32.2	33421	3663, 3679pt, 3699	334220, 334290	2842	2842	3041	383201
		33422	3661pt, 3577pt, 3679pt	334210, 334418pt			3042	
3230	32.3	33431	3651, 3679pt	334310			3043, 3044, 3062, 3084, 3086, 3087, 3085, 3089, 3093	383204
3312	33.20	33451	3825pt	334514pt, 334515	2839	2839	3069,3071, 3211, 3212, 3213, 3214, 3215, 3216, 3217, 3218, 3219, 3221, 3241	385004 385005 961105 961106
			3826	334516			2998, 3072	
3313	33.30		3823	334513				382203
5150 ²	51.43 51.64 51.65	41731	5045pt	421430	4612	4612	5211, 5212, 5213, 5214, 5219, 5232, 5291	612020
		41732	5045pt		4613	4613		
		41791			4614	4614		
					4615	4615		
6420	64.20	51322	481,82, 89	513310, 21, 22, 30, 40, 90	7120	7120	4711, 4712, 4713, 4719, 4721, 4731, 4749, 8131, 8132	720003 720006
		51331	4841	513210, 20				
		51332						
		51333						
		51334						
		51339						
7123	71.33	53242	7377	532420	7743(pt)	7743	7931	831113
72	72	51121						
		51419	7371	541511	7831, 7832, 7833, 7834	7831, 7832, 7833, 7834	8211	951004
		51421	7372	334611, 511210			8211, 8212	
		54151	7373	541512			8221	
		81121	7374	514210			8222	
			7375	514191, 514199			7811, 7812	
			7376	541513				
			7378	811212				
			7379	541519				

1. ANZIC (Australian and New Zealand Standard Industrial Classification); CMAP (Codificador de Actividades del Sistema de Cuentas Nacionales de México); JSIC (Standard Industrial Classification for Japan); NACE Rev. 1 (Statistical Classification of Economic Activities in the European Community, Rev. 1); NAICS (North American Industry Classification System); US SIC (US Standard Industrial Classification).

2. Activity classes reported by countries in order to approximate "ICT Wholesale".