

Indicator (definition)	ICT expenditure: IT expenditure/Communications expenditure as a percentage of GDP
Eurostat Unit	Information Society and Tourism Statistics
Other Commission DGs	DG INFSO and DG ENTR
European Statistical System Working Group (WG)	Working group Information Society Statistics
Date	December 2010

1. Overall assessment of accuracy and comparability (Description of quality grades under the following link: http://circa.europa.eu/Public/irc/dsis/structind/library?l=/general_information/quality_profiles/annex_enpdf/EN_1.0_&a=d)

A
 B
 C
 Indicator to be Developed

Data quality is restricted due to problems with accuracy and limited comparability across countries and over time.

2. Objective and relevance of the indicator:

The indicator shows data on expenditure for IT/Telecommunications hardware, software, and other services as a percentage of GDP.

The European Commission's i2010 initiative stressed the impact of information and communication technologies (ICT) on the well-being of modern economies. ICTs are a key element for productivity growth.

The European Commission 'Communication on future networks and the Internet', outlined the full promise of the social and economic potential of the Internet in the future, based on the premise of high-speed Internet being available to all, and which is internationally open and competitive, secure and safe to use, with transparent and effective governance. These fundamental conditions of accessibility, openness, transparency and security form the basis of the European Commission's short-term agenda for the Internet of the future, as summarised by six actions:

- the construction of high-speed Internet infrastructures that are open to competition and give consumers real choices;
- promoting access for all to a good-quality Internet connection at an affordable price;
- keeping the Internet open to competition, innovation and consumer choice;
- launching a debate on the design and development of the Internet of the future;
- providing clear guidelines on the implementation of existing rules on data protection and a coherent strategy for a secure Internet of the future;
- taking into account the crucial role that is played by international policy, regulatory dialogue and research co-operation in all these developments

Restriction of the indicator's relevance and other characteristics which may lead to restrictions in using it in monitoring and reporting

The indicator measures market size which stands for ICT investment as a replacement of the ultimate target indicator on which data is not yet available.

3. Data availability:

(**t₁**: earliest reference year available; **t₂**: latest reference year available in December 2010)

	Member States	Candidate and Acceding Countries	US and Japan	EEA-EFTA
t ₁	2006: BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, LV, LT, LU, HU, NL, AT, PL, PT, RO, SI, SK, FI, SE, UK	2006: TR	2006: US, JP	2006: NO, CH
t ₂	2009 (forecast): BE, BG, CZ, DK, DE, EE, IE, EL, ES, FR, IT, LV, LT, LU, HU, NL, AT, PL, PT, RO,	2008: TR	2008: US, JP	2008: NO, CH

SI, SK, FI, SE, UK			
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4. Overall accuracy

High

Restricted

(sources, errors, methodology, etc.)

Data on IT/Communications expenditure are provided by the European Information Technology Observatory (EITO). There are some problems with accuracy of the data due to the lack of control over the basic data. GDP is a measure for the economic activity. GDP data are regularly transmitted in the framework of the transmission programme associated to Annex B of ESA 95 (European System of Accounts) this transmission programme has been updated by Regulation (EC) N° 1392/2007 of the European Parliament and of the Council. Countries compile GDP according to standard international rules (ESA 95/SNA 93 – with some exceptions). At the European level, accuracy of GDP is regularly monitored in the framework of the GNI (Gross National Income) Committee and technical aspects are regularly analysed in several working groups and technical committees.

5. Comparability across countries

High

Restricted

Comparability across countries concerning data on IT/Communications expenditure is not guaranteed.

Comparability of GDP data across countries is ensured by the application of the legal framework represented by the European System of Accounts (ESA 95) and the System of National Accounts (SNA 93). Comparability of GDP for EU countries is regularly monitored in the context of the work of the Gross National Income (GNI) Committee. In addition, international harmonisation of techniques and, to some extent, compilation tools is ensured by the work of the national accounts working groups (Eurostat, OECD, UN).

6. Comparability over time

High

Restricted

Comparability over time of IT/Communications expenditure data is restricted due to frequented changes in the time series.

ESA 95 requires coherent long time series for GDP which are produced by most of the EU Member States. In some countries, methodological breaks can affect time series (normally on a temporary basis). Backward calculations of time series are provided to ensure full time coherence in a case of methodological changes.

Comparability of the population figures over time is ensured by application of the same concept (ESA 95) over time.

7. Development perspective for improving the quality of this indicator (including as far as possible an indication of the burden on Member States and respondents.)

ICT investment pilot project in 10 countries is ongoing. The aim of the project is to elaborate a methodology that later on will be applied to all countries.

8. Contribution to the coherence of the set/potential to qualify for an integrated policy analysis

Relevant European legislation: