

THE NEW MACROSTATISTICS TREATMENT OF THE IN BOND EXPORT INDUSTRY IN MEXICO

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1. INTRODUCTION

Up to these days, the output of the In Bond Export Industry (IBEI) has been considered as a processing service both for the balance of payments and for the national accounts. Nevertheless, the new international integration of the industry and the markets; and the characteristics and importance of this activity in Mexico, have led to make a new treatment.

This means that the output of the IBEI is going to be considered as goods or services production and not like processing services.

This new treatment follows the latest recommendations of the National Account System and the Balance of Payment Manual and will improve the analytical framework of this activity.

It will allow to harmonize the foreign trade statistics with our main commercial partners: the United States and Canada, which record the gross flows of exports and imports.

The change also will show a more objective situation of our national accounts. It will improve the manufacturing production account and the input-output relationship, and will represent the real total supply and demand of goods and services.

2. THE IN BOND EXPORT INDUSTRY

Def.

The IBEI is the activity carried out by a national or foreign enterprise established in Mexico whose program of operation has been authorized by the Ministry of Trade and Industrial Development who determines the goods and services that will be returned abroad or selling in the domestic market.

An IBEI is an economic unit which mainly performs one or several stages of a productive process leaded by a main office. In correspondence with the Mexican legislation, this work is done through a contract signed by a non-resident company (most of the times is the main office) and by a person or a national or foreign company. This person or company is in charge of the process that will be performed in Mexico and of sending back the output.

Usually, the IBEI, foreign or national, pays wages and salaries to the personnel. The external technical assistance is paid, most of the times, by the main office.

The imported inputs, which represent a high percentage of the raw materials used in the process, come into the country through an special custom law. They are considered as temporary imports, and do not change their original owner and do not pay taxes.

Most of the output of the IBEI is sent abroad, but now, the Mexican law has considered that a part of it could stay in Mexico. Up to 50% more of the value of the exports done can stay here if the IBEI has a balanced budget of foreign currency and observe every customs law.

The production of the IBEI is formed by goods that can be considered as of intermediate or final use products with simple and sophisticated technology. The enterprise can take decisions on its production and investment within the framework of the contract.

Nowadays the most important activities developed by the IBEI are: construction, restoration and assembly of transportation equipment; and electric and electronic material and accessories. These activities generate a little more than the 50% of the value added of the In Bond Export Industry.

3. THE FOREIGN TRADE STATISTICS

Since December 1992, we have started to record the gross flows of imports and exports of the IBEI; so today, the total amount of imports and exports includes the one in the IBEI.

At customs, there is an IBEI directory and codes that identify them. Every product imported and exported by an IBEI has to use the Harmonized System; all the products are considered as goods no matter the grade of transformation. The system allows to have separated data for the IBEI and no-IBEI operations.

Imports and exports are rated CIF. Customs Office has assumed, after asking the IBEI, that the value of its exports are determined by adding the imported inputs, the national inputs and the value added.

It is important to outline that since part of the IBEI production could be sold in Mexico, the difference between its exports and imports would not equal the value added.

4. PRODUCTION ACCOUNTS

The value of the IBEI production will consider the imports and the national inputs as the total of the intermediate consumption. The value added will include compensation of employees, which is the main expenditure, and other value added.

This means that the value of the exports will be equivalent to the value of the output exported.