ECONOMIC AND BUSINESS STATISTICS. An academic perspective

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Expert Group on Business Statistics Meeting
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TOPICS

- **Personnal background as a user of statistics**
- **Conceptual framework and use (and creation) of statistics**
- **Conclusions and proposals**

I. BACKGROUND (1)

- Graduate School of Economics at UNAM (1993-)
- Consultant for multiple national, LAC and international institutions (public, private and academic)
- Director of the Center of Chinese-Mexican Studies (UNAM) and Director of the Academic Network of LAC on China
- Dozens of thesis, books and analysis of the Mexican (regional and national) economy, specific value-added chains, but also in LAC and China

I. BACKGROUND (2)

- **General interest: industrial organization, development theory and territorial development In all cases: intensive use of existing statistics (in the repective country, territory, etc.), interviews at the firm level and active relationship with business organizations (international, national, local, …)**
- **AND: detailed policy proposals!!!**

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II. CONCEPTUAL FRAMEWORK (1)

- **Within Graduate School of Economics: multidisciplinary work within UNAM, dozens of Mexican institutions, but also in the US (MIT, Duke, UC-System, …), Europe (DIE), China (UIBE, CASS, Tsinghua, …), …**
- **METHODOLOGICAL approach: understanding segments of value-added chains in time and space (Gereffi, Piore, Messner, Meyer-Stamer, Dussel Peters, …): global commodity chains, systemic competitiveness and territorial endogeneity: development as a result of micro, meso, macro and territorial factors**

II. CONCEPTUAL FRAMEWORK (2)

- **Against (macroeconomic) determinism and *ex ante* understanding of segments of GVC, processes, products and value-added chains**
- **Processes ≠ products (aeronautics vs. footwear)**
- **Methodology to understand processes in time and space of products in particular segments of GCC in the short, medium and long-run: territorial endogeneity**
- **ENORMOUS (!) potential of a micro, meso, macro and territorial dialogue within academics**
- **ENORMOUS (!) potential of a <u>CONCRETE dialogue</u> and POWERFUL methodology for CONCRETE POLICY PROPOSALS for public and private sectors**

II. CONCEPTUAL FRAMEWORK (3)

Methodological resume: analysis, strategies, policies and instruments (including monitoring and evaluation)			
	SHORT	MEDIUM	LONG
MACRO			
(GDP, exchange rate, financing, …)			
MESO			
(business institutions, …)			
MICRO			
(firm level characteristics)			
TERRITORIAL			
(local characteristics, including statistics)			

