Advances in Mexico’s base year change and implementation of the 2008 SNA in the System of National Accounts of Mexico (SCNM)
Introduction

Mexico, through the National Institute of Statistics and Geography (INEGI, Spanish acrostic), within its Macroeconomic Statistics Program, is performing the 2008 Base Year Change (BYC), of the System of National Accounts of Mexico (SCNM, Spanish acronym).
General Objective

To strengthen and to update the data of the *SCNM*, through the implementing of national accounting best practices, new international guidelines, and the systematization of the generation of statistics.
Why 2008 as base year?

Abundance of data for the base year and its time series
Why 2008 as base year?

ADOPTION OF NEW INTERNATIONAL AND NATIONAL GUIDELINES AND RECOMMENDATIONS

- 2008 SNA
- ROSC Mexico
- G-20 Recommendation #15 (Balance Sheets)
- NAICS 2007, CPC 2.0 y TIGIE-NAICS
- SCNM users requirements, for public policy
- SCNM systematization processing
Why 2008 as base year?

The **base year** is the annual period in which quantitative and monetary features are highlighted, displaying the transactions for a selected year, with the purpose of using it as reference base year to appraise comparatively the country’s and its economic sectors performance.

**2008 characteristics:**

- Economic growth (moderate GDP 1.22%);
- Inflation (6.53%);
- Political and natural phenomena.
HOW WILL WE DO IT?

SCNM
TIME
SERIES
2003-2012

2008 SNA, ROSC, G-20,
OTHER INSTITUTIONS,
STATE & USERS

CENSUSES, BUSINESSES RECORDS,
ESTABLISHMENTS, HOUSEHOLDS,
AND SPECIAL SURVEYS
Satellite Accounts
Short-run Indicators
Regional Estimates
Supply-Use Tables (SUTs)
Input-Output Table (IOT)
Satellite Accounts
Short-run Indicators

General Scheme

- Time Series, 2003-2010
- Conceptual homologation of source statistical data.
- NAICS 2007, CPC 2.0, CONAC
- Abundant infrastructure for source data.
- International recommendations:
  - 2008 SNA
  - G-20 Initiative
  - ROSC Mexico
- New indicators such as: Growth Contribution, Progress & Well Being, among others.

Systematization of SCNM

SCNM BASE 2008
Implement the recommendation for quinquennial benchmark year for the SCNM

Why 2008 as base year?

Changes in:
- Economy
- Institutions
- Technology

Revision and update of Economic Structures

2013

¿2018?
SISTEMATIZATION

DATA SOURCES

- Consistency
- Homologation, and
- Classification

Database

SNA of Mexico

INSTITUTO NACIONAL DE ESTADÍSTICA Y GEOGRAFÍA
2008 BYC Methodology

GDP calculation by the three methods:

- Production (Value Added) side method: GDP = GVO – IC
- Expenditure (Final Demand) side: GDP = C + I + G + (X – M)
- Incomes side method: NY = GDP = W + R + i + Pr
2008 BYC Methodology

- DISPOSABLE NATIONAL INCOME
- SYMETRIC IOTs
- GOODS & SERVICES
- GDP
- SUTs
- TOTAL PRODUCTION
- CURRENT TRANSACTIONS WITH EXTERIOR
- INCOME GENERATION
- CAPITAL
- DISPOSABLE INCOME USE

Changes in structures and weights for index values, for reporting G&S account at 2008 constant prices

Financial and non-financial assets and liabilities balance sheets
2008 BYC Methodology

To obtain the series of annual and short-term variables of the SCNM 2003-2012, with the New Base

- To calculate GDP by Industry
- To calculate GDP by Federal States
- To calculate Satellite Accounts

Monthly Indicators
- Industrial Activity Indicator
- Economic Activity General Indicator
- Gross Fixed Investment Indicator
- Manufacturing Monthly Regional Indicator
- Electricity Monthly Regional Indicator

Quarterly Indicators
- GDP, Quarterly
- Supply-Use, Quarterly
- ITAEE (Quarterly Indicator for Regional Data)
- ITAT (Quarterly Indicator for Tourism Data)

Annual Indicators
- Goods & Services Accounts
- Public Sector Macroeconomic Indicators
- Institutional Sectors Accounts
- State & Municipal Governments
- GDP, by Federal States
- Satellite Accounts
Some Improvements

Agriculture Sector
Agricultural Production Account measured by branch of activity as calendar year and by agricultural cycle.

Mining
Exploring and drilling expenditures are out of intermediate consumption and now become capital.

Manufacturing
Measurement of Value Added of Export Global Manufacturing Industry.

Construction
Costs structures update for distinct types of works.

Financial Services
Financial Intermediation Measured Indirectly (FISMI), distributed by sector of intermediate and final demand as an option of current treatment of the “fictitious sector”.

Government
Weapons Systems expenditures are out of intermediate consumption and now become capital.
Some Improvements

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auxiliary Units</strong></td>
<td>Production accounts independent measurement, now being classified under their main economic activities.</td>
</tr>
<tr>
<td><strong>Non-profit Institutions</strong></td>
<td>Independent measurement of production and consumption of these entities, particularly those serving households.</td>
</tr>
<tr>
<td><strong>Households Consumption</strong></td>
<td>Production Account measurement of the households informal sector, by activity branch.</td>
</tr>
<tr>
<td><strong>Statistical Gaps</strong></td>
<td>Measurement resulting from the calculation of expenditure or final demand side.</td>
</tr>
<tr>
<td><strong>Capital Formation</strong></td>
<td>Measurement of capital services, including consumption of fixed capital, by economic activity users.</td>
</tr>
</tbody>
</table>
Some Improvements

Changes in inventories
Direct measurement.

Other improvements
Financial balance sheets (whom-to-whom approach), by holder and yield.
Because we provide information for all...

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Mexico counts with INEGI!