MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

IMPLEMENTATION OF THE 2008 SNA AND MAIN CHALLENGES: MALAYSIA

WEBINAR ON 2008 SNA IMPLEMENTATION
22-23 February 2023

OUTLINE

01 BACKGROUND OF DOSM

02 CHANGES AND IMPROVEMENT
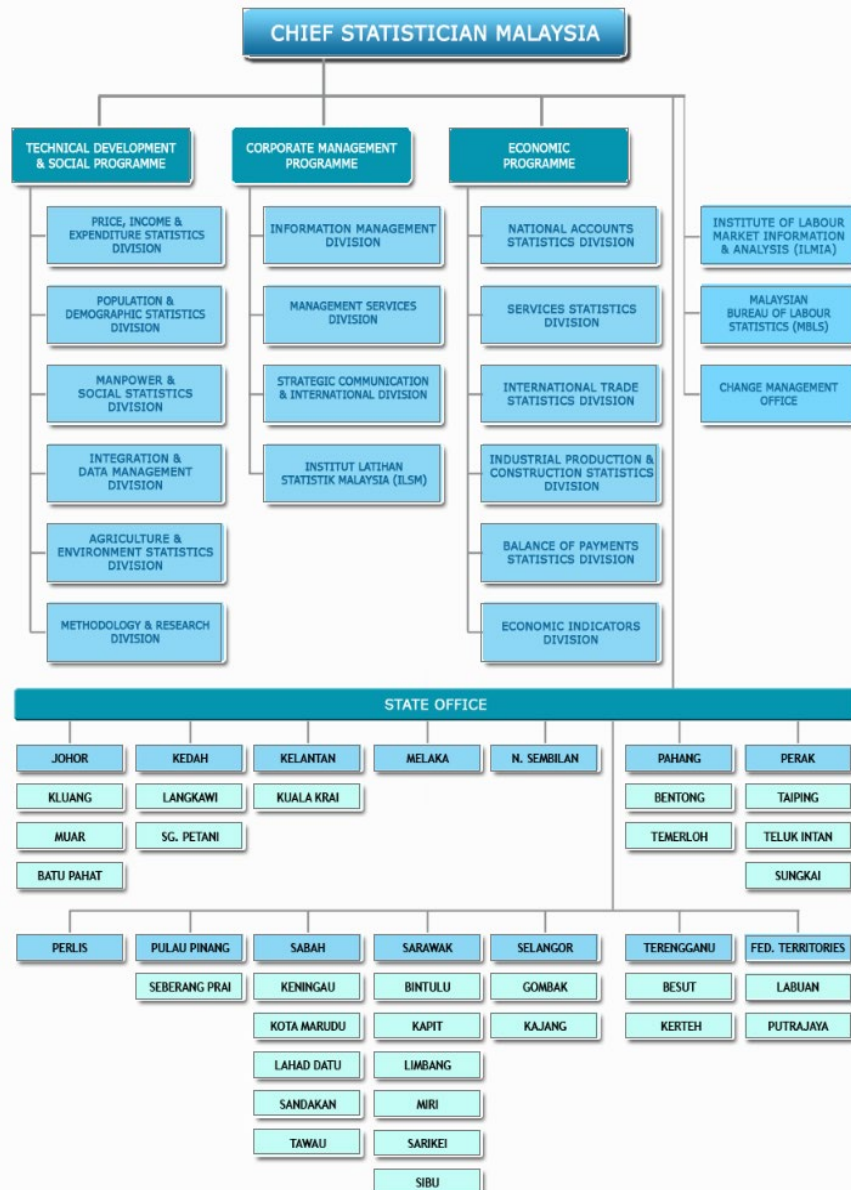
03 MAIN CHALLENGES

04 WAY FORWARD

05 CONCLUSION

BACKGROUND

BACKGROUND OF THE DEPARTMENT OF STATISTICS MALAYSIA (DOSM)

Organisation chart of the Department of Statistics Malaysia

The **Department of Statistics Malaysia (DOSM)** is a premier government agency entrusted with the responsibility to collect, interpret and disseminate latest and real time statistics in the monitoring of national economic performance and development.

1949
The Department of Statistics, Malaysia was established in 1949 under the Statistics Ordinance 1949 and was then known as Bureau of Statistics.

1965
In 1965, the name of Bureau of Statistics was changed to the Department of Statistics, Malaysia and was operating under the provisions of Statistics Act 1965.

LAW OF MALAYSIA

LAWS OF MALAYSIA

Act 415

STATISTICS ACT 1965

(REVISED-1989)

Under the **Statistics Act 1965** (Revised – 1989), the functions of DOSM [**Section 2**] are:

To collect and interpret statistics for the purpose of formulation or implementation of government policies....

