

## SIZE OF THE ICT SECTOR

Information and communication technologies (ICT) have been at the heart of economic changes for more than a decade. ICT-producing sectors play an important role, notably by contributing to rapid technological progress and productivity growth.

### Definition

In 1998, the OECD countries reached agreement on an industry-based definition of the ICT sector based on Revision 3 of the International Standard Industrial Classification (ISIC Rev. 3). The principles underlying the definition are the following.

For manufacturing industries, the products of a candidate industry must be intended to fulfill 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.

### Long-term trends

The ICT sector grew strongly in OECD countries over the 1990s. For the 1995-2003 period the share of ICT services has grown most in the Ireland, Finland, Hungary and Sweden. In 2003, Finland's ICT manufacturing sector's share of manufacturing value added represented 22% of total manufacturing value added. In 2003, the ICT manufacturing sector represented between 1.2% and 22.2% of total manufacturing value added in OECD countries. The average share for the 25 OECD countries for which data are available was about 6.5%.

The Telecommunication services sector is largest, as a percentage of business services value added, in Hungary, Portugal, Australia and Finland. It is smallest in Greece, Korea and the Netherlands.

### 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 definition is not as yet consistently applied and data provided by member 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 figures contained in national reports and in previous OECD publications.

### Source

- OECD (2007), *OECD Communication Outlook*, OECD, Paris.

### Further information

#### Analytical publications

- OECD (2003), *ICT and Economic Growth: Evidence from OECD countries, industries and firms*, OECD, Paris.
- OECD (2004), *Understanding Economic Growth – A Macro-level, Industry-level, and Firm-level Perspective*, OECD, Paris.
- OECD (2007), *Guide to Measuring the Information Society*, OECD, Paris.
- OECD (2005), *OECD Communications Outlook*, OECD, Paris.
- OECD (2006), *OECD e-Government Studies*, OECD, Paris.
- OECD (2006), *OECD Reviews of Risk Management Policies – Norway: Information Security*, OECD, Paris.
- OECD (2006), *OECD Information Technology Outlook 2006*, OECD, Paris.

#### Online databases

- *Telecommunications Database*.

#### Websites

- OECD Telecommunications and Internet Policy, [www.oecd.org/sti/telecom](http://www.oecd.org/sti/telecom).
- OECD Science, Technology and Industry, [www.oecd.org/sti](http://www.oecd.org/sti).