

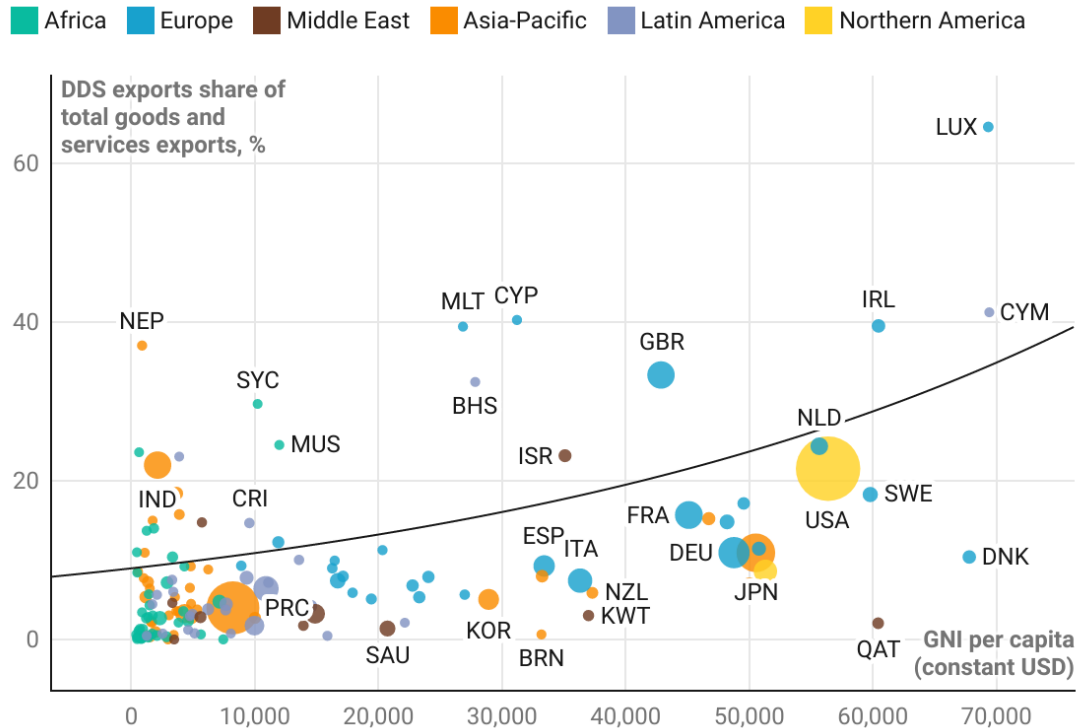
Digital provisions in services trade agreements and mode 1 export effects

ATTN Forum 2025



Can digital services exports help drive economic development?

Share of DDS exports in total exports and GNI per capita



- High income economies tend to have higher DDS export shares
- Economic size is not precondition for DDS exports or DDS competitiveness
- Can DDS exports cause growth?
 - Frankel-Romer approach
 - Positive and significant impact of DDS trade/GDP on GNI per capita

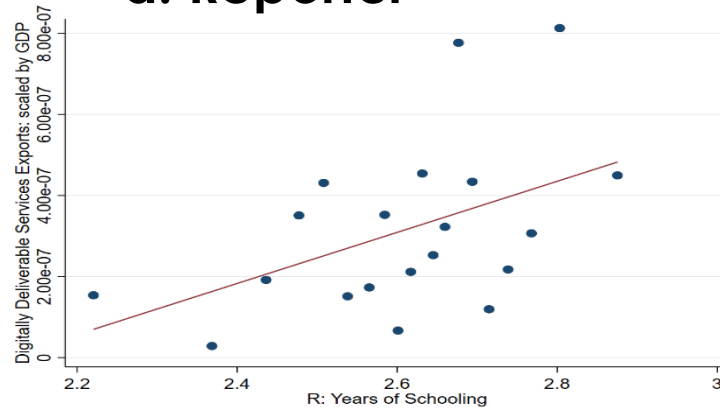
Source: ADB calculations using BATIS and World Bank (accessed August 2021).

