Webinar on Measuring the Economy and E-Commerce in Latin America and the Caribbean

CEPAL, FMI and UNCTAD

Efforts to measure Internet Economy: Mexico

General Directorate of Economic Statistics

November 9, 2022

Outline

1. Introduction
2. Gross Value Added of E-Commerce
3. New Efforts to Quantify the Internet Economy
4. Next steps

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Introduction (1/2)

- The use of the Internet has changed the lives of people and business around the world, by changing patterns of consumption, production, generation of income, among others.
- In recent years, INEGI has studied the Internet economy from different perspectives, for example:
  - Variables related to the use of the Internet are included in the **Economic Censuses** and in the **Economic Surveys**, for example, if businesses have a website, as well as the percentage of sales and expenses through the Internet.
  - The **Survey for Measuring the Economic Impact by COVID-19** collected information on the percentage of companies that implemented Internet sales as a measure against the effects of the pandemic caused by the SARS-Cov 2 virus.

Introduction (2/2)

- **National Accounts** generates the estimation of the share of electronic commerce in the Gross Domestic Product.

- The study of the **Internet Economy** is produced as experimental statistics by linking the Statistical Business Register of Mexico to the companies with activities on Internet.

- This presentation displays the main results of the calculations carried out in the field of national accounts and, on the other hand, the experimental statistics that refer to the Internet economy, which result from linking microdata.

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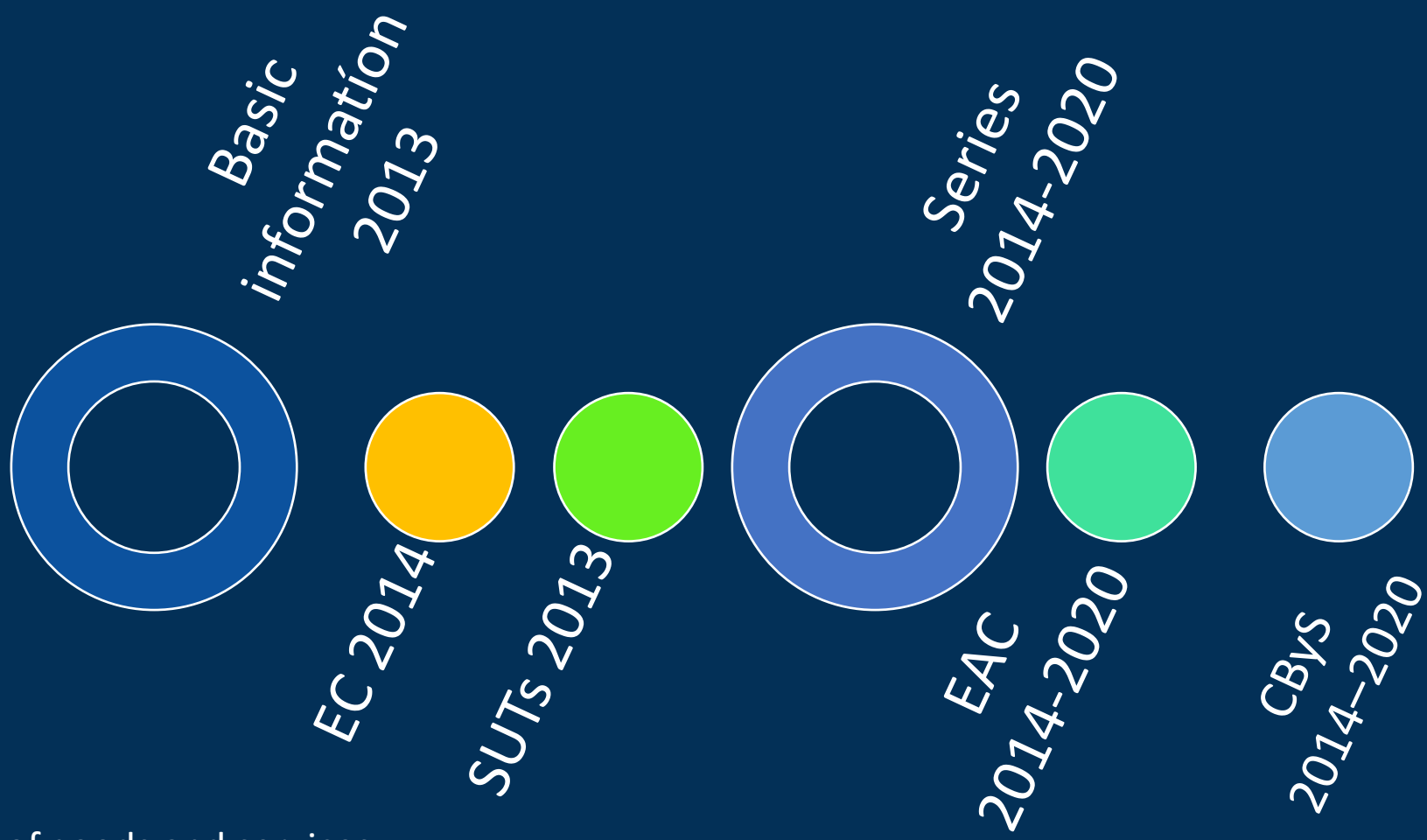
Gross Value Added of E-Commerce

Gross Value Added of E-Commerce

As an approximation to the estimation of the digital economy, e-commerce of goods and services has been measured in the Gross Value Added (GVA)

- The measurement of the GVA of Electronic Commerce was carried out with an OFFER approach in terms of the commercialization of wholesale and retail of goods and other services.
- Other services refer to those service activities that made sales electronically, other than wholesale and retail trade.
- The DEMAND is implied since the SUTs are balanced.