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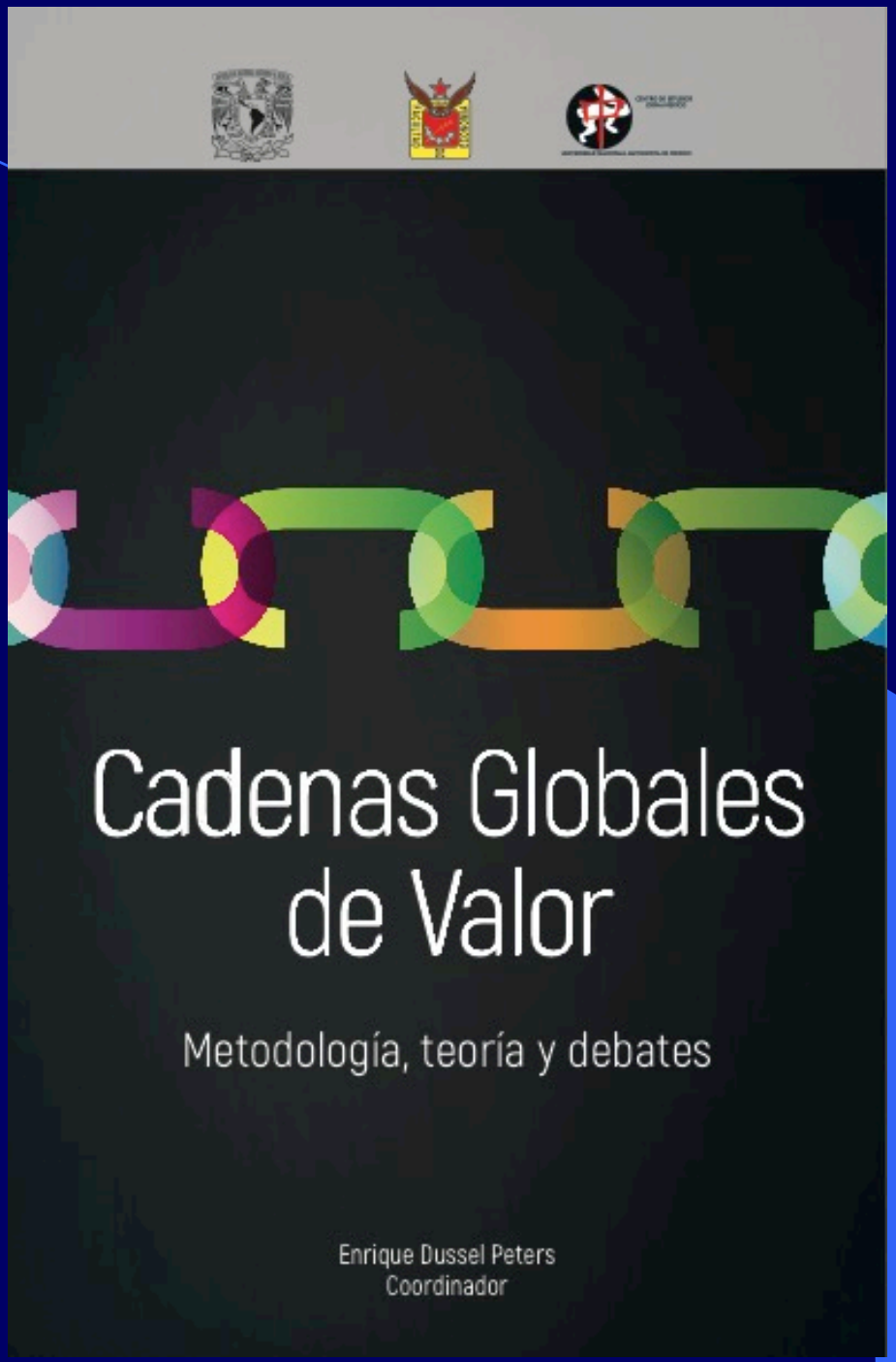


II. USE OF STATISTICS (1)

- **Understanding of limitations: firm-level confidential data + difficulties between establishment and firms, particularly for MNCs, and analysis at:**
  - **Micro level**
  - **Meso level**
  - **Macro level**
  - **Territorial level**
- **IN ALL CASES: understanding of global commodity chains (≠ "sectors")**
- **EXAMPLES:**
  - **Trade statistics**
  - **FDI statistics**
  - **Analysis based on Input-Output Matrix (OECD/WIOT)**

II. USE OF STATISTICS (2)

- ***Trade statistics*: national (Brazil, Central Amererica, China, Mexico, US, …) and/or international (COMTRADE):**
  - **HUGE aggregated differences by source (Mexico-China, …)**
  - **NO analysis by GVC (≠ "sectors or chapters"): segments and respective items (6-10 digits of the HTS)**
  - **HUGE differences and relevant for policy proposals**
  - **Example: yarn-textile-garments, electronics, autoparts-automobiles, pharmochemical-pharmaceutical, agroindustrial, ….**
  - **EXTREMELY relevant for territorial endogeneity (in space and time): upgrading, development … AND POLICY PROPOSALS according to specific territorial specialization**

II. USE OF STATISTICS (3)

- ***Trade statistics*:**
- **For example, YTG, chapters 50-63 vs 5,486 items at the 10-digit level of the HTS (+ dozens of segments within HTS)**
- **EXTREME relevance of statistics, yarn ≠ textiles ≠ garments, dialogue + CONCRETE proposals by segment-processes**
- **BUT: no/few statistics on international trade by value-chains!**
- **"Own" statistics for several GVC for China, MX and US: very relevant!?**

