

ESCAP Digital and Sustainable Regional Integration Index and Indicator Framework

DigiSRII 1.0

Witada Anukoonwattaka

Trade Policy and Facilitation Section

Trade, Investment and Innovation Division



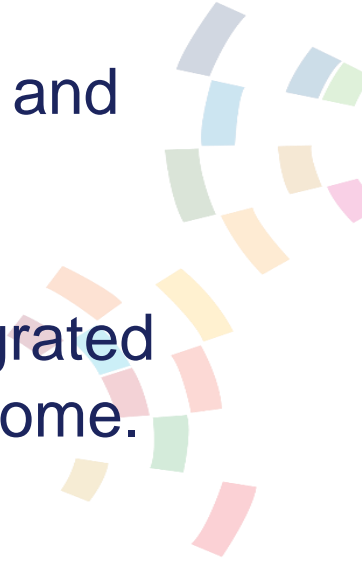
Background of DigiSRII

- DigiSRII 1.0 is part of the UN Development Account project on *“Measuring, monitoring and improving performance in regional integration within ECA, ESCWA and ESCAP regions.”*
- ESCAP builds on existing work to develop a regional integration index that can better integrate the digital and sustainable development dimensions of regional integration policies.
- Developing a global indicator framework for digital and sustainable regional integration



Principles of building DigiSRII

- **Regional/national diversity:** different economies and regions may prioritize different areas of regional integration (RI)
- **No optimal level of RI:** the most regionally integrated economy may not bring the most desirable outcome.
- **Transparent:** DigiSRII is built based on simple aggregation techniques to form a basis for policy analysts and makers to develop their own version using the underlying data.

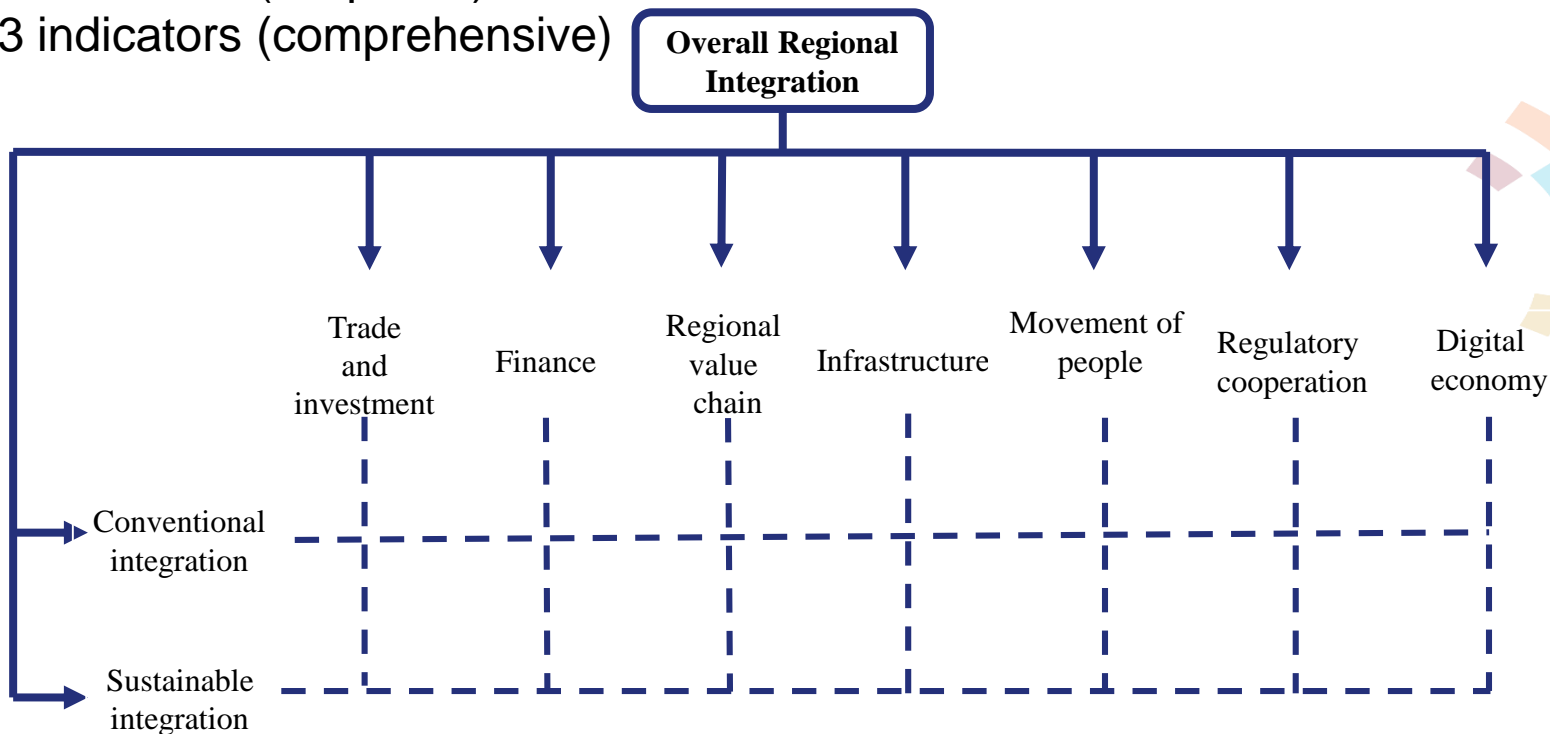


Structure of DigiSRII

7+7 dimensions

42 indicators (simplified)

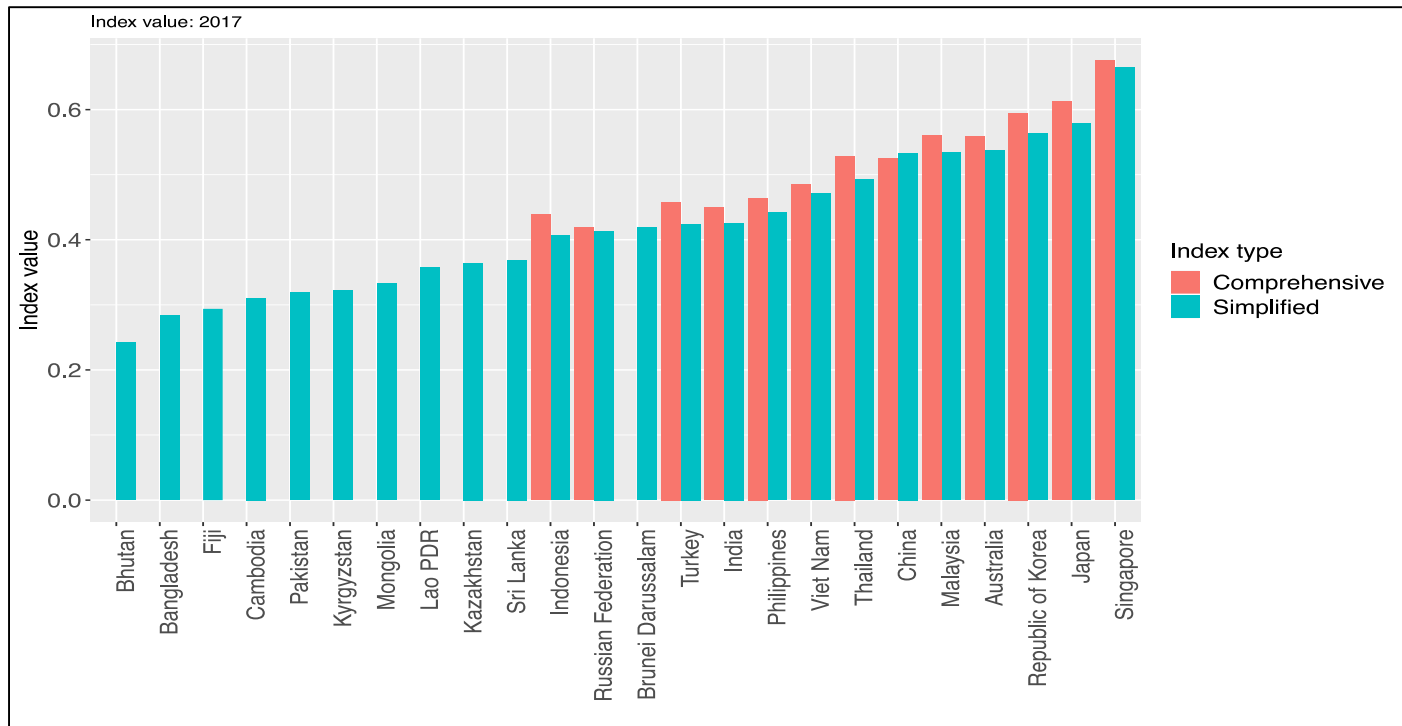
53 indicators (comprehensive)