SOURCES OF INFORMATION



CByS: Account of goods and services
CE: Economic Censuses
EAC: Annual Trade Survey

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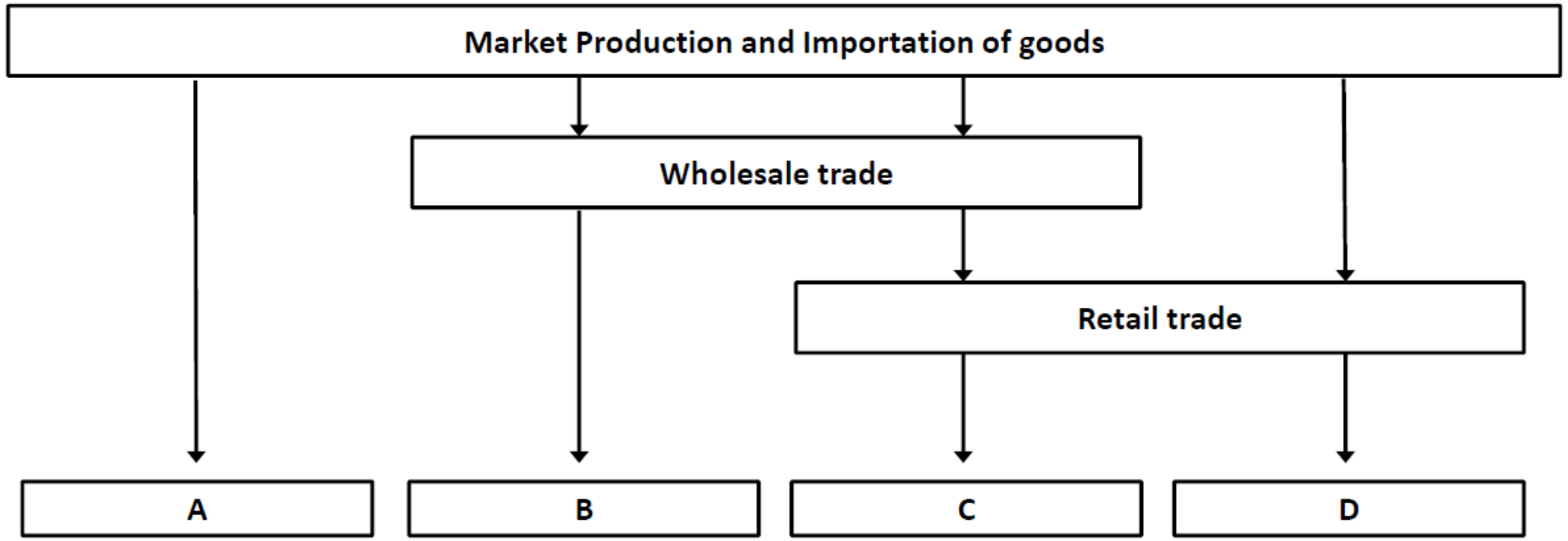
Gross Value Added of E-Commerce