LAWS OF MALAYSIA

REPRINT

Act 16

CENSUS ACT 1960
Incorporating all amendments up to 1 January 2006

Under **Census Act 1960**:

The Yang di-Pertuan Agong may, by notification in the Gazette, from time to time direct that a census to be taken throughout Malaysia of the Population, Agriculture, Trade, Labor, Industry, Commerce....

Statistics Act 1965 (Revised-1989)

Census Act 1960 (Revised-1969)

➢ As the main agency in national data governance;

➢ Provide a quality, relevant and accessible statistical information system in real time;

➢ Ensuring the products and services provided are user-oriented and timely; and

➢ Providing data to central agencies for the formation of national development planning and administration policies.

# METHODS OF COMPILING GDP

3 APPROACHES

Production Approach	Expenditure Approach	Income Approach
Value of total production of goods and services by resident of a country Value Added = Output – Intermediate Consumption	+ Private Final Consumption + Government Final Consumption + Gross Fixed Capital Formation + Changes in Inventories + Export – Import	+ Compensation of employees + Gross Operating Surplus + (Taxes – Subsidies)
Annual & Quarterly	Annual & Quarterly	Annual

MANUAL
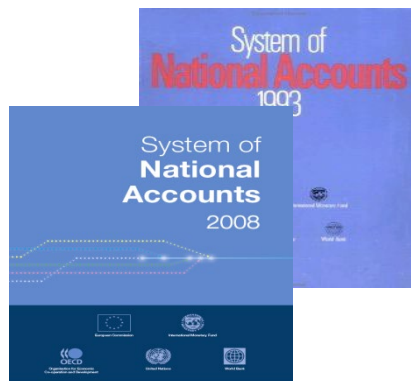
- SYSTEM OF NATIONAL ACCOUNTS, UNITED NATIONS (2008 SNA)

Balance of Payments and International Investment Position Manual - Sixth Edition (BPM6)

CLASSIFICATION

- **PRODUCT & INDUSTRY CLASSIFICATION**
  - Malaysia Standard Industrial Classification 2008 (MSIC 2008) ver. 1.0
  - Malaysia Classification of Products by Activity (MCPA 2009)
  - Central Product Classification (CPC)
  - External Trade: Harmonized System (HS); SITC; AHTN; BEC

- **OTHER INTERNATIONAL CLASSIFICATION**
  - Household Consumption:
    Classification of Expenditure According to Purpose (COICOP)
  - Government Function:
    Classification of Function of Government (COFOG)
  - Non Profit Institutions:
    Classification of Purpose of NPISH (COPNI)

ANNUAL GDP
As the macroeconomic indicators - current growth levels

QUARTERLY GDP
As an early indicator for economic development: identifying turning points

GDP BY STATES
Portray annual economic performance by states in Malaysia

GROSS FIXED CAPITAL FORMATION
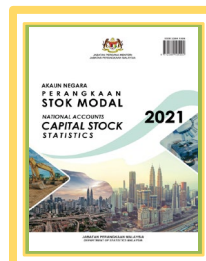Presents the information on (fixed asset) Investment

SMALL & MEDIUM ENTERPRISES
Measure the contribution of SMEs to Gross Domestic Product

TOURISM SATELITTE ACCOUNTS
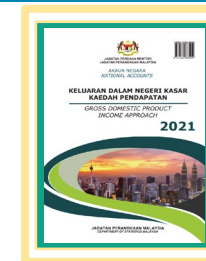Measure the contribution of Tourism sector to total economy

CAPITAL STOCK
Presents the accumulated assets of the country in terms of fixed assets

ICT SATELLITE ACCOUNT
Provide information on the contribution of ICT to GDP, supply and use of ICT products, income and employment in ICT industry & data on e-Commerce

GDP BY INCOME APPROACH
Income components in the economy

Input Output Tables
Present economy's circular flow of goods and services

Distribution & Use of Income Accounts and Capital Account
Provides macro economic indicators such as investment and saving

SOCIAL ACCOUNTING MATRIX
Integrates the economic and social statistics as well as linkages among the institutions
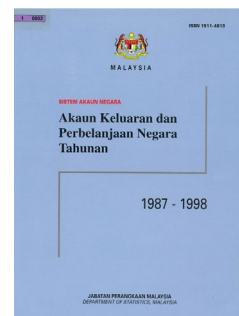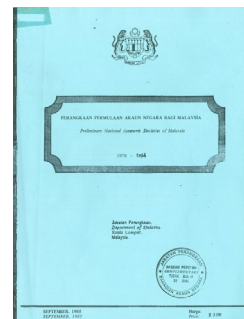
Malaysia's **GDP** has been rebased for the **seventh times....**

