

SIZE OF THE ICT SECTOR

Information and communication technologies (ICT) have been at the heart of economic changes for more than a decade and have proven resilient during the recent economic crisis. The ICT sector contributes to technological progress, output and productivity growth. The impacts of the ICT sector can be examined in several ways: directly, through its contribution to output, employment or productivity growth, or indirectly, as a source of technological change affecting other parts of the economy for instance.

Definition

In 1998, OECD member countries agreed on a definition of the ICT sector as a combination of manufacturing and services industries whose products capture, transmit or display data and information electronically. The industry-based definition of the ICT sector was based on Revision 3 of the *International Standard Industrial Classification* (ISIC Rev. 3). This definition was slightly revised in 2002 according to the release of ISIC Rev. 3.1.

The principles underlying this definition were the following. For manufacturing industries, an ICT product must fulfil the function of information processing and communication, including transmission and display; or

must use electronic processing to detect, measure and/or record physical phenomena or to control a physical process. For services industries, ICT products must enable information processing and communication by electronic means.

In 2007, these principles were reviewed leading to a narrower definition. The production (goods and services) of an ICT industry must primarily fulfil or enable the function of information processing and communication by electronic means, including transmission and display. The revised definition is now based on ISIC Rev. 4.

As the ICT sector is an activity-based definition, a total business sector defined by activities may be preferable as a denominator, rather than a total business sector defined on an institutional basis. The business sector used here is defined as per the ISIC Rev. 3.1 activities 10 to 74, excluding 70.

Comparability

The existence of a widely accepted definition of the ICT sector is the first step towards making comparisons across time and countries possible. However, the implementation of the 2006-07 ICT sector definition is not feasible yet since not all OECD countries are using ISIC Rev. 4 in their national statistical systems. To assure comparability, the 2002 definition of the ICT sector has been used to measure the size of the sector.

Data provided by OECD countries have been combined with different data sources to estimate ICT aggregates compatible with national accounts totals. For this reason, statistics presented here may differ from data contained in national reports and in previous OECD publications. OECD shares are estimates based on available data.

Overview

The share of the ICT sector in the total business sector value added within the OECD has remained relatively stable over time, exhibiting a slight upward compound annual growth rate (CAGR) of 0.5% since 1995. In 2009, the share of value added attributed to the ICT sector was 8.3%, up from 7.7% in 1995. This upward trend indicates that output in the ICT sector is growing relative to the rest of the economy, highlighting the importance of the ICT sector overall. Data in the graph shows that in 2009, the ICT sector accounted for more than 10% of total business sector value added in Korea (13.2%), followed by Israel (13%), Ireland (11.4%) and with Finland, Sweden and Hungary (close to 11%).

The recent economic crisis has put pressure on the ICT labour market, but recovery in ICT services employment and ICT-skilled employment has been much faster than across the economy as a whole. The ICT sector contributes to a significant share of total employment, accounting for almost 15 million people in OECD countries in 2009, or almost 6% of total OECD business sector employment. Finland and Sweden represented the largest shares of ICT employment in total business employment at over 8%, shares that have increased markedly over time. The share of employment in the ICT sector declined in countries such as Austria, Ireland and the United States.

Sources

- OECD (2012), *OECD Internet Economy Outlook*, OECD Publishing.

Further information

Analytical publications

- OECD (2012), "ICT Skills and Employment: New Competences and Jobs for a Greener and Smarter Economy", *OECD Digital Economy Papers*, No. 198.
- OECD (2012), *OECD Science, Technology and Industry Outlook*, OECD Publishing.

Statistical publications

- OECD (2011), *OECD Guide to Measuring the Information Society 2011*, OECD Publishing.

Websites

- OECD Key ICT indicators, www.oecd.org/sti/ictindicators.