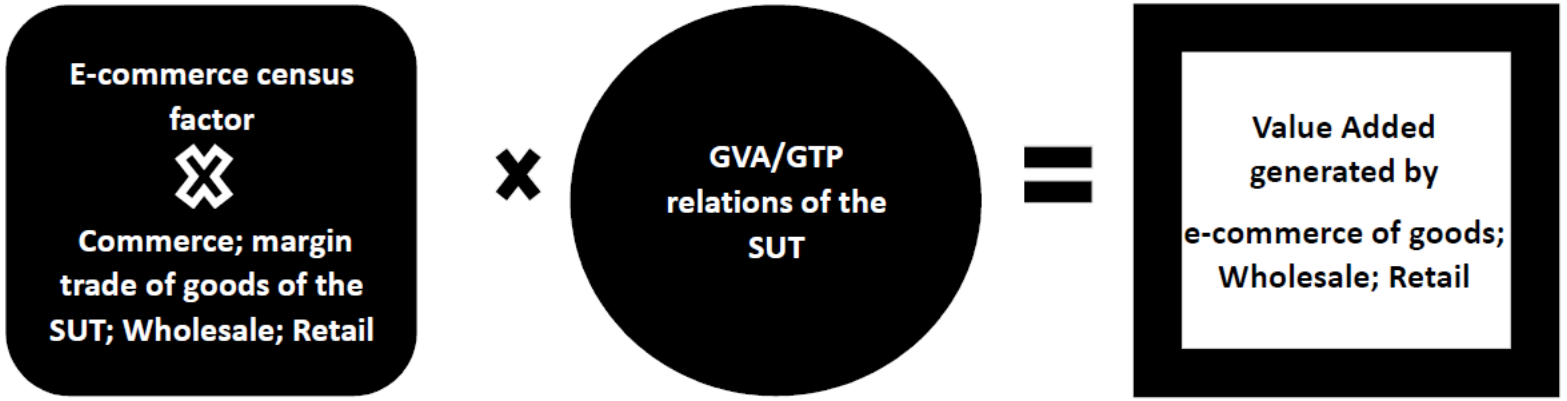
Marketing channels



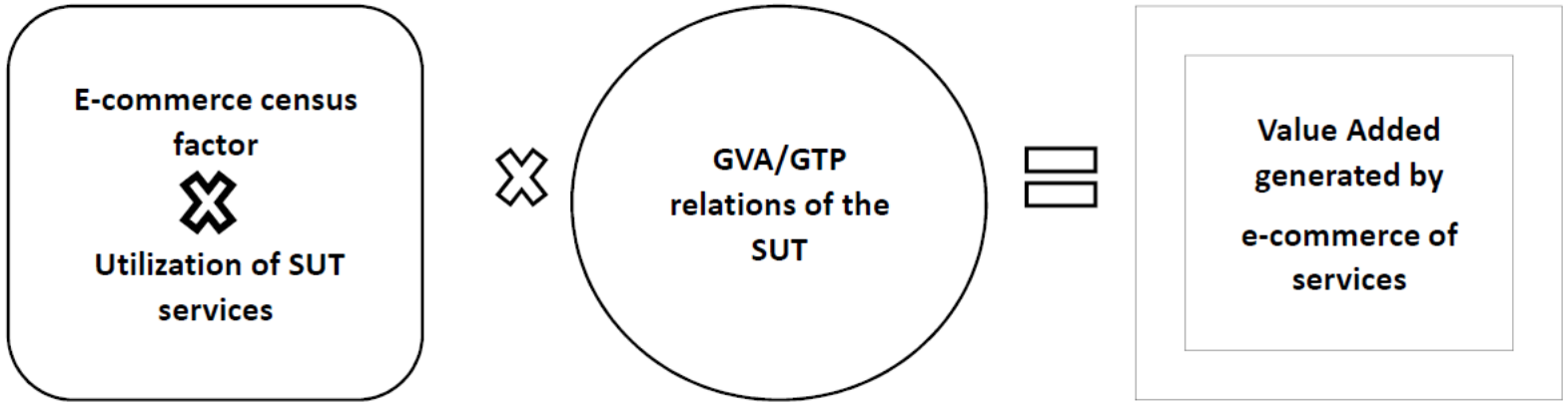
Channel A: From the Producer directly to the Consumer (without margins)
Channel B: From the Producer to the Consumer through a wholesale merchant (Wholesale margins)
Channel C: From the Producer to the Consumer through a wholesale merchant and a retailer (Wholesale and retail margins)
Channel D: From the Producer to the Consumer through a retail merchant (Retail margins)

Estimation Procedure

Gross Value Added of E-commerce



Calculation



SUTs.- Supply and Use Tables
GVA.- Gross Value Added
GTP.- Gross Total Production

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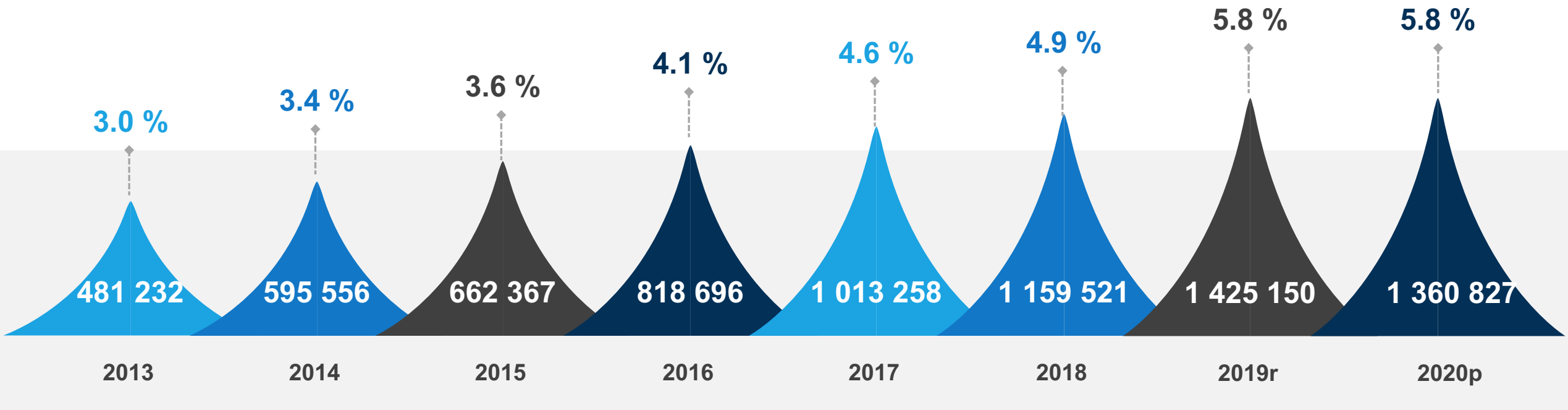
GVA of total e-commerce and its share in the GDP



Millions of pesos at current prices
r: Reviewed
p: Preliminary

In 2020 the share is greater than that of 15 economic activity sectors.