1970

1993 SNA
Released in 2007
2000

1993 SNA & 2008 SNA
Released in 2012
2005
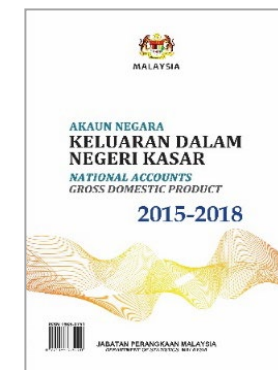
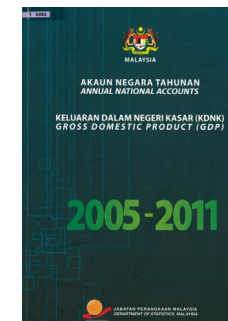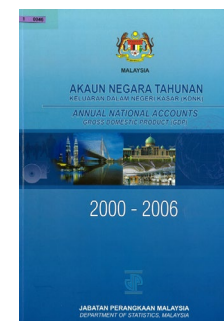**BASE YEAR**
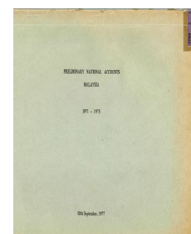
Released in 1977

1978
Released in 1985

1987
Released in 1999

1968 SNA

2010
Released in 2015

2015
Released in 2019

2008 SNA

Compilation of National Accounts Statistics:

❖ **GDP at current** prices started from year 1947

❖ **GDP at constant** prices since 1970 and onwards

❖ **GDP for base year 2015** was published on **May 2019**

CHANGES AND IMPROVEMENT

Capitalisation of R&D Expenditure
- Move R&D expenditure from intermediate consumption to gross capital formation.

Capitalisation of Weapon Systems
- Move expenditure on military equipments from final consumption to gross capital formation

Measurement of FISIM
- Output of FISIM calculated on loans and deposits only using interest rates on deposits and loans and a reference rate of interest
- Output of FISIM allocated to users

Treatment on Goods for Processing (GFP)
- The principle has outlined that any goods sent abroad for processing (GFP) that does not change ownership, the goods must be excluded from the trade in goods data. Instead, the processing fees are recorded as manufacturing services (MS).

System of
National Accounts
2008

System of National Accounts 1993

MAIN CHALLENGES

MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

StatsMalaysia
www.DOSM.gov.my
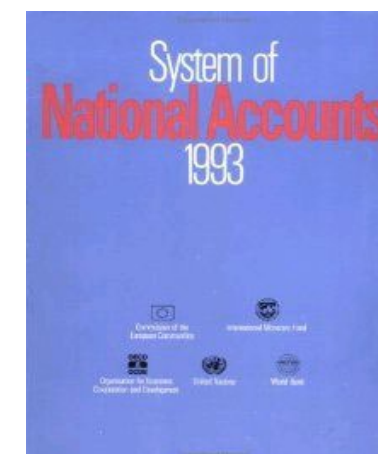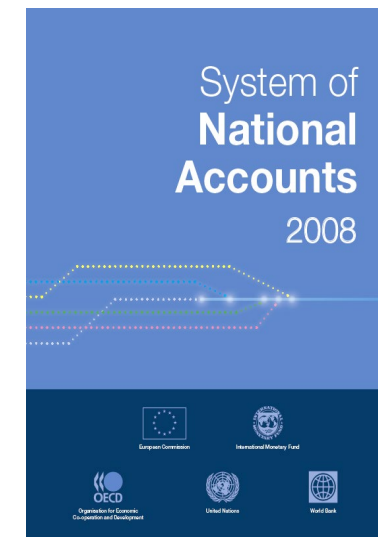
➤ **Political support and commitment**

- Malaysia's Plan (every 5 years)
- Economic policy

○ **Censuses**

○ **Surveys**

National energy Policy (2022-2040)

Fourth Industrial Revolution (4IR), Industry4WRD

National Biotechnology Policy (DBN) 2.0 (2030)

