EXTENDED SUPPLY AND USE TABLES. CASE OF MEXICO

October, 2020
- A set of tables that describe the magnitudes of inter-industrial flows within the economy, providing information on supply and demand in a more granular way and focused on the external sector.

- The growing globalization demands statistics that provide information on the interdependencies between countries and the impacts on the economies, under this scenario there are international agreements that cover these needs.
Being the **Terms of Reference**, published by the **OECD**, the **main source of information** the key objectives of this extension are:

- **Have an Analysis tool** for decision makers.
- **Know the role of foreign affiliates**, which cause **spill-over externalities of FDI**.
- **Know the integration** of the EU by size in the GVC, through the **foreign owners** of economic units **installed in the country**. *(Integrated Profile)*
- **Provide information for specific studies** with a **foreign focus**.

*(Integrated Profile)*
Structure of the Mexican ESUT Industry Sector

- Exporter Focus
- Ownership Focus
- Size of the EU

Exported Focus
- Domestic Owned
- Foreign Owned

Ownership Focus
- Domestic Owned
- Foreign Owned

Size of the EU
- Small (S)
- Medium (M)
- Large (L)

Non Exporter
- Formal Non Exporter
- Informal Non Exporter

Unit of measure: Establishment

Structure of the Mexican ESUT
PUBLISHED EXTENSIONS

A. EXPORTER FOCUS
This extension is classified into two large groups:

- **Exporters**
  - Establishments that registered transactions of **goods** and/or **services** abroad and in the **country**.

- **Non Exporters**
  - Establishments that registered transactions of **goods** and/or **services** in the **country**.

**How is the Exporter profile integrated?**

- **Formal Sector**
  - EU incorporated as a company or quasi-companies, which are **protected** by the **institutional legal framework**.

- **Informal Sector**
  - Unincorporated EU, owned by households that **do not have** protection of the **institutional legal framework**.
### Supply Table

<table>
<thead>
<tr>
<th>Industry Product</th>
<th>Trade and transport margins</th>
<th>Taxes on the net products</th>
<th>Supply (basic prices)</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Total</td>
<td>Good and Services</td>
</tr>
<tr>
<td></td>
<td>E FNE INE</td>
<td>E FNE INE</td>
<td>E FNE INE</td>
<td>Sector 1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>E FNE INE</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sector 2</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>E FNE INE</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Sector 3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>E FNE INE</td>
</tr>
</tbody>
</table>

### Use Table

<table>
<thead>
<tr>
<th>Products</th>
<th>Total Use (Purchases)</th>
<th>Intermediate Consumption</th>
<th>Final Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Sector 1</td>
<td>Household final consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sector 2</td>
<td>Government Consumption</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sector 3</td>
<td>Gross fixed capital formation</td>
</tr>
<tr>
<td>Good and services</td>
<td>E FNE INE</td>
<td>E FNE INE</td>
<td>Changes in Inventories</td>
</tr>
<tr>
<td>Sector 1</td>
<td></td>
<td>E FNE INE</td>
<td>Exports</td>
</tr>
<tr>
<td>Sector 2</td>
<td></td>
<td>E FNE INE</td>
<td>Statistical discrepancy</td>
</tr>
<tr>
<td>Sector 3</td>
<td></td>
<td>E FNE INE</td>
<td>E FNE INE</td>
</tr>
</tbody>
</table>

1st Level: Exporter Focus
B. Ownership Focus
What is a Foreign Subsidiary?

Internal

Resident EU in the collecting country controlled by an institutional unit not resident in that country.

EU controlled by a unit that is autonomous and decision maker.

Also, there are two classifications:

External

Non Resident EU in the collecting country controlled by an institutional unit resident in that country.

For our analysis, this approach is the object of study.

Source: Eurostat, methodologies & working papers, 2009.
<table>
<thead>
<tr>
<th>Products</th>
<th>Sector 1</th>
<th>Sector 2</th>
<th>Sector 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods and services</td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
</tr>
<tr>
<td></td>
<td>Sector 1</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
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<tr>
<td></td>
<td>Sector 2</td>
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<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
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<tr>
<td></td>
<td>Sector 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
</tr>
</tbody>
</table>

Supply Table

<table>
<thead>
<tr>
<th>Products</th>
<th>Total Supply (Purchase Prices)</th>
<th>Trade and transport margins</th>
<th>Taxes on the net products</th>
<th>Supply at basic prices</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total TTM</td>
<td>Rest of the economy</td>
<td>Total Exporter</td>
<td>DO</td>
<td>DOA</td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sector 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sector 2</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sector 3</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
<td></td>
</tr>
</tbody>
</table>