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New Efforts to Quantify the Internet Economy

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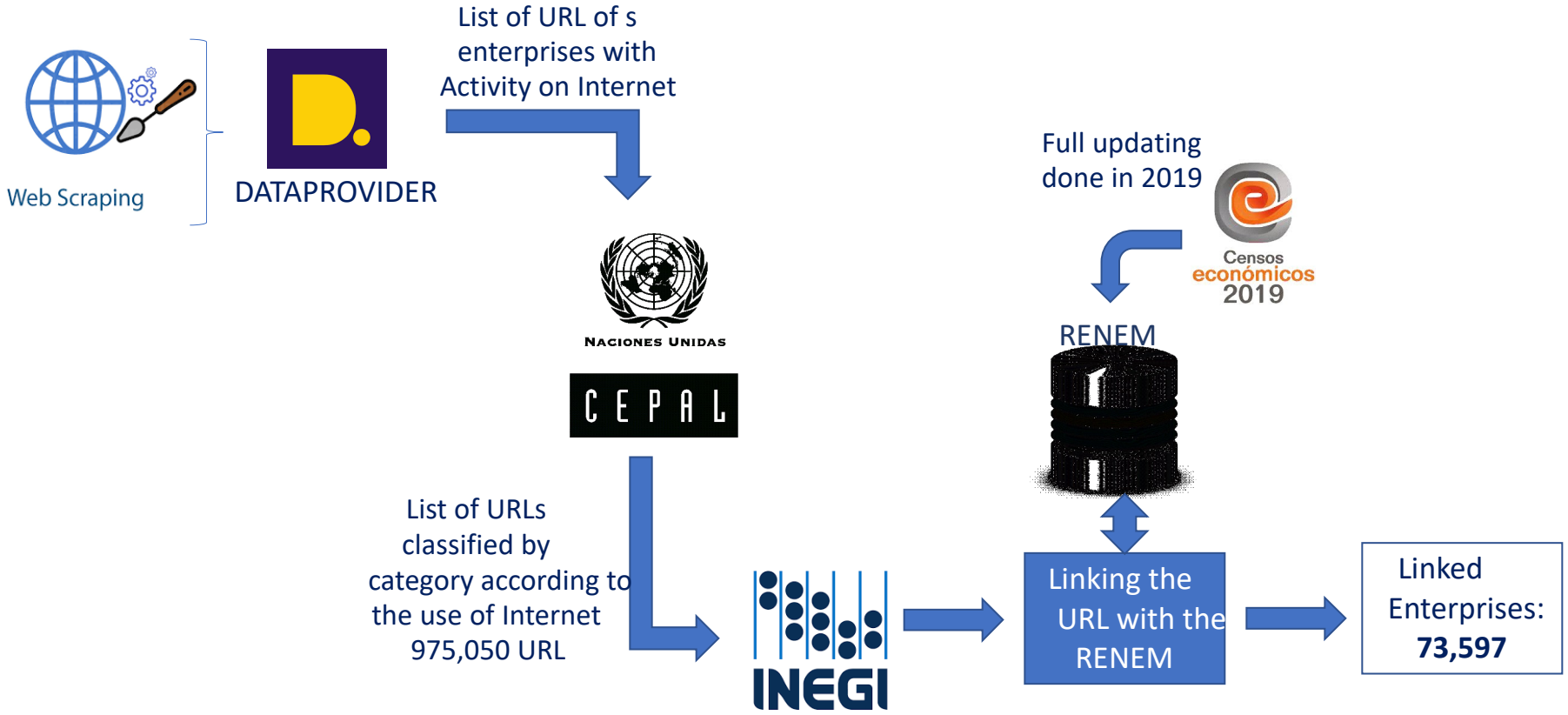
Features of the Digital Economy Project

- Mexico, together with Brazil, Colombia and Chile, participated with ECLAC, in a project whose objective is to produce indicators to **measure the impact of the digital economy within the national context**.
- Based on the methodology developed by the Dutch Statistical Office (Centraal Bureau voor de Statistiek, CBS), by which **companies are classified according to the use they make of the Internet to carry out their activities**.
- To achieve the objective, ECLAC arranged with the Dutch company **Dataprovider** to obtain **economic units that carry out activities through the Internet in the countries**.

Features of the Digital Economy Project

The companies provided by *Dataprovider* were linked to the Statistical Business Register of Mexico (RENEM)