Overall Regional Integration index

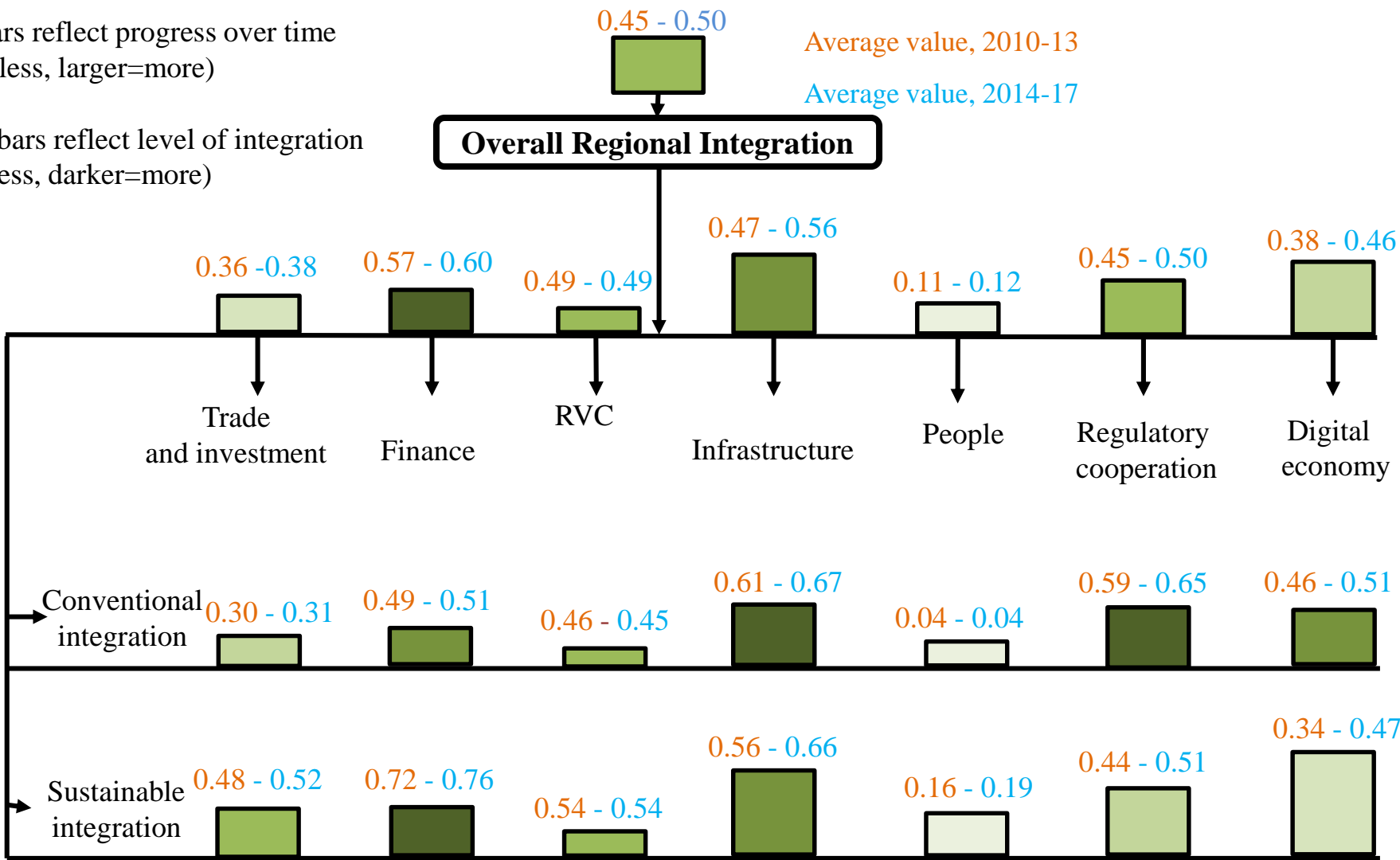
Years: 2010-2017

24 economies (simplified), 13 economies (comprehensive)



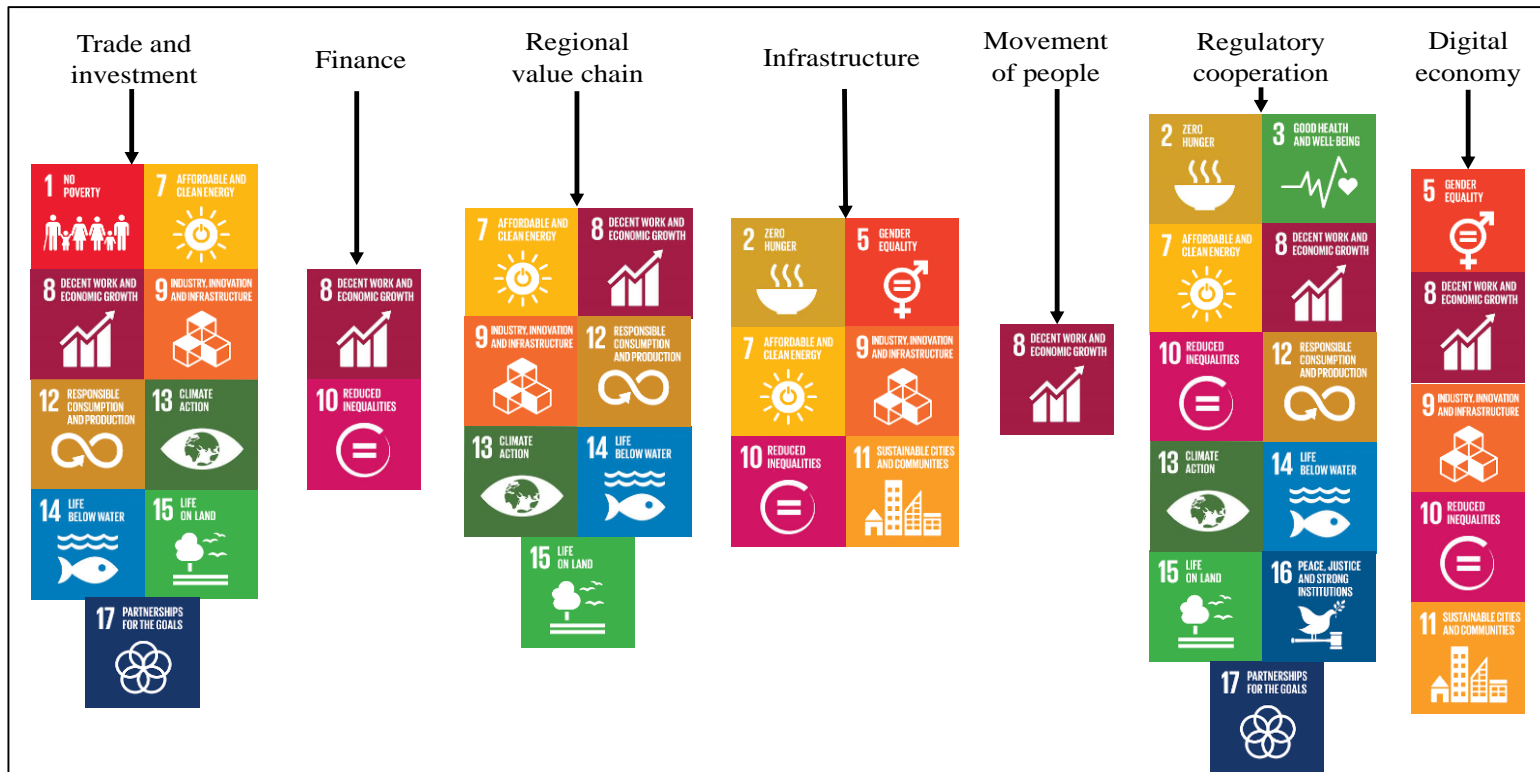
Size of bars reflect progress over time
(smaller=less, larger=more)

