MEXICO'S RESPONSE TO THE CHALLENGES OF MEASURING FOREIGN TRADE

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The world economy has changed...

∗ The world economy has changed faster than the statistical process and their characteristics and development

∗ Today, a wide range of countries are engaged in global manufacturing processes

∗ It is required to establish new measurements in the foreign trade of goods to reflect better this process

What are the implications in the foreign trade statistics?

✳ It is necessary to review and updating conceptual scope and the criteria in which official statistics are produced with the aim of harmonizing the figures on Foreign Trade of Goods and Services, National Accounts, as well as the Balance of Payments.
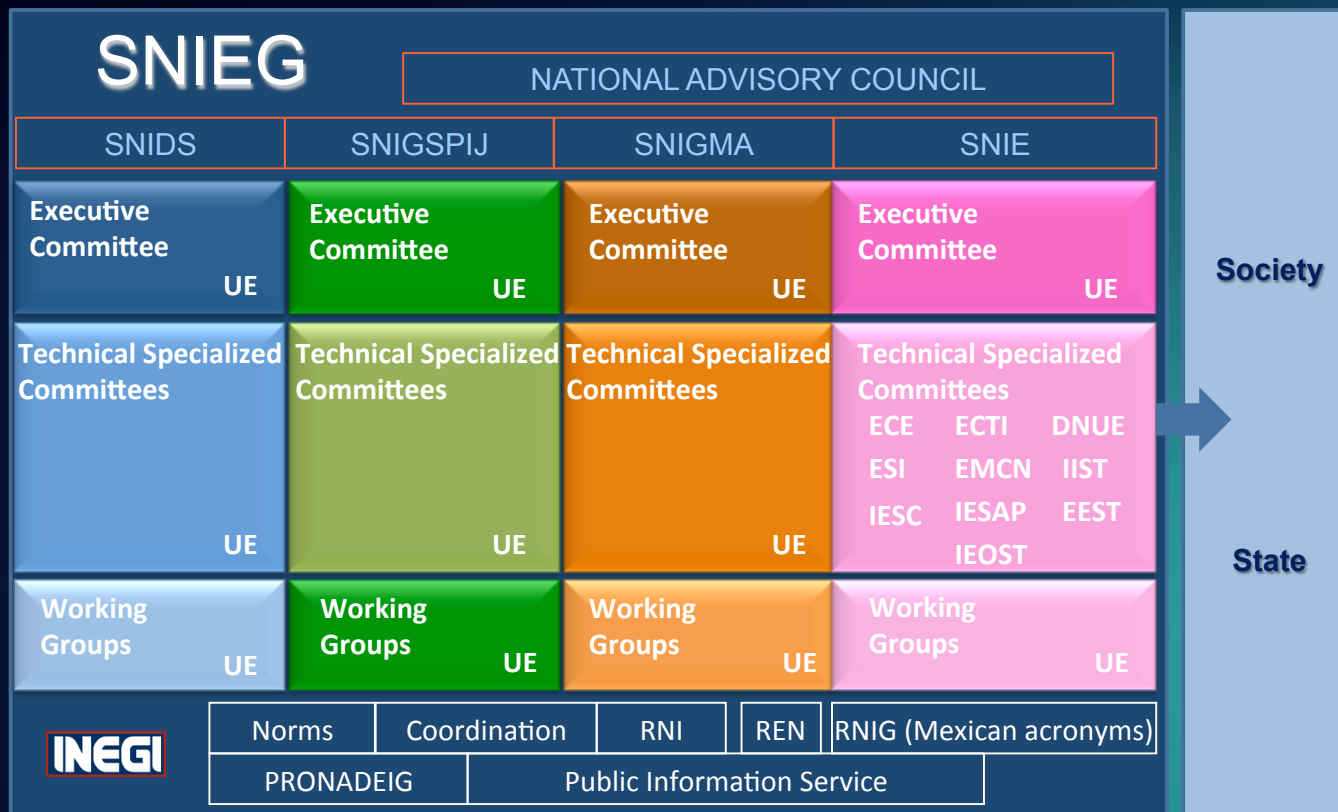
Likewise it is necessary:

✳ Distinguishing goods for processing on the basis of change of economic ownership

✳ Measuring the value added of trade

Which has been the Mexico's response?

a) Strengthening the institutional arrangements

b) Improvement of the statistical infrastructure

c) Development of the linking of custom records with manufacturing surveys and economic censuses

d) Development of new statistics

Strengthening the institutional arrangements

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Strengthening the institutional arrangements

✳ Inside the Technical Specialized Committee on Foreign Trade Statistics (CTE-ECE, by its acronym in Spanish) there are four participating institutions: Customs General Administration of the Tax Administration Service, Ministry of Economy, Bank of Mexico and INEGI

✳ CTE-ECE is responsible of coordinating those efforts for convening the conceptual and methodological criteria for poducing foreign trade statistics of goods

Improvement of the statistical infrastructure

Correspondence table for TIGIE-NAICS

✳ Construction of the correspondence table between the Import/Export General Tax Tariff (TIGIE by its acronym in Spanish) and North American Industry Classification System (NAICS).

✳ In the context of the National System of Statistics and Geographic Information's Law, this table will be a technical rule of national implementation and it will be periodically reviewed due to changes in the list of goods (from the Harmonized System's items) and activities (defined by NAICS).

Linking of Foreign Trade statistics and Manufacturing Surveys

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✳ The linking implies to create enterprises from the economic units that compose them, since the customs records (main source of the foreign trade statistics) are presented by enterprise and the manufacturing surveys by establishment.

✳ This linking includes manufacturing enterprises that have access to the Program of Manufacturing Industry, 'Maquiladora' and Export Services (IMMEX), which gather the economic units that contribute in a significant extent to Mexico's foreign trade flows.

Development of new statistics

* Value added of trade.

* Revenue from 'maquila, submaquila and re-manufacturing' activities of the establishments collected by the manufacturing surveys and IMMEX Program comprising an approximation to identify enterprises which trade goods for processing.

* This variable will provide basic information for both the Balance of Payments and National Accounts, for measuring the value added of trade and it will be helpful to reconcile them.

* It is expected to elaborate supplementary tables to reflect the value added of goods for processing, according to the origin of economic activities that produce them and their exports as final destination.

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Development of new statistics

✳ Foreign Trade by enterprise characteristics.

✳ The development of foreign trade statistics of goods by enterprise characteristics results of the linking between the customs records with manufacturing surveys and economic census.

✳ It will allow us to identify the enterprises import/export proclivity, showing their activity and production levels, as well as their contribution to the employment

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Final considerations

There is no doubt that:

1. Official statistics of foreign trade should reflect the characteristics of the new global economic environment.

2. It is absolutely necessary to have the ability to merge customs and non customs data sources.

3. It is necessary to modify those regulatory frameworks to support the production of new statistics.

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Final considerations

- Nevertheless, there are questions that we need to solve:

  ‣ What is the best approach for measuring, or what are the alternative criteria for a value added proper's measurement of foreign trade under the new context?

  ‣ Do the countries have or do not have enough information for measuring the value added according to the new and different criteria?

  ‣ How to introduce the conceptual and methodological changes into the statistical series that are released in National Accounts and Balance of Payments? as a part of, or as supplementary tables?

  ‣ Is there any idea about, how long does it takes to reach the optimum scenario?

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