Categories according to the use of the Internet

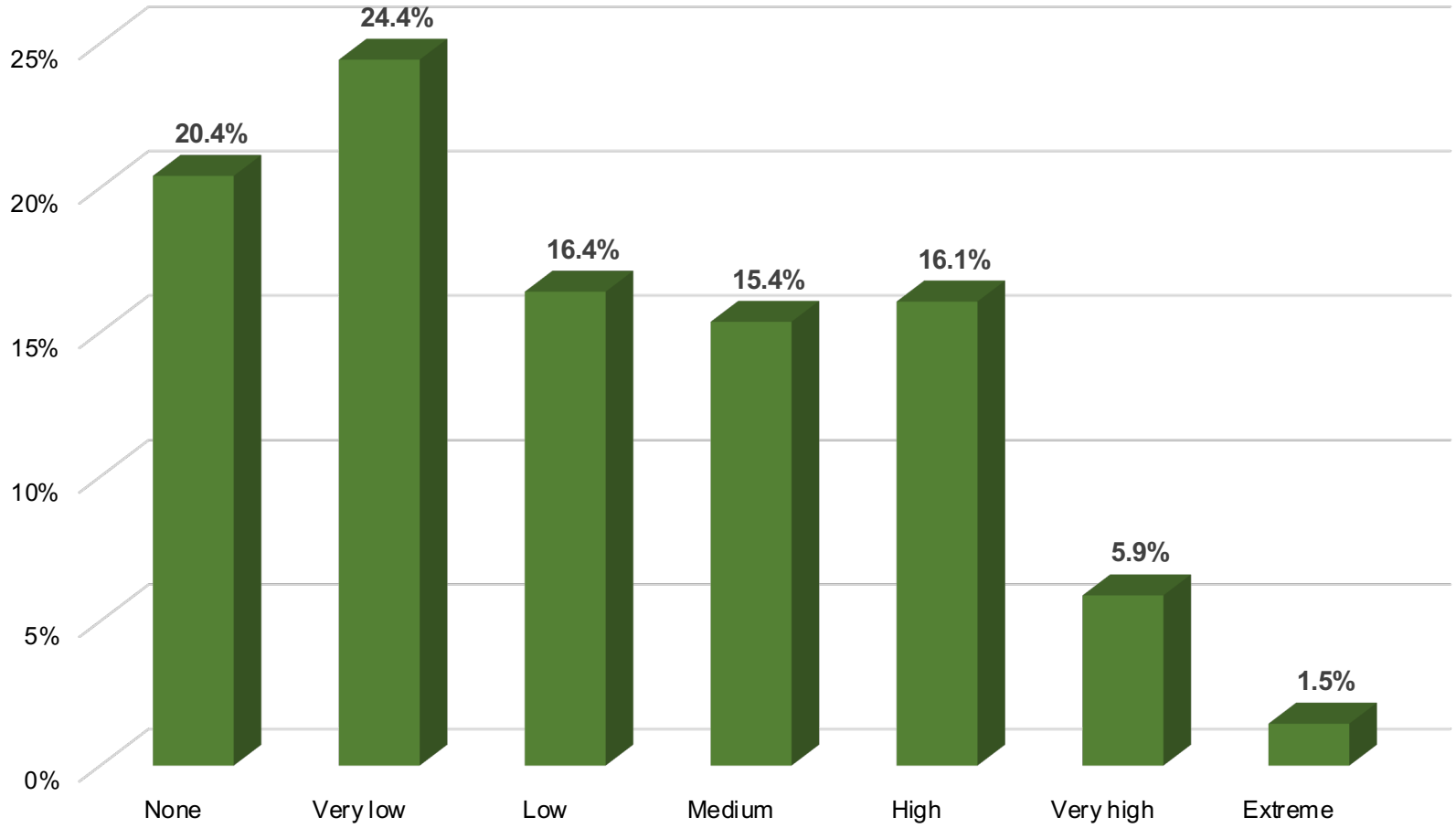
Category	Conceptual description
Category A. Companies without a website.	Companies without a website.
Category B1. Indirectly generated income (passive presence)	Companies that have a website do not generate income directly from the Internet, the site is informative, not transactional.
Category B2. Directly generated income (active presence)	Companies that generate indirect income through the web, the main activity is carried out in person.
Category C. Directly generated revenue (online stores)	Companies that generate revenue directly from the Internet by selling goods. The site is transactional, the activity could not exist without the Internet.
Category D. Directly generated income (online services)	Companies that generate income directly from the Internet by selling services. The site is transactional, the activity could not exist without the Internet.
Category E. Directly generated income (ICT sector)	Companies that generate income directly from the Internet by selling services. The site is transactional, the activity could not exist without the Internet, it belongs to the information and communications technology sector.

