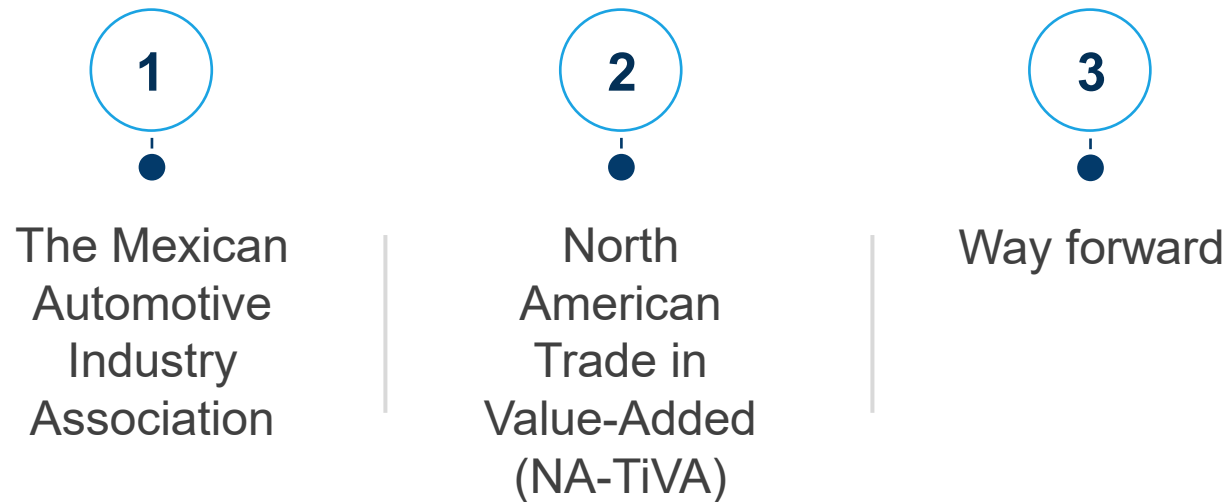# Background on globalization for the Mexican SNA

There is a continuous effort to respond on demands on data sharing and improvement in the granularity and the treatment of asymmetries.

1

The Mexican Automotive Industry Association

2

North American Trade in Value-Added (NA-TiVA)

3

Way forward

INEGI

The Mexican Automotive Industry Association (AMIA)

The Administrative Record of the Light Vehicle Automotive Industry provides a good example of communication and data sharing among private enterprises and the National Statistical Office (NSO) requesting it to collect and disseminate data of automotive industry firms.

- **A memorandum of understanding (MoU)** among public-private partnership allows to compile, process and publish data at a granular level (sales, production and export of cars and light trucks, presenting vehicle units at the make and model level.
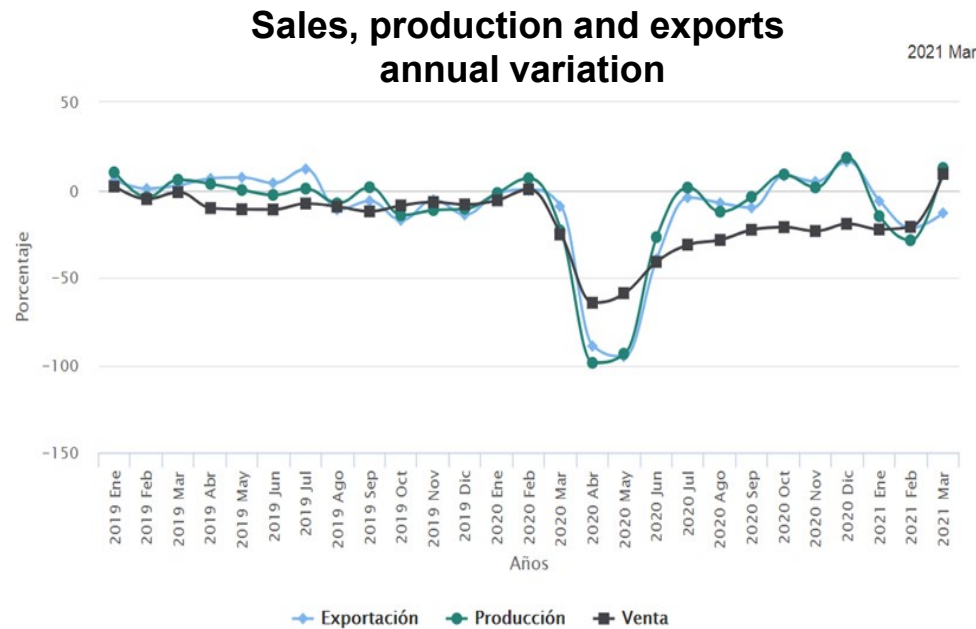
  Terms of reference:

  - All the companies must deliver the information each month.
  - Regarding confidentiality, publication by trademark is allowed and only if all firms do it at the same time.
  - Firms are part of different multinational enterprises (MNE).

