The Supply-Use Tables In Mexico
1. Conceptual Framework
   1.1 Supply-Use Tables (SUT)
   1.2 Extended Supply Use Tables (E-SUT)

2. Construction of the E-SUT: Case Mexico
   2.1 Links between the Microdata of Economic Census, Economic Surveys, and Administrative Records
      ▪ Stage 1: Goods for processing
      ▪ Stage 2: Focus Exporters
      ▪ Stage 3: Focus Ownership
      ▪ Stage 4: Establishment size

3. How the SUT are presented in México?

4. Results to 2018: How the E-SUT will be presented in Mexico?
   1.1 Establishments versus Enterprises

5. Challenges and conclusions
1. Conceptual Framework

**OCDE EXPERT GROUP ON EXTENDED SUPPLY- USE TABLES TERMS OF REFERENCE**

1. **Overview**
   1. The increasing international fragmentation of production that has occurred in recent decades driven by technological progress, core, access to resources and markets, trade policy reforms, and actual emerging economies, has challenged our conventional notions of how we look at and measure trade. Traditional measures of trade, such as gross flows of goods and services, overlook the fact that many services are provided as a part of a "bundle" of other goods and services, which may lead to misaligned policy measures.
   2. To respond to this challenge, in March 2012, the OCDE and WTO undertook to collaborate on the development of estimates of trade in value-added (TVA), using the construction of a global input-output table, resulting in a first release of a preliminary database in June 2012 and a subsequent update in May 2014.
   3. From the very beginning of the TVA initiative, there has been a recognition of the importance of new statistics that can better reflect the increasing global nature of production, driven by Global Value Chains (GVCs). As a result, the second most important objective has been to measure the production of TVA indicators, rather than the underlying Input-Output tables, from which they are derived, into the global statistical information system and, in turn, to capture the significant changes that have occurred in international trade.

2. **Background**
   1. The use of Input-Output tables to provide evidence on Global Value Chains (GVCs) and Globalisation more generally, is now widespread. Globalisation is rapidly changing the way we view the world economy, and the relationship between the production functions (Input-Output technical coefficients) of different countries has changed considerably.
   2. This is a result of the increasing globalisation of production, where the increasing integration of global value chains has been accompanied by increasing trade in intermediate goods and services. As a result, many services are now provided as part of a "bundle" of other goods and services, which may lead to misaligned policy measures.

Defining The Supply Use Tables

- They are a powerful tool with which to compare and contrast data from various sources and improve the coherence of the economic information system. (SNA 2008, 14.3)

- […] They permit an analysis of markets and industries and allow the productivity to be studied at this level of disaggregation. (SNA 2008, 14.3)

- […] The supply and use tables are built from establishment data, they provide a link to detailed economic statistics outside the scope of SNA (SNA 2008, 14.3)
2. Construction of the E-SUT: Case Mexico

Using the SUT, that provides an analysis for the whole economy, the resources in terms of production and imports, the use of goods and services in terms of intermediate consumption, final consumption (household and government), gross fixed capital formation, exports and statistical discrepancy it is possible to build the E-SUT.

They are a set of matrices that describe the magnitudes of the inter-industrial flows according to production levels of each economic sector and they imply different levels of disaggregation focus on: ownership, exports-imports and establishment size.

The SUT are the main source for the construction of International and domestic Input Output Tables and they allow the identification of the involvement of the main sectors in Global Value Chains.
2. Construction of the E-SUT: Case Mexico

**Ideal breakdown of the E-SUT**

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>Foreign Owned</th>
<th>Domestically owned MNE</th>
<th>Domestic Owned</th>
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**Export Orientation**

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**Import Orientation**

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**Economic Activity**

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**Ownership Focus**

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**Exports Focus**

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**Import Orientation**

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**Size**

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**Instituto Nacional de Estadística y Geografía**
According to the terms of reference, for México we are considering the next stages:

1. Goods for Processing
2. Exporters
3. Ownership
4. Establishment size

Major information sources:
- Economic Census 2014
- Administrative Records
- Economic Surveys
2. Construction of the E-SUT: Case Mexico

Data Subsets:

A. Exporters
B. Non Exporters

Economy

Stage 1. Goods for Processing (Maquila)
Stage 2. Exporters
Stage 3. Ownership Focus
Stage 4. Establishment size
2.1 Linking available microdata

Linking Administrative Records of International Trade Microdata, Economic Census and Economic Surveys

A. Administrative Records of International Trade Microdata

- Enterprises focused on foreign markets (Exporters)
- Enterprises non focused on foreign markets.

Custom document
Harmonized tariff code

B. Economic Census and Economic Surveys

- Annual Surveys of Manufacturers and Statistics from Manufacturing Industry, Processing of goods and exports of services.
- Economic Census 2014

Statistical Unit: Enterprise

Statistical Unit: Establishment

CORRESPONDANCE TABLE HARMONIZED TARIFF CODE-NAICS 2012
Stage 1: Goods for processing (Maquila)

We will use for the reference year as main information source the Economic Census, the updating process will be done by the Economic Services and Administrative Records, with the aim to identify the production accounts from the establishments involved in goods for processing.

1. Proceeds for processing
2. Production Value elaborated with own raw materials.
3. Identification of establishments involved in processing of goods (Export maquila)

Establishments involved in processing of goods (Export maquila)
Stage 2: Exporters

Objective: Determining for the reference year through the Economic Census establishments that spend partial or whole production of goods and services to exports.

1. Exporters
   - Exporters of Goods
   - Exporters of Services

2. Non Exporters

Economic Census, Economic Surveys and Administrative Records
Stage 3: Ownership focus

**Objective:** Determining for the reference year through the Economic Census the ownership focus from the results obtained on stages 1 and 2.

1. Participation of foreign interests in the share capital of the establishment.

2. Participation percentage (%)

3. Identification of establishments belonging to a corporate group.
Stage 4: Establishment size

Objective: Determining for the reference year through the Economic Census the establishment size identified in the previous stage by economic activity.

1. Total number of staff employed dependent on the business name: (Men + Women)

2. Total number of staff employed non dependent on the business name: (Men + Women)
3. How the SUT are presented in Mexico?

### Supply Table

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<thead>
<tr>
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### Use Table

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</tbody>
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**Domestic Production**

**I. Intermediate Demand**

**Gross Value Added**

**III**

**Total Gross Production**
3rd level of breakdown: Size of establishment (Small, Medium, Large)
4.1 Establishments versus Enterprises

(....) The supply and use tables are built from establishment data, they provide a link to detailed economic statistics outside the scope of SNA (SCN 2008, 14.3)

Nevertheless, in the terms of reference, it is suggested the Enterprise as statistical unit.
5. Challenges and Conclusions

The E-SUT (2013) will be constructed across the reaching microdata of Economic Census, Economic Surveys and Administrative Records according to the disaggregation required.

We are evaluating a time series for the period (2010-2014).

The E-SUT will be formed with the available information from detailed basic statistics.
Conociendo México

01 800 111 46 34
www.inegi.org.mx
atencion.usuarios@inegi.org.mx