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

2013 – 2016, Base 2013

UNSD High Level Seminar on The Digital Economy: A Policy and Statistical Perspective
Beijing, China. November 15-17, 2018
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.

Introduction

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

ICT Information and Communication Technologies

Internet of things (IoT).- Objects that connect through the internet with other objects

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.
Objective

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.**

**The estimations do not include cross border transactions.**
Gross Value Added of E-commerce

Sources

- 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.
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 \( \times \) Utilization of SUT services \( \times \) GVA/GTP relations of the SUT = Value Added generated by e-commerce of goods; Wholesale; Retail

E-commerce census factor \( \times \) GVA/GTP relations of the SUT = Value Added generated by e-commerce of services
Gross Value Added of E-commerce

<table>
<thead>
<tr>
<th>Year</th>
<th>Value (Millions of pesos at current prices)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>481,232</td>
</tr>
<tr>
<td>2014</td>
<td>589,704</td>
</tr>
<tr>
<td>2015</td>
<td>653,836</td>
</tr>
<tr>
<td>2016</td>
<td>803,103</td>
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</table>
Gross Value Added of E-commerce

<table>
<thead>
<tr>
<th>Year</th>
<th>Wholesale trade</th>
<th>Retail trade</th>
<th>Other services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>29.1</td>
<td>21.4</td>
<td>49.5</td>
</tr>
<tr>
<td>2015</td>
<td>30.3</td>
<td>18.1</td>
<td>51.6</td>
</tr>
<tr>
<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>
</tr>
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Share of E-commerce in GDP

2013: 3.0%
2014: 3.4%
2015: 3.5%
2016: 4.0%
Dissemination

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 figures complement the demand view and estimations of the private sector by offering a supply approach.
Next Steps

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
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!

Gerardo Durand Alcantara
Deputy Director General of Economic Administrative Records
gerardo.durand@inegi.org.mx

On behalf of:
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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