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The Mexican Automotive Industry Association

- The data are very relevant for national accounts as the automotive industry is one of the largest contributors to Mexican GDP.

Sales, production and exports annual variation

2021 Mar

Units year 2021			
Period	Sales	Production	Exports
January	81,203	278,711	223,533
February	82,323	238,868	213,987
March	95,513	303,545	256,119

Source: INEGI Administrative Record of the Light Vehicle Automotive Industry

The case for the automotive industry is an example in the **Guide to Sharing Economic Data in Official Statistics,** UNECE Task Force on exchange and sharing of economic data. Exchange experiences on statistical work at the national and the international level with MNE granular data.

North American Trade in Value-Added (NA-TiVA)

01 A MOC was signed on October 13, 2016.

02 Developing a North America regional Supply and Use Tables (SUTs)

03 Exchange of experiences, expertise, methodologies and good practices

04 A platform to conduct GVC research and analysis to disseminate information and data on North America value chains.

d

It is a trilateral project, multi-year initiative that aims to produce a regional TiVA database that maps the value chains connecting Canada, the United States, and Mexico.

Also it aims to present the main NA-TiVA Outcomes of the Trade Reconciliation Process which is a mayor concern for the main foreign trade partners USA and Canada.

Canada (Statistics Canada)
Mexico (National Institute of Statistics and Geography, INEGI),
United States (U.S. Trade Representative, U.S. International Trade Commission, Census Bureau and the Bureau of Economic Analysis)

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NA-TiVA - Treatment of confidential and low-value transactions

	Canada	Mexico	USA
Treatment of confidential data	Confidential data are suppressed by keeping all information except HS code, and reassigning HS code 9901	Confidential information is aggregated into higher level codes	Combine several 10 digit HS codes into higher level codes to avoid disclosure: recode the commodity code· Suppress shipping weight and quantities: recode transportation information
Treatment of low-value transactions	All transactions below CDN 2.5k are assigned to code 9901	All transactions are assigned according to their corresponding code	

Sources: INEGI, Statistics Canada and U.S. Census Bureau

- The exchange of databases referring to international merchandise trade is through the Sharepoint website in the section for official trade information reported by each country, which presents the necessary breakdowns for the treatment of the reduction of asymmetries (HS6 , HS6, country of origin/destination, country of consignment or purchase-sale), through the application of the adjustment methods developed.

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North American Trade in Value-Added (NA-TiVA)

Main Merchandise trade reconciliation results

The main results of the application of the New General Method and manual methods of the 2012-2014 time series are presented below, for the following trade flows:

- Southbound trade Mexico imports – Canada exports

- Southbound trade Mexico imports – USA exports

- Southbound trade USA imports – Canada exports

- Northbound trade USA imports – Mexico exports

- Northbound trade Canada imports – Mexico exports
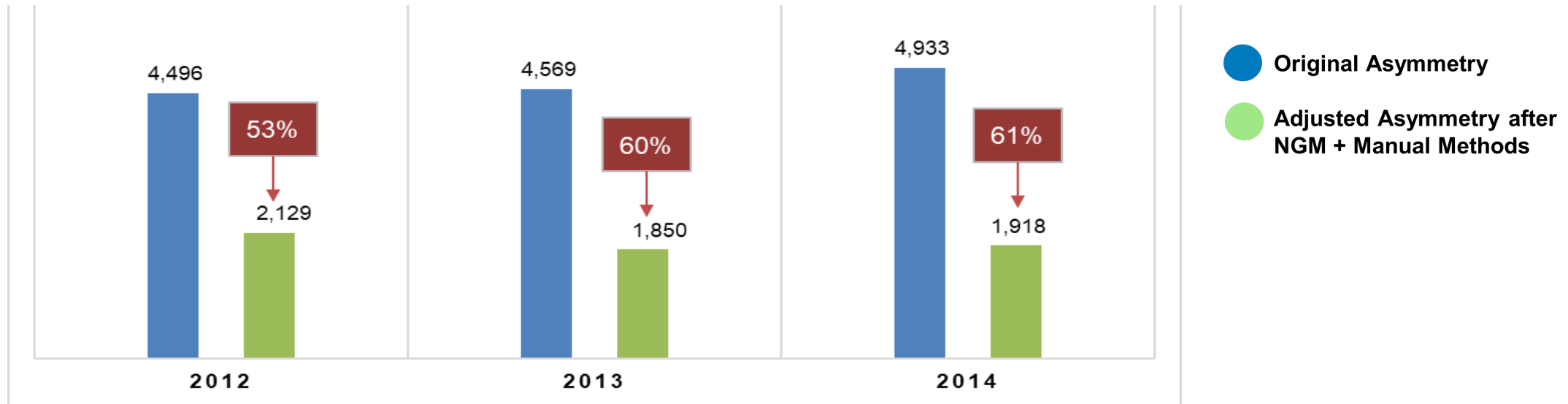
- Northbound trade Canada imports – USA exports

