**Mexico’s Perspective for the Future Design of a System of Economic Statistics.**

The System of Economic Statistics requires a quick joint response from National Statistical Systems (NSSs) and International Organisations for the measurement of new economic phenomena as well as the interlinkages with social and environmental matters. At this stage, the system is delayed relative to the velocity of new forms of production, distribution and consumption of goods and services. It is necessary to establish common priorities to face this scenario, so NSOs, international organisations and the statistical community can focus their future efforts.

The objective of this discussion note is to provide the perspective of the National Institute of Statistics and Geography of Mexico (INEGI) by exposing some of the main challenges that INEGI has identified and by sharing some of the projects that the Institute has recently conducted in innovative measurements to respond to the current economic scenario. At the end conclusions are put forward.

There are two main challenges that should be considered for the future system of economic statistics:

- How to incorporate new economic phenomena, the evolving patterns in trade, consumption, finance, technology to the system of economic statistics. Can this be done under the traditional system or should it be done developing other frameworks?
- How to bring economic statistics closer to the people and how can we relate economic data to people’s daily life?

INEGI has been working both locally and regionally on several fronts to face these challenges. Most projects have been undertaken in collaboration with different stakeholders, international organisations and other NSOs. In this notes emphasis is put on Well-Being, Satellite Accounts, Environmental Economic Accounting, Digital Economy, Data Sharing and Globalisation.

1. **Well-Being and Satellite Accounts.**

Well-being is an important component in the actual efforts of INEGI on bringing economic statistics closer to the population. The “Measuring Well-being and Social Progress” project including subjective wellbeing has been published as experimental statistics on a regular basis; we have two press releases a year. The initial response from the public was of scepticism. However, with a better explanation and understanding about the meaning of happiness and life satisfaction and their relationship to different domains of daily life, these reports are expected by users in the same fashion as other traditional indicators.

Additionally, unpaid economic activities developed within the household are calculated with the Satellite Account on Unpaid Labour. This calculation includes domestic care activities, as well as those contributing to the physical, cognitive and emotional development of the household members, which have a great impact on social and individual health. These indicators (23.3% of GDP at current prices in 2017, of which 17.5% produced by women), linking traditional economic statistics to peoples work inside the households and families.
has had a strong impact on the public and on government policies seeking to improve the precarious conditions of domestic workers.

Also, as part of the Satellite Account of the Ecological and Economic Accounts of Mexico, the Environmental Protection Expenses are integrated to measure actions taken to mitigate the negative effects of economic growth on the environment. Other satellite accounts include: housing, health, tourism, non-profit institutions.

II. System of Environmental Economic Accounting (SEEA).

Mexico is a pilot country in the United Nations Project on Natural Capital Accounting and Valuation of Ecosystems Services. It is expected this pilot test could serve as a framework for the implementation of the measurements in other countries and regions.

III. Digital Economy.

_Electronic Commerce._ INEGI has recently focused its efforts to gather information that allows estimating the impact of the digital economy on the Mexican economy. We estimated the E-commerce contribution to the gross added value starting in 2013. Recent estimations show that E-Commerce represented 4.6% of the GDP in Mexico in 2017.

INEGI is working on the improvement of measurement capacities of the digital economy in Latin America by participating in the project “Big Data on measuring the digital economy”, developed by the Economic Commission for Latin America and the Caribbean (ECLAC), with support from the United Nations Development Programme (UNDP). Brazil, Colombia and Chile are also part of this project.

IV. Data Sharing.

_Economic Data Lake._ The idea of developing a “Data Lake” has been strategic for the national statistical system, with the objective of providing users with better services. It consists in a centralised data repository containing both structured and unstructured data and will allow the user to perform basic and complex analysis such as big data or different types of visualisation. The data lake is a powerful and innovative response to the amount of information that is generated every day.

_Analytical Database on Individual Multinational Enterprises (ADIMA)._ INEGI also collaborates in the initiative on the Analytical Database on Individual Multinationals and their Affiliates (ADIMA). This project is led by the OECD, whose objective is to contribute to the measurement of the activities of the subsidiaries of the Multinational Companies (MNE’s). Currently, INEGI will participate in the assessment of the first results of the project. Last month we began working on the project and it was agreed to share information in order to produce the first reports to improve the database.

V. Globalisation.

_Trade in Added Value._ There is an agreement among the US, Canada and Mexico to develop regional Supply and Use Tables (SUTs) and an Input Output Tables (IOT) of North
America to obtain and develop databases of Trade in Added Value (TiVA) indicators that contribute to the analysis of the Global Value Chains.

**Disaggregation of firms’ activities.** By developing the Extended Supply and Use Tables, allows identifying the heterogeneity of a firm, including the exporter and owner profiles and a profile by size of the economic unit.

**Value added of the Exports of Global Manufacturing.** Contribution to the understanding of the globalisation on the Mexican economy, particularly in the relation of the companies located in Mexico and its participation in the Global Value Chains.

**VI. Conclusions**

- Research and innovation on new approaches to address emerging themes. Continue developing and experiment frameworks for the measurement of new economic phenomena such as fintech, virtual money and digital services.
- Involve different stakeholders and make them have ownership of experimental projects.
- Do not limit the work to the traditional boundaries of official statistics. Develop in-house capabilities.
- Need to work in a systemic fashion.
- There are growing gaps on new measurements between more statistical developed countries and less developed statistical countries.
- Exchange micro-data to measure activities at a global or regional scale, such as the participation of subsidiaries in the economy. Develop and share “Best Practices” for data exchange.
- Encourage the active participation in national and international fora.