Use Table

<table>
<thead>
<tr>
<th>Products</th>
<th>Total Use (Purchase prices)</th>
<th>Intermediate demand</th>
<th>Good and Services</th>
<th>Final Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total Supply prices</td>
<td>Rest of the economy</td>
<td>Total Exporter Unites</td>
<td>DO</td>
</tr>
<tr>
<td></td>
<td>Sector 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
</tr>
<tr>
<td></td>
<td>Sector 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
</tr>
<tr>
<td></td>
<td>Sector 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DO</td>
<td>DOA</td>
<td>FO</td>
<td>FOA</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Products</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good and services</td>
<td>Sector 1</td>
</tr>
<tr>
<td>DO</td>
<td>DOA</td>
</tr>
</tbody>
</table>

| Good and services | Sector 1 |
| DO | DOA | FO | FOA |

| Good and services | Sector 2 |
| DO | DOA | FO | FOA |

| Good and services | Sector 3 |
| DO | DOA | FO | FOA |

| Good and services | GVA |
| Total Gross Production | | |

DO: Domestic Owned
DOA: Domestic Owned Affiliate
FO: Foreign Owned
FOA: Foreign Owned Affiliate

2nd Level: Ownership Focus
C. Size of the Economic Unit
Employed personnel is the main calculation variable

Sources of information:

The distribution coefficients were calculated based on the Value of Production by class of activity and size of the economic unit.

Criteria:

- Employed personnel 1 a 50
- Employed personnel 50 a 250
- Employed personnel >250

How is the Economic Unit Size integrated?

- Small enterprise
- Medium enterprise
- Big enterprise

APPLIES TO THE TOTAL OF THE ECONOMY
As a result of the analysis of the information, it was determined that characterization by size of the EU with the same procedure was not feasible for the AGRICULTURAL AND GOVERNMENT sectors, therefore, the treatment applied was:

### AGRICULTURAL SECTOR

<table>
<thead>
<tr>
<th>Size</th>
<th>Crops</th>
<th>Livestock</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hectares</td>
<td>Bovine (Heads)</td>
</tr>
<tr>
<td>Small</td>
<td>0 to 5</td>
<td>1 to 10</td>
</tr>
<tr>
<td>Medium</td>
<td>More than 5 to 20</td>
<td>11 to 120</td>
</tr>
<tr>
<td>Large</td>
<td>More than 20 to more than 50</td>
<td>More than 120</td>
</tr>
</tbody>
</table>

In the **PUBLIC SECTOR**, the variable used for the construction of the coefficients was only the **reported Employed Personnel** of those **economic units** that were **registered and classified as "Public"**.
### Supply Table

#### Products
- Sector 1
- Sector 2
- Sector 3

#### Trade and transport margins
- Total
- Sector 1
- Sector 2
- Sector 3

#### Taxes on the net products
- Total
- Sector 1
- Sector 2
- Sector 3

#### Supply at basic prices
- Total
- Sector 1
- Sector 2
- Sector 3

#### Industry
- Good and Services

#### Imports CIF
- Total Imports CIF (Total FOB)

### Use Table

#### Products
- Total Use (Purchase prices)
- Sector 1
- Sector 2
- Sector 3

#### Intermediate Demand
- Total
- Sector 1
- Sector 2
- Sector 3

#### Final Demand
- Household final Consumption
- Gross fixed capital
- Changes in Inventories
- Exports
- Statistical discrepancy

### INEGI

3rd Level: Size of the Economic Unit

- S: Small
- M: Medium
- L: Large
*Considers the Economic Units classified as exporters

https://www.inegi.org.mx/temas/coue/
Next steps
Exporter profile. Extended Intermediate Use by Domestic and Imported Origin
The objective of this disaggregation is to show the origin of the goods and services used to carry out the production of the establishments that registered exports and were characterized as part of the Exporter Focus (EF).

