The digital economy represented about 8.8% of the global economy in 2019. Here’s how it was measured.

Capturing the Digital Economy: A Proposed Measurement Framework and its Applications is a special supplement to Key Indicators for Asia and the Pacific 2021. The report provides guidance on consistently measuring the digital economy based on a narrow set of core digital products and industries, namely hardware, software publishing, web publishing, telecommunications services, and specialized and support services.

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**DEFINITION OF THE CORE DIGITAL SECTORS.**

Primary producers of goods and services with the main function of generating, processing and/or storing digitized data.

**FRAMEWORK TO CAPTURE THE DIGITAL ECONOMY**

**MEASUREMENT METHOD ROOTED IN VALUE-ADDED-BASED CALCULATION.**

Digital GDP = value-added of digital industries and nondigital industries enabling their production.

**THE DIGITAL ECONOMY CAPTURED**

**THE CORE DIGITAL ECONOMY**

Digital economy share of GDP ranges from 2% to 9% across selected economy-years.

**THE DIGITALLY DEPENDENT ECONOMY**

Digitally dependent economy ranges from 17% to 35% of GDP per economy, with services sectors being more digitalized than other sectors.

**THE CORE DIGITAL ECONOMY CONTRIBUTES TO GDP...**

...mainly as a supplier of value-added to nondigital sectors through its forward linkages...

...or mainly as a user of value-added of nondigital sectors through its backward linkages.
THE DIGITAL ECONOMY IS GAINING MORE RELEVANCE BOTH FROM A TEMPORAL AND SPATIAL PERSPECTIVE.

OVER TIME...

...the digital economy’s share of GDP has increased on average, but only in volume terms...

...indicating the declining prices of core digital products over time.

ACROSS REGIONS...

...digital sectors had been intensely participating in global value chains over the period 2009–2019. However, this was disrupted by the United States–People’s Republic of China trade tension in 2019. The COVID–19 pandemic is expected to reinforce the decline of global value chains activity, but e-commerce is expected to cushion the impact.

In domestic economies, economic activity from digitally ordered products is observed to net out the general 0.10% decline in digital GDP in 2020.

Note: Chart on share of digital GDP to GDP is generated by taking the average shares in Canada, Germany, Japan, Malaysia, and the United States. Chart on participation in global value chains (GVC) shows series for the sum of the world average of backward and forward GVC participation. Decline in digital GDP in 2020 is derived by taking the average digital GDP growth rates of selected economies. Full chart series is available in the report.