Shade of bars reflect level of integration
(lighter=less, darker=more)



Mainstreaming SDGs into DigiSRII

SDGs covered in DigiSRII



Concept of indicators

Dimension	Conventional	+ Sustainable
1. Trade and investment integration	Intensity of flows and barriers	Environmental goods (EGs), domestic value-added and employment
2. Financial integration	Synchronisation and capital flows	Low volatility, and high quality of financial markets and institutions
3. Regional value chain integration	Trade complementarity and cross border production	Trade complementarity in EGs, CO ₂ emissions, employment
4. Infrastructure integration	Transport, telecom, TF and regulatory connectivity	Inclusive access to infrastructure
5. Movement of people	Flows of people and earnings	Better income per migrants
6. Regulatory cooperation	Institutional (FTA,IIA) arrangements, harmonising regulations	Sustainable development related provisions in FTA, IIA, regulations
7. Digital-economy integration	Availability of digital-trade infrastructure, openness and regional regulatory similarity of digital trade policy	Inclusive access to digital trade

Concept of indicators

Dimension	Conventional	+ Sustainable
1. Trade and investment integration	Intensity of flows and barriers	Environmental goods (EGs), domestic value-added and employment
2. Financial integration	Synchronisation and capital flows	Low volatility, and high quality of financial markets and institutions
3. Regional value chain integration	Trade complementarity and cross border production	Trade complementarity in EGs, CO ₂ emissions, employment
4. Infrastructure integration	Transport, telecom, TF and regulatory connectivity	Inclusive access to infrastructure
5. Movement of people	Flows of people and earnings	Better income per migrants
6. Regulatory cooperation	Institutional (FTA, IIA) arrangements, harmonising regulations	Sustainable development related provisions in FTA, IIA, regulations
7. Digital-economy integration	Availability of digital-trade infrastructure, openness and regional regulatory similarity of digital trade policy	Inclusive access to digital trade

Digital-economy integration

Conventional	Sustainable
Share of ICT goods exports in intra-regional exports	Average intra-regional secure internet servers
Share ICT goods imports in intra-regional imports	Average intra-regional proportion of households with internet access
Average tariff on intra-regional imports of ICT goods	Average intra-regional share of female population with financial institution or mobile money account*
Average intra-regional share of population with financial institution or mobile money account*	Average intra-regional share of female population that use internet for online purchase*
Average intra-regional share of population that use internet for online purchase*	Average intra-regional secure internet servers
Digital trade regulatory similarity from regional partners*	Average intra-regional proportion of households with internet access

* the indicator is only used in the comprehensive index for economies with data availability