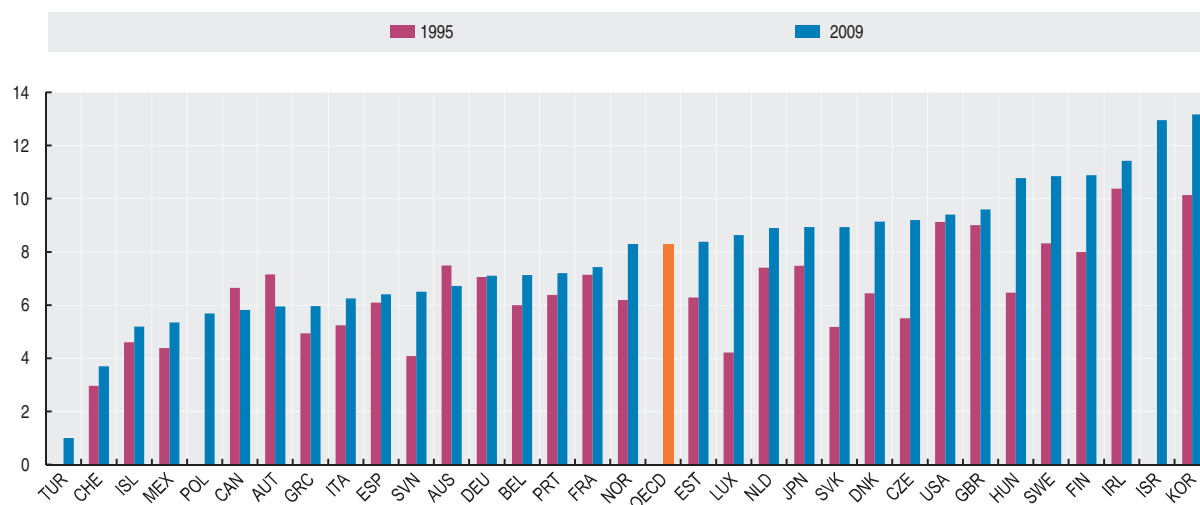

Share of ICT in value added and in employment

Percentage

	Share of ICT value added in business sector value added		Share of ICT employment in business sector employment	
	2009 or latest available year	Percentage point change 1995-2009	2009 or latest available year	Percentage point change 1995-2009
Australia	6.7	-0.8	4.7	0.0
Austria	5.9	-1.3	4.9	-0.3
Belgium	7.1	1.2	5.0	1.1
Canada	5.8	-1.1	5.6	0.1
Chile	..	..	..	..
Czech Republic	9.2	3.7	5.9	3.0
Denmark	9.1	2.5	7.0	1.4
Estonia	8.4	2.1	2.6	..
Finland	10.9	2.2	9.4	1.7
France	7.4	0.3	6.5	0.3
Germany	7.1	0.0	5.3	0.5
Greece	6.0	1.3	3.3	2.3
Hungary	10.8	3.7	6.7	3.5
Iceland	5.2	1.0	..	..
Ireland	11.4	0.7	7.5	-0.2
Israel	13.0	..	..	..
Italy	6.2	1.3	5.5	1.4
Japan	8.9	1.3	6.2	0.4
Korea	13.2	1.9	6.1	0.8
Luxembourg	8.6	5.2	6.0	6.0
Mexico	5.3	1.4	..	..
Netherlands	8.9	1.3	6.6	1.5
New Zealand	..	..	..	..
Norway	8.3	2.1	6.2	1.8
Poland	5.7	..	..	..
Portugal	7.2	1.1	3.0	0.2
Slovak Republic	8.9	4.0	6.1	0.9
Slovenia	6.5	3.4	3.1	3.9
Spain	6.4	0.3	3.7	0.4
Sweden	10.9	1.9	8.7	0.8
Switzerland	3.7	2.0	4.0	4.2
Turkey	1.0	..	..	..
United Kingdom	9.6	0.5	6.2	0.8
United States	9.4	0.2	5.7	-0.5
EU 27	..	..	..	..
OECD	8.3	0.5	5.7	0.3
Brazil	..	..	..	..
China	..	..	..	..
India	..	..	..	..
Indonesia	..	..	..	..
Russian Federation	..	..	..	..
South Africa	..	..	..	..

 StatLink <http://dx.doi.org/10.1787/888932709016>
Share of ICT in value added

As a percentage of business sector value added


 StatLink <http://dx.doi.org/10.1787/888932709035>



From:
OECD Factbook 2013
Economic, Environmental and Social Statistics

Access the complete publication at:
<https://doi.org/10.1787/factbook-2013-en>

Please cite this chapter as:

OECD (2013), "Size of the ICT sector", in *OECD Factbook 2013: Economic, Environmental and Social Statistics*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/factbook-2013-64-en>

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