The origin of intermediate goods and services will be presented in two aggregates:

- **Domestic**: Intermediate inputs of national origin
- **Imported**: Intermediate inputs from abroad.
## Exporter profile

**Intermediate demand**

<table>
<thead>
<tr>
<th>Products</th>
<th>Sector 1</th>
<th>Sector 2</th>
<th>Sector 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>E</td>
<td>NE</td>
<td>E</td>
</tr>
<tr>
<td>Total</td>
<td>D</td>
<td>I</td>
<td>D</td>
</tr>
</tbody>
</table>

### Dimensions

- 100 columns x 20 rows
- 2,000 cells

### Opening scheme

- **E**: Exporter
  - D: Domestic
  - I: Imported
- **NE**: Non Exporter
  - D: Domestic
  - I: Imported
**Results**

**Matrix of Total Intermediate Consumption, Domestic and Imported***

- **Exporters Profile**
  - Domestic Intermediate Consumption: $2,797,650
  - Imported Intermediate Consumption: $2,944,163
  - Total: $5,223,928
  - Percentage: 43.5%

- **Non Exporters Profile**
  - Domestic Intermediate Consumption: $5,233,202
  - Imported Intermediate Consumption: $1,542,898
  - Total: $6,776,100
  - Percentage: 56.5%

*Of total ID: 44%

*Millions of pesos

**Exporter Profile**

**Non Exporter Profile**

**Domestic Intermediate Consumption***

**Imported Intermediate Consumption***
Opening of the components of the Added Value of the Exporter Profile
The ESUT 2013 publication covered most of the characteristics that make up the Traditional Tables with the exception of the breakdown of the components of the added value of the exporter profile.

Breakdown of the:

- Components of VA of the UT 2013.
- Components of VA of Informal Sector.
- Total economy Census production accounts.
The opening scheme by type of economic activity proposed is as follows:

<table>
<thead>
<tr>
<th>Use Table. Export Focus</th>
<th>Intermediate Demand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Concept</td>
<td>E</td>
</tr>
<tr>
<td><strong>B1g. - GROSS VALUE ADDED AT BASIC PRICES</strong></td>
<td>Sector 1</td>
</tr>
<tr>
<td>D.1 - Total compensation of employees</td>
<td>E</td>
</tr>
<tr>
<td>D.11 - Wages and salaries that include effective social security contributions</td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td></td>
</tr>
<tr>
<td>Salaries</td>
<td></td>
</tr>
<tr>
<td>D.121 - Effective Social Security Contributions</td>
<td></td>
</tr>
<tr>
<td>D.122 - Other Social Benefits</td>
<td></td>
</tr>
<tr>
<td>D.29-D.39 - Net Production Subsidy Taxes</td>
<td></td>
</tr>
<tr>
<td>D.29 - Taxes on the activity</td>
<td></td>
</tr>
<tr>
<td>D.39 - Minus: subsidies</td>
<td></td>
</tr>
<tr>
<td>B.2b - Gross Operating Surplus</td>
<td></td>
</tr>
<tr>
<td><strong>P.1 TOTAL PRODUCTION BY ACTIVITY AT BASIC PRICES</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Dimensions**

3,177 columns x 12 rows = 38,124 cells

E: Exporter
FNE: Formal Non Exporter
INE: Informal Non Exporter
Allow to know the breakdown of the economic activities that are carried out throughout the global supply chain.

Determine the degree of coordination or control (and the associated risk) that a leading company has over the production process.

The characteristic of **goods sent abroad for processing** is based on **international transactions** where the raw material is **owned by third parties**, as well as the **final products**.

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**Merchanting**

Refers to the **purchase** of a **good** by a **resident** (of the compiling economy) to a **non-resident** and the **subsequent resale** of the same good to another **non-resident** without said good being present in the executing economy.
Refers to the characterization of the establishments that carry out the supervision, operational control and management of the activities of the subsidiaries through planning, administration, decision-making and organization oriented towards managerial, administrative and technological development activities.

Happens when a resident establishment owns the intellectual property used in the production process, but does not have the physical assets or the labor force to transform intermediate inputs.

The entire production process is outsourced to another establishment (the business could be in the same country or abroad).
Supply modes
Are the way in which services are consumed in International Trade and are defined considering that the supplier and its consumer are in the same country or in different countries when the service is being presented, always taking into account their nationality or origin.
In this context, the Institute is designing a quarterly and annual survey on International Trade in Services that meets the related needs for internal work as well as for the Balance of Payments.

**Consumption abroad**
- Service supplier
- Foreing
- Service Consumer

**Commercial presence**
- Service supplier
- Service Consumer

**Cross-border supply**
- Service supplier
- Service Consumer

**Individuals**
- Service Consumer
- Service supplier
Conociendo México

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