Drivers of digital services trade

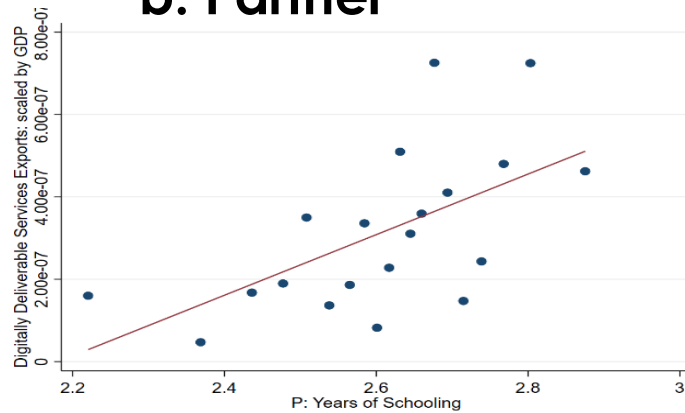
- **Human Capital:** educational attainment, technical skills to make full use of digital technologies
- **Digital connectivity:** availability, quality, cost and divide
- **Investments:** telecommunication and digital solutions
- **Policies:** regulation (ex. data restrictions), deregulation, trade liberalization (ex. RTA) and international cooperation

Drivers of Digital Services Trade

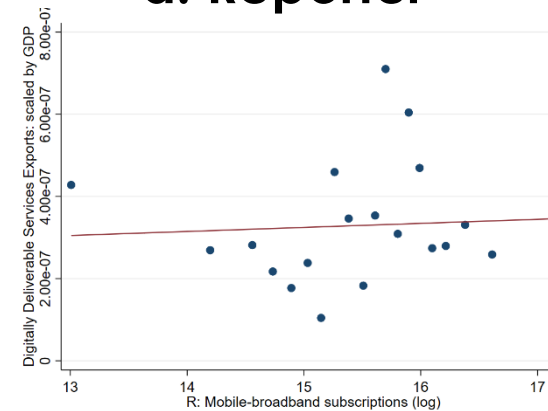
Expected Years of Schooling a: Reporter



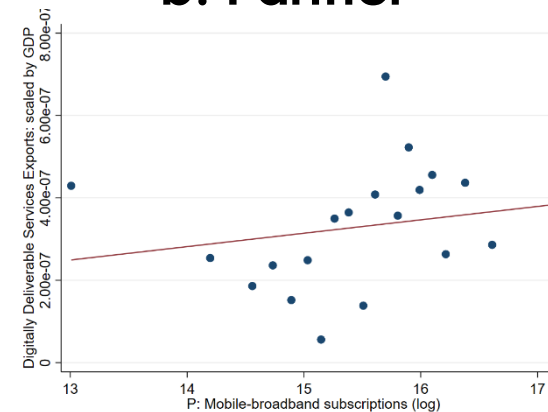
b: Partner



Mobile Broadband Subscriptions a: Reporter



b: Partner

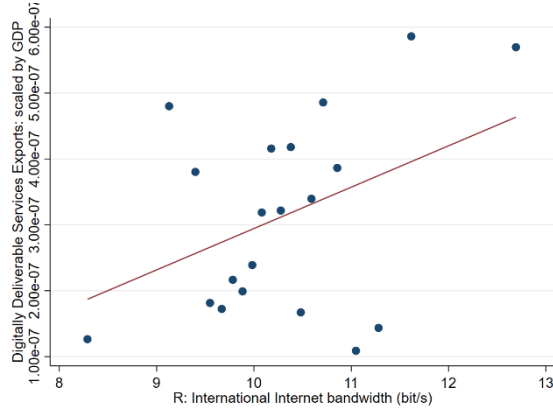


Source: ADB calculations based on BATIS and UNDP (accessed July 2021).

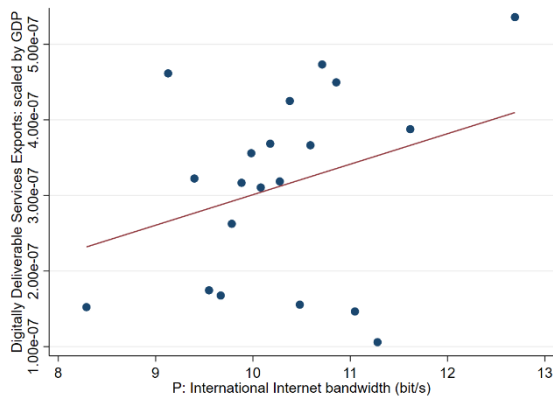
Drivers of Digital Services Trade

International Bandwidth per Internet User (bit/s)