Regional regulatory similarity in digital trade

11 policy areas

TARIFFS &
TRADE DEFENCE

PUBLIC
PROCUREMENT

INVESTMENT

IPRs

INFRASTRUCTURE
& COMPETITION

CROSS-BORDER
DATA POLICIES

DATA POLICIES

INTERMEDIARY LIABILITY
& CONTENT ACCESS

QUANTITATIVE TRADE
RESTRICTIONS

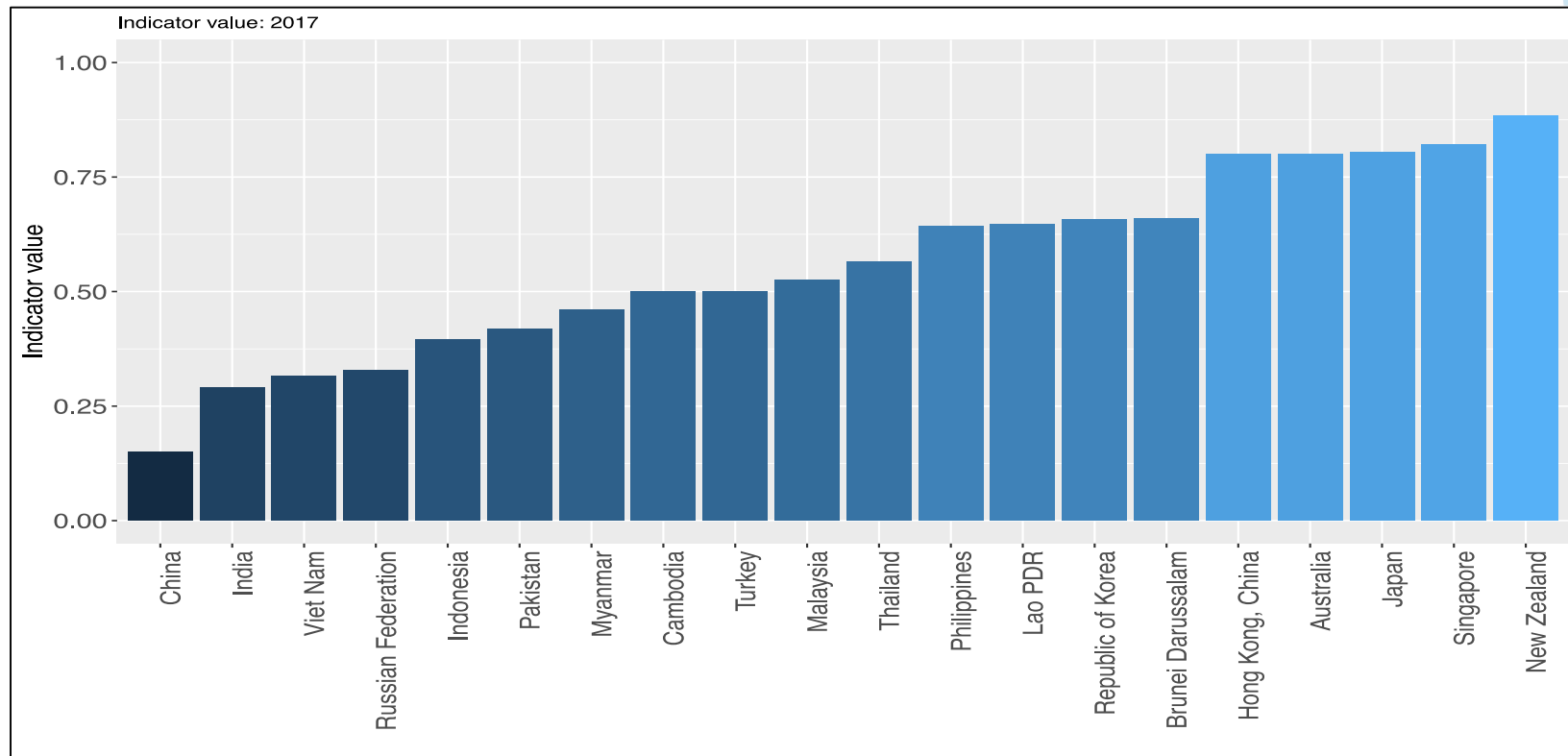
STANDARDS

ONLINE SALES &
TRANSACTIONS



Regional digital-trade regulatory similarity

Coverage at present: 13 Asia-Pacific economies, 2017



Conclusions

- Regional integration needs to be consistent with SDGs
- Rapid growth of digital economy is bringing new important challenges to regional integration process.
- DigiSRII provides an improved tools for policymakers to deal with these challenges.
- Lack of data remains a serious impediment.



Looking ahead

- Efforts may focus increasingly on developing a global regional integration indicator framework.
- Building the capacity of countries to use and generate composite regional integration indices that better meet their needs and objectives.
- New and alternative data sources should be continuously explored to support the further development of DigiSRII and this regional integration indicator framework.



Thank you