II. USE OF STATISTICS (4)

Statistical differences of trade in the YTG GVC (2000-2016)

	1995	2000	2010	2016	2000-2016
China: exports to Mx (chapters 50-63) (NBCS)	25	298	1,245	2,564	24,911
China: exports to Mx (items at 6-digit level of HTS) (NBCS)	29	342	1,604	3,302	**30,464**
Mexico: imports from China (chapters 50-63) (SE)	7	129	607	2,716	**14,319**
Mexico: imports from China (items at 6-digit level of HTS) (SE)	24	205	969	3,180	20,107
China: exports to US (chapters 50-63) (NBCS)	3,172	4,557	31,450	42,426	**403,047**
China: exports to US (items at 6-digit level of HTS) (NBCS)	3,359	4,517	30,949	51,578	462,006
US: imports from China (chapters 50-63) (USITC)	3,818	8,450	32,311	44,602	453,827
US: imports from China (items at 10-digitl level of HTS) (USITC)	6,325	9,271	35,304	45,951	**486,466**

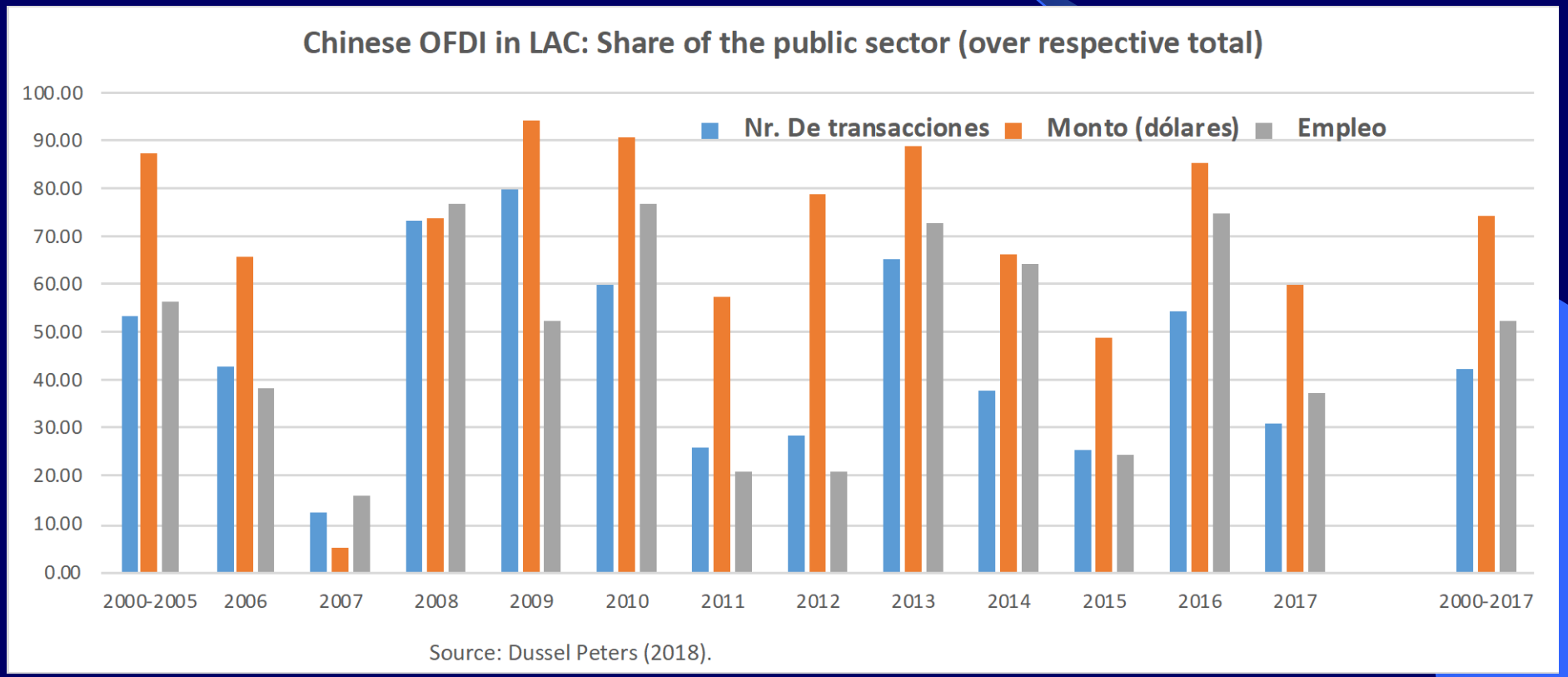
Source: own ellaboration based on UN-COMTRADE (2018).

