The Incorporation of the Balance of Payments into the National Accounts: Some reflections

February, 2020
In the case of the Institute is important to point out that we are mainly users of the information recorded in the Balance of Payments (BOP)

The BOP information included in whichever product of the System of National Accounts of Mexico (SNAM) is easy to identify

In such a way all time is maintained the consistency and coherence regard of the external transactions between SNAM and International Accounts
The Balance of Payments is incorporated into the SNAM through:

- Institutional Sectors;
- Supply and Use Tables;
- Good and Services Account

Some of the main uses

01. Current Account, of this is used the levels of import and export of goods;

02. Non-Factorial Services Data;

03. The freight and insurance data are used to CIF import valuation;

04. For the succession of Accounts in the SNAM is used the Primary Income and Secondary Income;

05. Likewise is used the Capital Account and Financial Account

1.- Main uses
In the specific Mexican case, the information related to Non-Factorial Services in the version 6 breakdown into 5 services.

With this aggregation is difficult incorporating data into the SUT by economic activity class.

2. - Reflexions

- Repairs and Maintenance
- Transports
- Travels
- Construction
- Insurance
In particular to elaborate of the SUT, which are the support of the base year, it is required the major breakdown available of the different sources of information that are used.

In this sense, a broader breakdown of the Non-Factorial Services, would let a best allocation for economic activity (NAICS Class) and accuracy of the services used by their integration.

An example of breakdown proposal for one of the services, in the case of Transport, is:
Transport > Others

<table>
<thead>
<tr>
<th>Service</th>
<th>Percentage</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others Services</td>
<td>2.26%</td>
<td>488190</td>
</tr>
<tr>
<td>Landing fees</td>
<td>3.96%</td>
<td>488112</td>
</tr>
<tr>
<td>Loading and unloading</td>
<td>1.83%</td>
<td>488112</td>
</tr>
<tr>
<td>General services</td>
<td>13.92%</td>
<td>488190</td>
</tr>
<tr>
<td>Passenger services (food)</td>
<td>7.16%</td>
<td>722310</td>
</tr>
<tr>
<td>Airport services</td>
<td>10.53%</td>
<td>488111</td>
</tr>
<tr>
<td>Jet fuels</td>
<td>60.34%</td>
<td>324110</td>
</tr>
</tbody>
</table>

To let the best allocation of the economic activity class NAICS in where are carried out the services.

2.- Reflexions
2. - Reflexions

In the Capital Account, more specifically in the Foreign direct investment, a breakdown in new investment and reinvestment would be useful. For example Investment and reinvestment in the automotive sector, aerospace, etc.

In relation to the Financial derivatives, out of the organized markets, that is named as “Over the Counter” have no breakdown.
Nowadays to count with a measure and breakdown of the Intellectual Property Products (IPP) would be suitable considering the impact that this concept has into the global economic activity.

In the same sense, to count with the measurement of the Multinational enterprises from the point of view of Capital Account and your impact in the Current Account would support in the best measure of the transactions and flows between enterprises and affiliates.
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