Indicators built by using information from the Internet

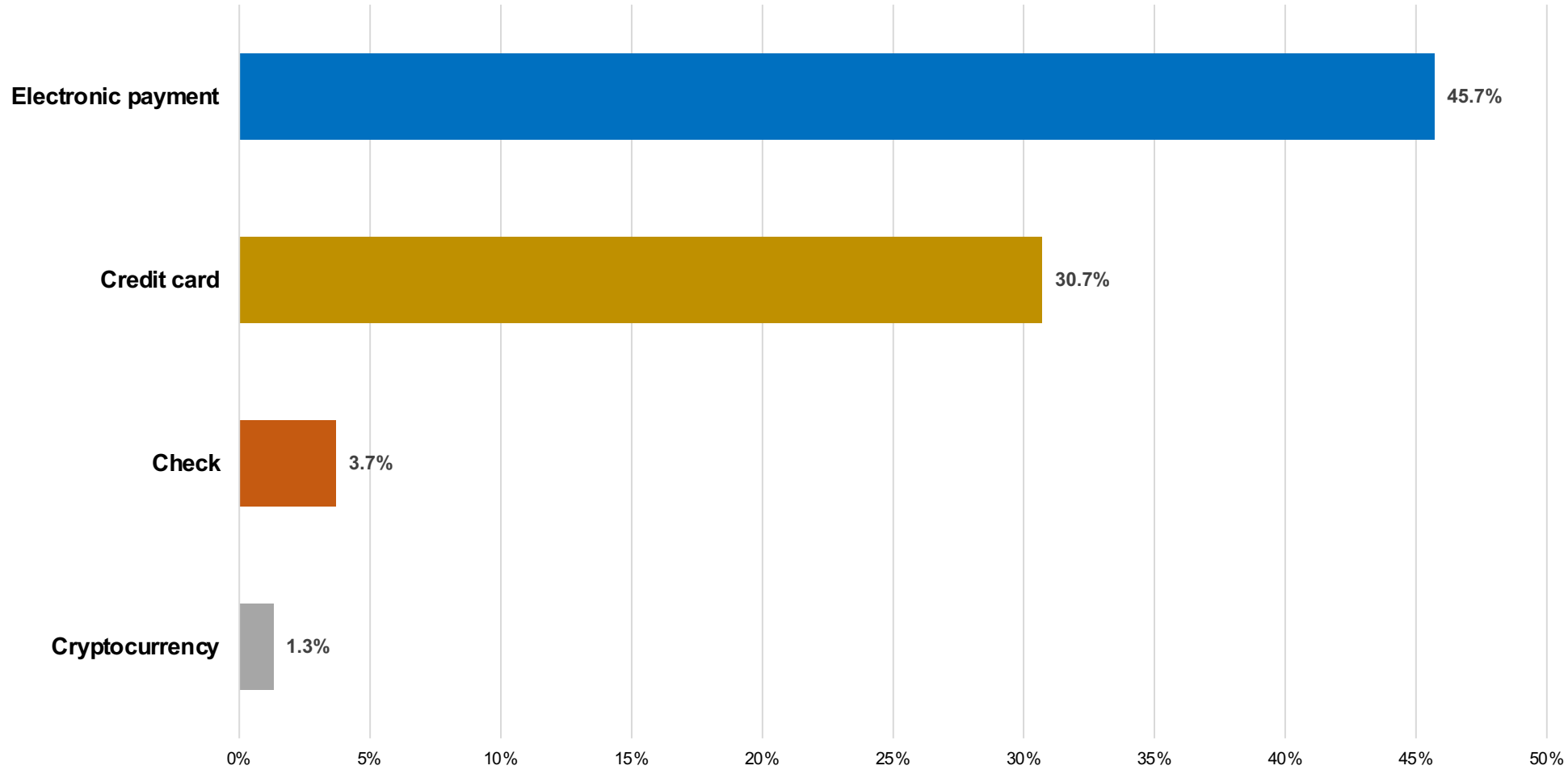
- The database provided by *DATAPROVIDER* contains data on the company name and internet address, which allows us to provide an approximation to companies´ economic activity in our country.
- The following slides present the experimental indicators, which were built on the **975,050 Web Pages that had activity as of September 2020**.

Percentage distribution of Web Pages according to the "*Heartbeat*" level

Heartbeat **indicates the update frequency of the Web Page during a year.**



Main means of payment in the Web Pages related to Mexico



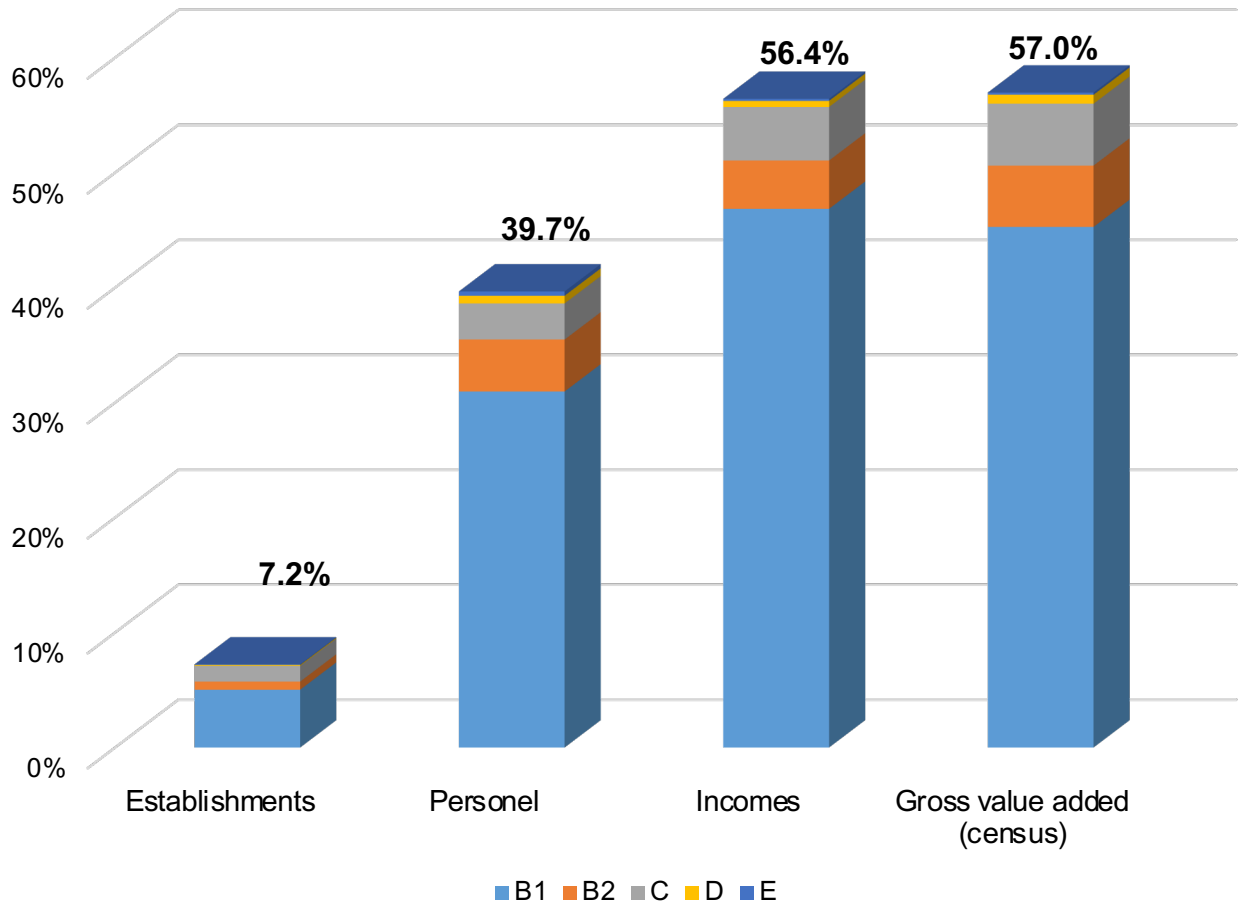
Characterization of companies related to RENEM