Economic Policy

National Graphene Action Plan 2020

National Agriculture Policy
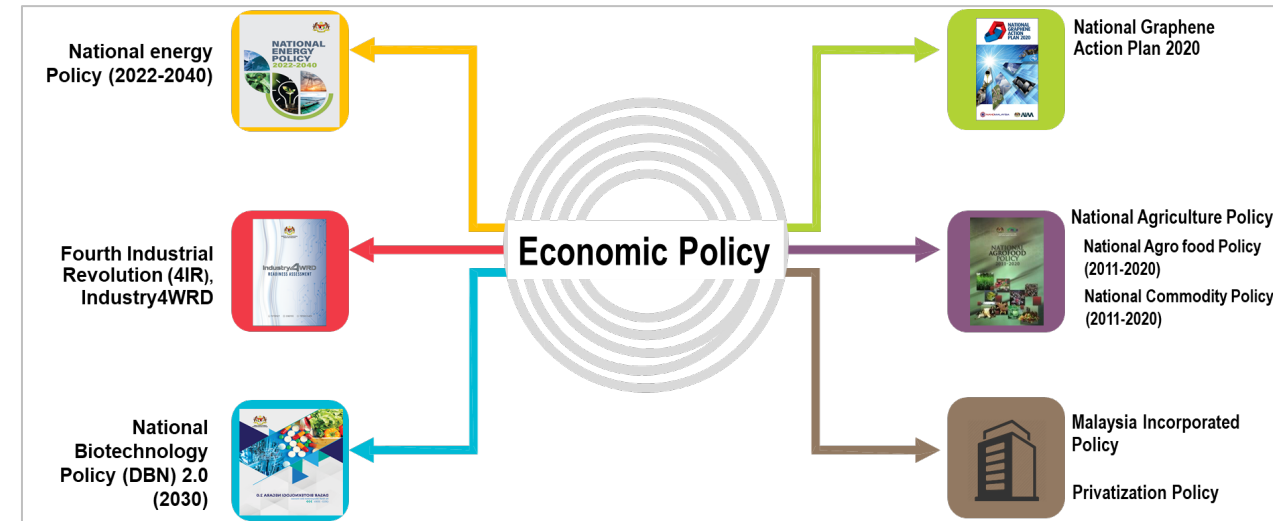National Agro food Policy (2011-2020)
National Commodity Policy (2011-2020)

Malaysia Incorporated Policy

Privatization Policy

Malaysia's Plan…

1966 - 1970	1976 - 1980	1986 -1990	1996 - 2000	2006 - 2010	2016-2020
First Malaysia Plan	Third Malaysia Plan	Fifth Malaysia Plan	Seventh Malaysia Plan	Ninth Malaysia Plan	Eleventh Malaysia Plan

MP 1 · MP 2 · MP 3 · MP 4 · MP 5 · MP 6 · MP 7 · MP 8 · MP 9 · MP 10 · MP 11 · MP 12

1971 - 1975	1981 -1985	1981-1985	2001-2005	2011-2015	2021-2025
Second Malaysia Plan	Fourth Malaysia Plan	Sixth Malaysia Plan	Eighth Malaysia Plan	Tenth Malaysia Plan	Twelfth Malaysia Plan

➢ **Data Limitations**

- Involved various data producers and data suppliers

- Confidentiality issues

- New industries - Evolution of economic environment (e.g Globalisation, Digitalisation etc.)

- Demand for granular/ detailed data

➢ **Communicating the 2008 SNA**

- Must be centrally coordinated (e.g seminars and workshops including road shows in each State and Territory).

- Clearly communicate the new implementation and the resulting changes.

- Consulted regularly with main stakeholders.

WAY FORWARD

- Chain Volume Measures (CVM)

- Established the National Statistics and Data Council (NSDC)

- Other new National Accounts products (e.g: Sport Satellite Accounts and Oil and Gas Satellite Accounts.

CONCLUSION

- The 2008 SNA is the real motivation and systematic measurement.

- Fulfilled the recommendation of 2008 SNA.

- Understanding the limitations of data and how to overcome it

- Communicating with the users and stakeholders.

"STATISTICS BLOOM IN HARMONY"

Doesn't matter far or near
Strength in numbers
we don't live in fear

Birds of feather flock together
Statistics our form of adour
We, will always live it up

So let us live in solidarity
And in the world arena we'll
succeed
It is statistics that will come to be
The reason we will bloom in
harmony

Everybody undivided
Data's where our hearts reside in
There will always be a bind

Just like fire that ignites
That's how brightly lit our dreams are
We'll reach higher than the stars

Sending love to one another
Leaving no one in a slumber
We will stand with unity

Mustering our courage while
Embracing our disparities
We'll achieve our victory

One dream with unity
One love with harmony

" STATISTICS BLOOM IN HARMONY" VIDEO

https://bit.ly/StatisticsBloomInHarmony

THANK YOU

BE23
BANCI EKONOMI 2023
DATA PEMANGKIN EKONOMI NEGARA

StatsMalaysia

www.DOSM.gov.my