II. USE OF STATISTICS (5)

- ***FDI statistics*:**
- **Regional, national, regional (ECLAC) and international (UNCTAD) sources: differences of SIGN (+/-), reasons?**
  - **Registration by first or last destination of FDI: very relevant**
  - **Include / disaggregate (or not): entities with special goals, realized or announced, …**
  - **Firm/establishment doing transactions in other countries (≠ original country; Huawei in US investing in Mexico)**
  - **HUGE statistical differences: Monitor of China´s OFDI in LAC 2018 (with FDI information at the FIRM level), with info on China´s OFDI (2000-2017) and EMPLOYMENT by country, year, M&A/greenfield, by type of ownership (public/private), sector, and BY FIRM**
  - **VERY powerful for dialogue and policy proposals**

II. USE OF STATISTICS (6)

- ***FDI statistics (differences by sources)*:**



II. USE OF STATISTICS (7)

- ***Dussel Peters (2018)***

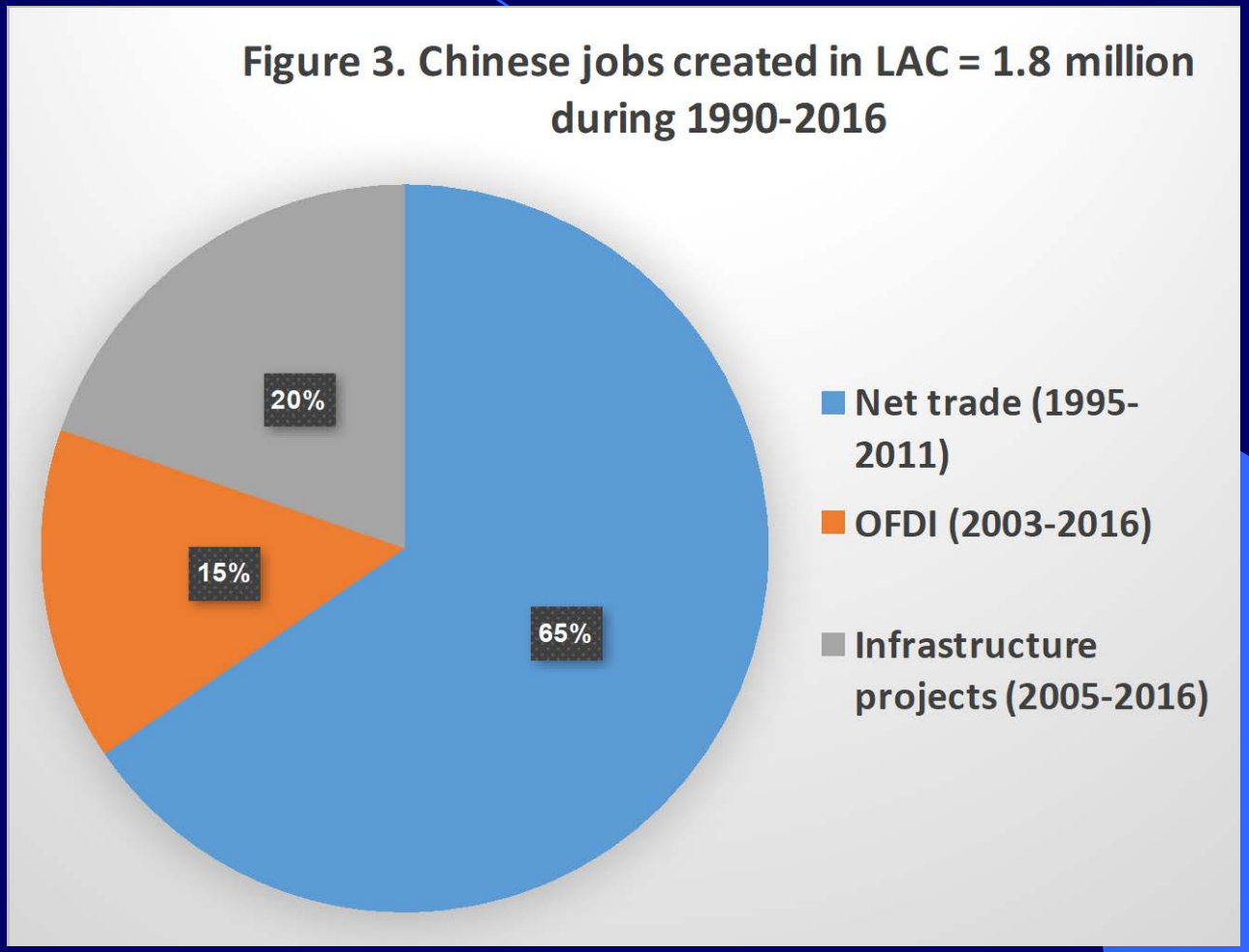
LAC: Main Chinese Firms that Generated Employment Through OFDI (2000-2017)