- From the 73,597 companies, a set of indicators was built, allowing their characterization in the category assigned, based on the use they make of the internet and by their size (it was carried out using the results of the 2019 Economic Censuses).
- Two cuts of the information provided by DATAPROVIDER were made, one in April and another in September 2020, so **some comparisons presented allow observing the variation from April to September 2020**, that is, during the most critical period of the pandemic.
- The indicators are presented as **experimental statistics**, since this project is at an initial stage.

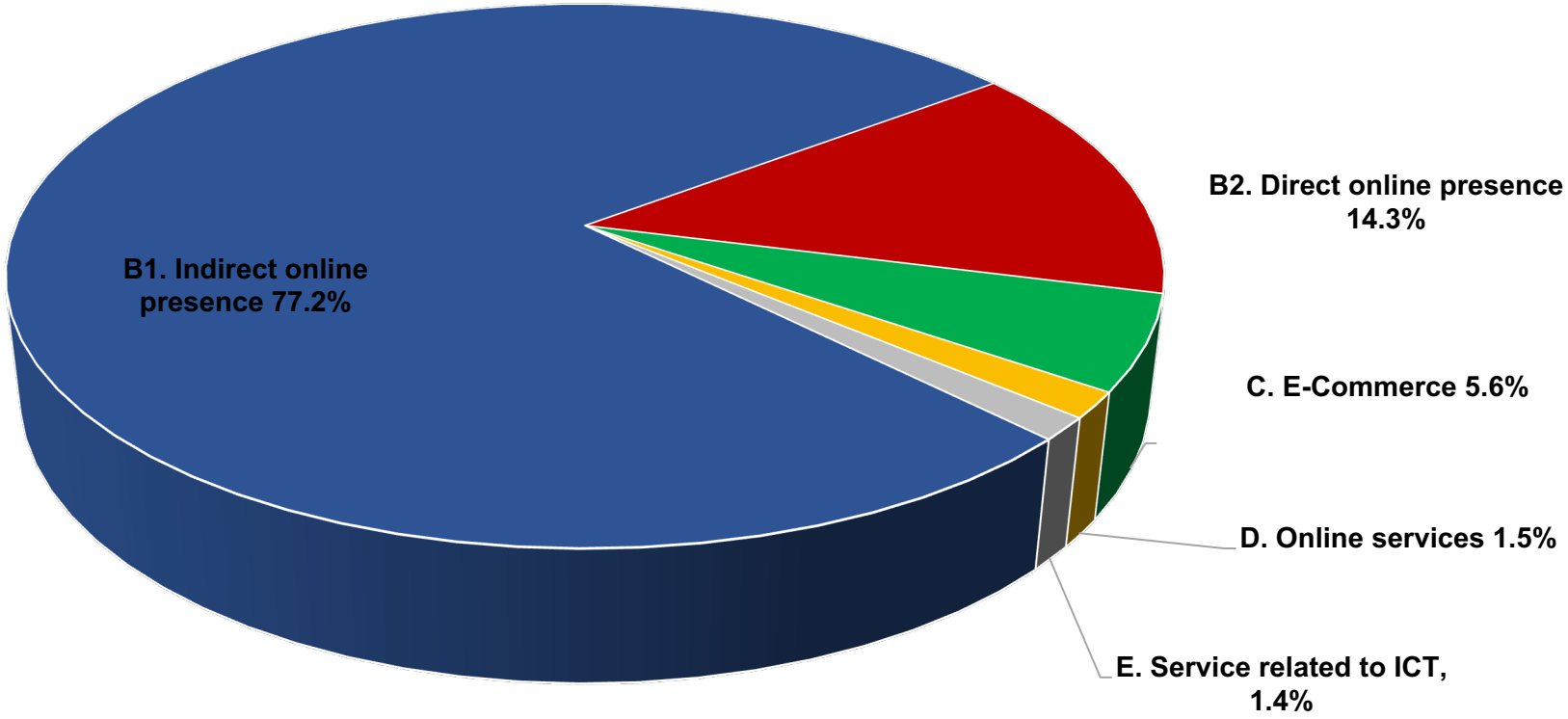
Percentage coverage of the enterprises linked to the main economic variables

