Efforts made by INEGI to measure the Digital Economy:
A first approach for calculating the Gross Value Added of E-commerce in Mexico

2013 – 2017, Base 2013
Introduction

The age of digitalization and the Internet have changed the way households, businesses, and governments interact through local and cross-border transactions.

New stage of globalization

Modify nature, patterns and participants in an international context of trade in goods and services.

Devices and objects connected to the Internet promote a large-scale convergence between ICT and the economy.

Statistical Challenge of the digital economy
Measure the contribution in the GDP by the use of ICT, through their evolution or with the emergence of digital businesses, the expansion of e-commerce and financial services.
Make available to users information that allows them to know the evolution of the gross value added of e-commerce from the year 2013.
Gross Value Added of E-commerce

The SNA of Mexico reflects changes in the global context of economic measurements.

As a first approach to the measurement of the digital economy, an estimate was made to quantify the gross value added of e-commerce.
Gross Value Added of E-commerce

**E-commerce**
Process of purchase, sale or exchange of goods, services and information conducted over computer networks.

For the sales of goods and services, the buyer places an order, and both the price and the terms of the transaction are negotiated through the Internet, email or web page.

**Payment may or may not be done online.**
Gross Value Added of E-commerce

Sources

CE 2014
SUT 2013
EAC 2014-2017
CBys 2014-2017p

SUT Supply and Use Tables
CE Economic Censuses (By its acronym in Spanish)
CBys Goods and Services Account (By its acronym in Spanish)
EAC Annual Wholesale and Retail Trade Survey (By its acronym in Spanish)
The measurement of the gross value added of e-commerce was made under a SUPPLY approach related to the wholesale, retail and other services commercialization. Total use is implicit since the SUT are balanced.

**SUT**
Trade margin of goods and supply of services
value added / production relations

**CE**
Sales and percentage of those made via internet, email or web page

**CBysS**
information to characterize the gross value added of e-commerce for the series.

**EAC**
Annual Wholesale and Retail Trade Survey (By its acronym in Spanish)

**SUT** Supply and Use Tables
**CE** Economic Censuses (By its acronym in Spanish)
**CBysS** Goods and Services Account (By its acronym in Spanish)
**EAC** Annual Wholesale and Retail Trade Survey (By its acronym in Spanish)
Diagram of sales channels

Market Production and Importation of goods

Wholesale trade

Retail trade

Channel A: From the Producer directly to the Consumer (without margins)
Channel B: From the Producer to the Consumer through a wholesale merchant (Wholesale margins)
Channel C: From the Producer to the Consumer through a wholesale merchant and a retailer (Wholesale and retail margins)
Channel D: From the Producer to the Consumer through a retail merchant (Retail margins)
Gross Value Added of E-commerce

Calculation

E-commerce census factor
×
Utilization of SUT services

GVA/GTP relations of the SUT

Value Added generated by e-commerce of services

E-commerce census factor
×
Commerce; margin trade of goods of the SUT; Wholesale; Retail

GVA/GTP relations of the SUT

Value Added generated by e-commerce of goods; Wholesale; Retail

GVA/GTP relations of the SUT

Value Added generated by e-commerce of services
Gross Value Added of E-commerce

![Diagram showing the growth of Gross Value Added of E-commerce from 2013 to 2017 in millions of pesos at current prices. The values are as follows:

- 2013: 481,232
- 2014: 589,704
- 2015: 653,836
- 2016: 803,103
- 2017: 1,004,142

The graph indicates a steady increase each year.]
Gross Value Added of E-commerce

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesale Trade</th>
<th>Retail Trade</th>
<th>Other Services</th>
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<tbody>
<tr>
<td>2017</td>
<td>28.2</td>
<td>25.3</td>
<td>46.5</td>
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<td>2016</td>
<td>29.0</td>
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<td>2014</td>
<td>28.7</td>
<td>20.4</td>
<td>51.0</td>
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<tr>
<td>2013</td>
<td>25.7</td>
<td>16.4</td>
<td>57.9</td>
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</tbody>
</table>

INEGI
Share of E-commerce in GDP

- 3.0% in 2013
- 3.4% in 2014
- 3.5% in 2015
- 4.0% in 2016r
- 4.6% in 2017p

INEGI
Internet MX Association

Civil association that brings together the most important companies and government entities around the internet industry.

It makes estimations about the Value of Electronic Commerce in Mexico, making 1,873 interviews for its data of 2017.

Universe: Population of Internet users, of legal age
Methodology: Digital self-applied survey
Internet MX Association

INEGI made the presentation of the Gross Value Added of Electronic Commerce to the Internet MX Association and its main comments were:

It is a cutting edge measurement worldwide.

The supply approach of the INEGI measurement complements the demand vision of the Association.

The INEGI measurement covers the information gap of an official nature.
First release of these estimations: October 11, 2018.

Disseminated as official statistics.

INEGI carried out a presentation with its key users, including the Internet Association of Mexico (AIMX).

The estimations and the methodology are available (Spanish) for all users: https://www.inegi.org.mx/temas/vabcoel/

The figures complement the demand view and estimations of the private sector by offering a supply approach.
INEGI is strengthening these calculations through specific improvements in the basic statistics collecting more details on the digital economy.

In this sense, the Economic Censuses 2019 will have new information concerning the online sales and purchases breaking-down by:

- Website of the enterprise
- Through a web page from an intermediary
- Social networks
- E-mail
- Other informatics source
Next Steps

INEGI will keep the ongoing households and business surveys and they will be complemented with robust information from the Economic Censuses 2019. The current annual surveys collecting information on digital economy are:

- National Survey on the Availability and Use of the Information Technologies in Households (ENDUTIH)
- Annual Wholesale and Retail Trade Survey (EAC)

It has been planned:

- Releasing more details about the type of e-commerce
- Reconciling the supply and demand through the sales and purchases according to their economic activity
- Updating the estimations annually
Finally, INEGI is exploring, with the advice of the Central Bureau of Statistics of The Netherlands, the linkage between the Mexican SBR and the related domains of Mexican enterprises available in internet (.mx) with the aim to identify the businesses engaged in the digital economy, for constructing survey frames and producing basic statistics.
Thank you!

Francisco Guillen Martin
Deputy Director General of National Accounts
francisco.guillen@inegi.org.mx
Conociendo México

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

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