	2000-2017	
		percentage
China National Petroleum Corporation (CNPC)	22,841	7.76
State Grid Corporation	19,829	6.73
China Merchants Port Holding (CMPorts)	16,000	5.43
HNA Group Corporation	13,187	4.48
China Communications Construction Company	11,250	3.82
	2016	
State Grid Corporation	19,779	41.26
China Communications Construction Company	6,250	13.04
China Molydbenum	5,000	10.43
Tianqi Lithium Industries	4,250	8.87
Sinosteel	2,084	4.35
	2017	
China Merchants Port Holding (CMPorts)	16,000	23.22
China Communications Construction Company	5,000	7.26
JAC Motors	4,400	6.39
Advent International Corporation	4,350	6.31
Yantai Changyu Pioneer Wine	4,000	5.81

Source: own ellaboration based on Monitor de la OFDI china en ALC 2018.

II. USE OF STATISTICS (8)

- ***AND: "mixing" data sources: a. WIOT-OECD, b. FDI, c. Infrastructure projects to understand the quantity and quality of employment***
- ***+ Macro, meso , micro and national data***



III. CONCLUSIONS (1)

- **Important improvements in national and international databases: trade, FDI, input-output matrixes (WIOT/OECD), …**
- **Several of these efforts allow to "construct" statistics by sector (in Asia or LAC, for example) or by countries (footwear exports by TPP-countries to the US) or a LAC input-output matrix (2000-2014), so far only for Argentina, Brazil, Chile and Mexico (and not for all variables)**
- **"Old" registration difficulties in differentiating firms and establishments + confidentiality of information; MNCs and increasing transfer of segments of GVC. Effective options for solution and/or case studies?**

III. CONCLUSIONS (2)

- **Difficulties/”irrelevance” of sectorial statistics of trade and FDI (and others?) vs. GVCs?**
- **Critical for dialogue between public, private and academic sectors and concrete policy proposals**
- **Huge -unsatisfied- potential?**

III. PROPOSALS

- **Proposal 1: define and analyze trade of 5 GVC (at 6-digits of the HTS?)**
- **Proposal 2: methodological discussion on FDI + elaboration of statistics from several perspectives (host country, origin, transaction/firm-level, …)**
- **Proposal 3: define and analyze FDI within 5 GVC**
- **Proposal 4: define and analyze 3 GVC in terms of trade, FDI and WIOT/OCDE in terms of micro, meso, macro and territorial factors and effects**
- **Proposal 5: seminar/workshop/publication … on a definitive (?) statement regarding the effective statistical potential in registering firms vs. establishments? 3 case-studies (of MNCs)?**

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