Category	Establishments	Personel
B1. Indirect online presence	5.0%	31.0%
B2. Presence in direct online	0.7%	4.5%
C. E-commerce	1.4%	3.1%
D. Online Services	0.1%	0.7%
E. ICT Related Services	0.1%	0.4%
Total	**7.2%**	**39.7%**

Category	Incomes	Gross value added (census)
B1. Indirect online presence	46.9%	45.3%
B2. Presence in direct online	4.2%	5.3%
C. E-commerce	4.7%	5.4%
D. Online Services	0.5%	0.8%
E. ICT Related Services	0.2%	0.2%
Total	**56.4%**	**57.0%**

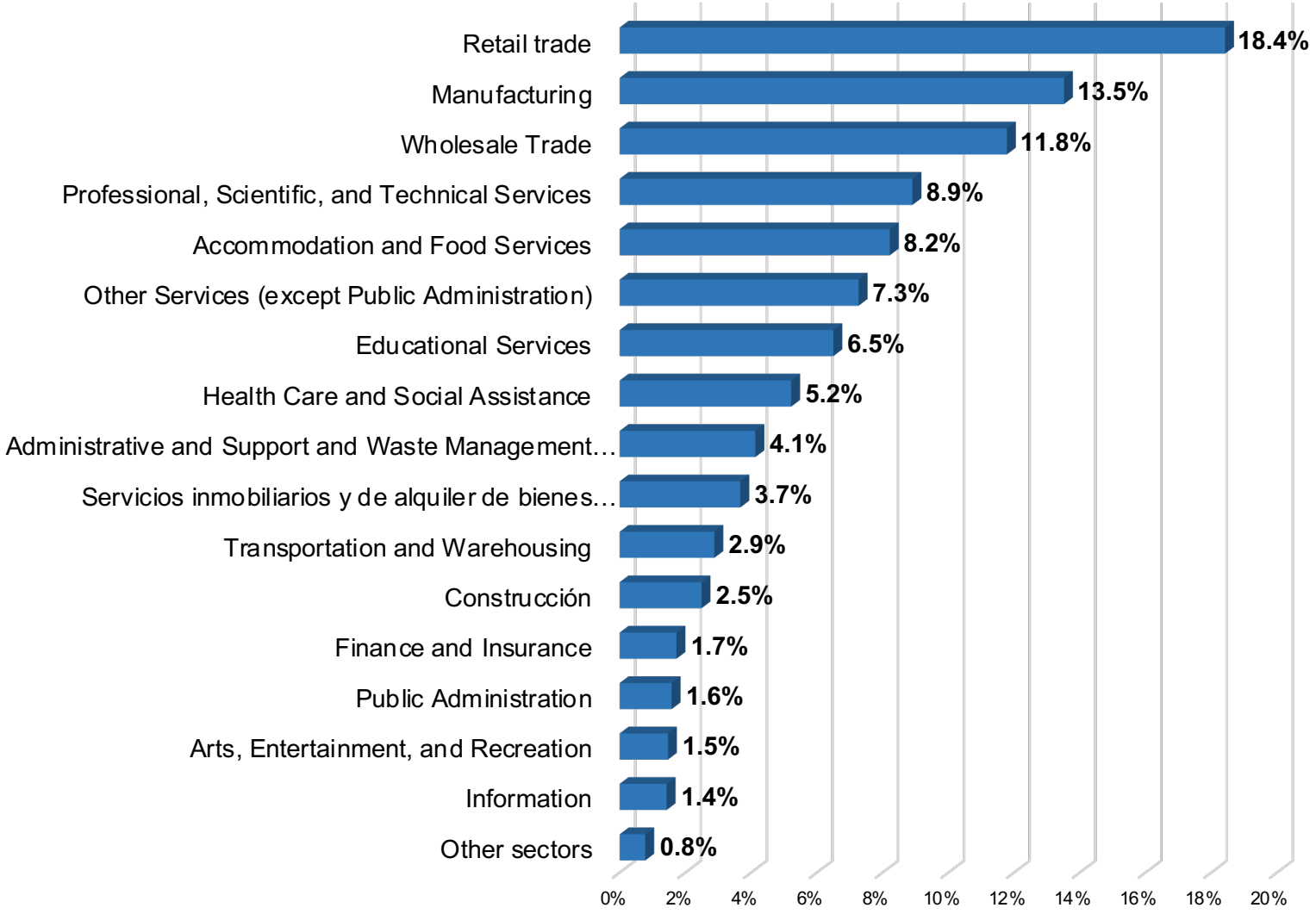


Distribution of websites according to internet use category



Total of linked enterprises: **73,597**

Percentage distribution of enterprises linked by economic activity



Next steps

Next steps

- Seek alliances with Internet information providers for the annual calculation of the Internet Economy.

- Analyze the conceptual design of the topic on internet in the 2024 Economic Censuses to enrich the available information.

- Produce experimental statistics on Digital Economy, to satisfy information requirements on the availability (supply) and use of digital goods and services (demand) in the NAS; considering the reviews and discussions within the OECD and IMF international working groups on the subject.

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Thank you