a: Reporter

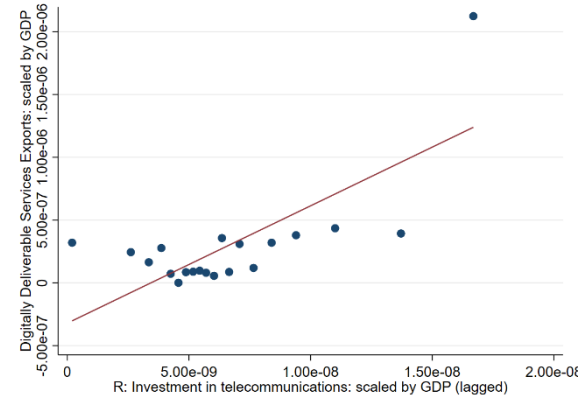


b: Partner

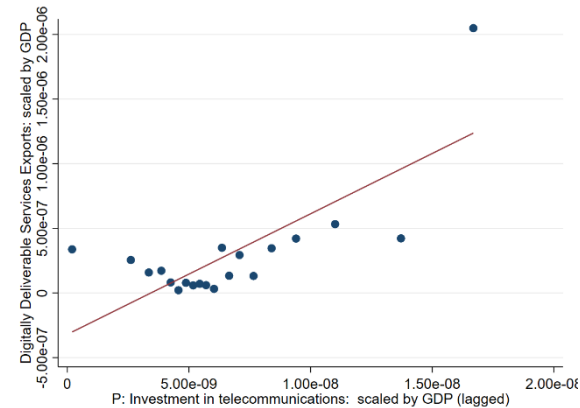


Investments in Telecommunications (% of GDP)

a: Reporter

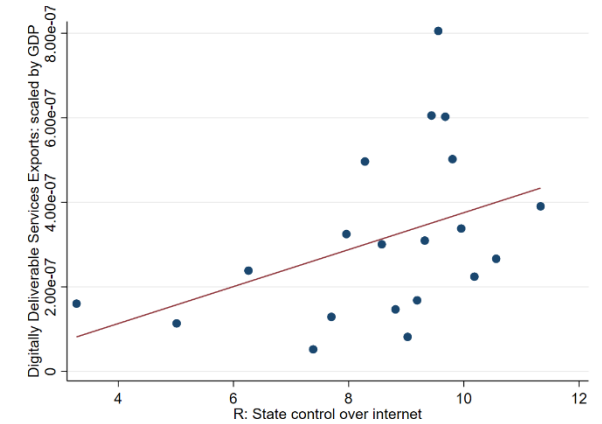


b: Partner

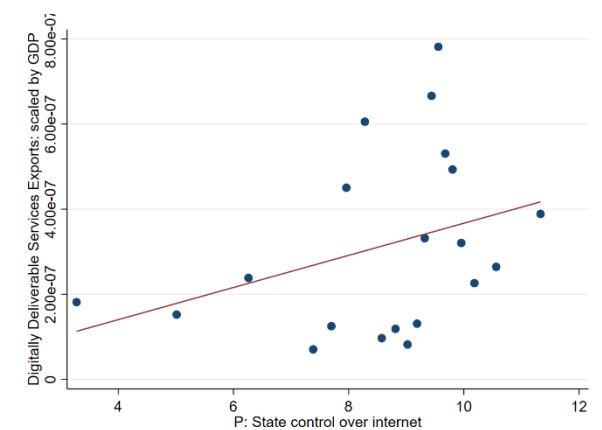


State Control Over Internet Access

a: Reporter



b: Partner



Source: ADB calculations based on BATIS and UNDP (accessed July 2021).

Main features of the paper

- Estimating the impact of FTA and its digital depth on services exports in particular on financial, and insurance pension services
- Estimating the impact of various digital provisions in e-commerce chapter
- Heterogeneous impacts across different subregions in Asia
- Using a dynamic gravity model
- Using BATiS data on mode 1, corroborated by TISMOS data

Comments

- The extent of E-commerce provisions affecting digital trade services
- Estimation of the impact on imports
- Country level depth variables with country*time fixed effects
- Explanations on different impact across various factors
- Source of subregional level heterogeneity