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North American Trade in Value-Added (NA-TiVA)

Merchandise trade reconciliation results

Sample

Southbound trade Mexico imports – Canada exports

- ● Original Asymmetry
- ● Adjusted Asymmetry after NGM + Manual Methods

Millions of USD

MIMIC example

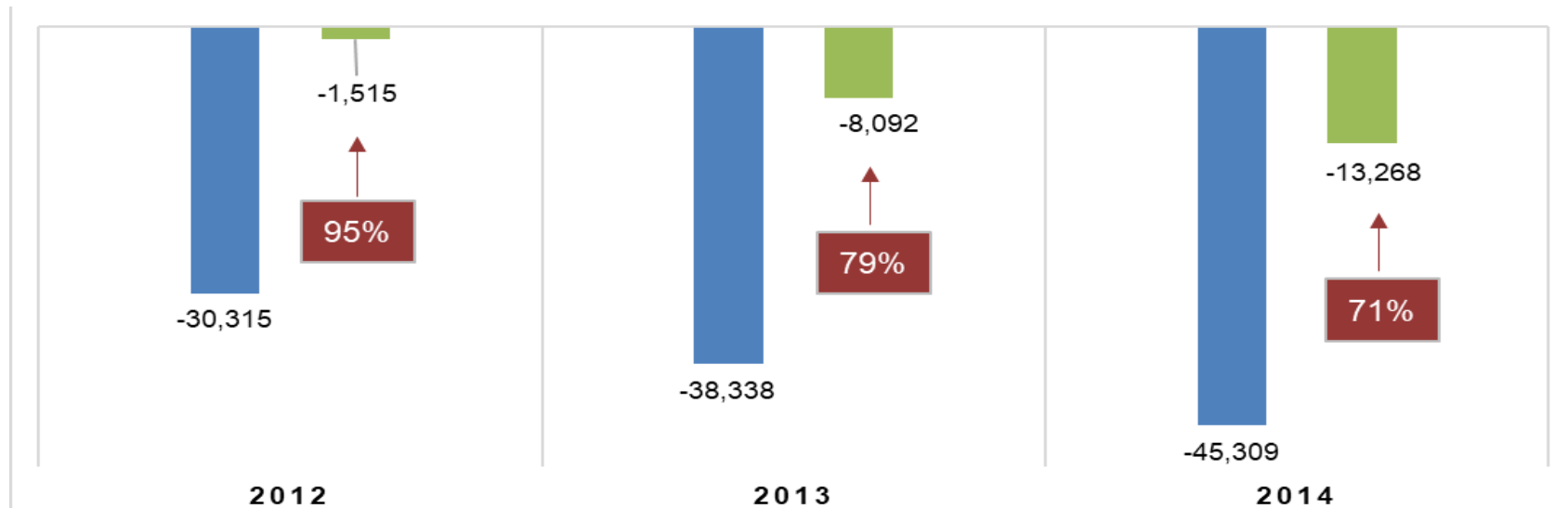|	HS	CAN exports to MEX	Adjusted MEX imports from CAN	NGM Adjusted Asymmetry	Re-Adjusted imports after MIMIC	Asymmetry after MIMIC
2012	760110	51.38	98.17	46.79	51.38	-
	760120	184.76	138.69	-46.07	185.48	0.71
Totals		236.86		0.71	236.86	0.71

North American Trade in Value-Added (NA-TiVA)

Merchandise trade reconciliation results

Sample

Southbound trade Mexico imports – USA exports

- Original Asymmetry
- Adjusted Asymmetry after NGM + Manual Methods

2012: -30,315 / -1,515 / 95%
2013: -38,338 / -8,092 / 79%
2014: -45,309 / -13,268 / 71%

MIMIC example

Millions of USD

	HS	USA exports to MEX	Adjusted MEX imports from USA	NGM Adjusted Asymmetry	Re-Adjusted imports after MIMIC	Asymmetry after MIMIC
2012	870829	2,477.70	3,066.93	589.24	2,477.70	-
	870899	5,254.02	1,836.37	-3,417.65	2,425.61	-2,828.41
	Totals		4,903.30	-2,828.41	4,903.30	-2,828.41

Way forward

- Take advantage of the data published (financial statements, sales, expenses, etc.) by firms and process according to the SNA framework given the restriction of sharing data with a unique business identifier at the micro-data level stipulated in the Law of the National System of Statistical and Geographic Information (LSNIEG).

- Link the National Statistical Directory of Economic Units (DENUE) that offers identification data, location, the economic activity of the economic units active in the country with variables associated with globalization (global business arrangements, trade asymmetries, etc.).

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Thank you

**Conociendo
México**

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

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