



12th Meeting of the Heads of National Statistical Offices of East Asian Countries

***Economic Statistics and
Business Registers in Malaysia***

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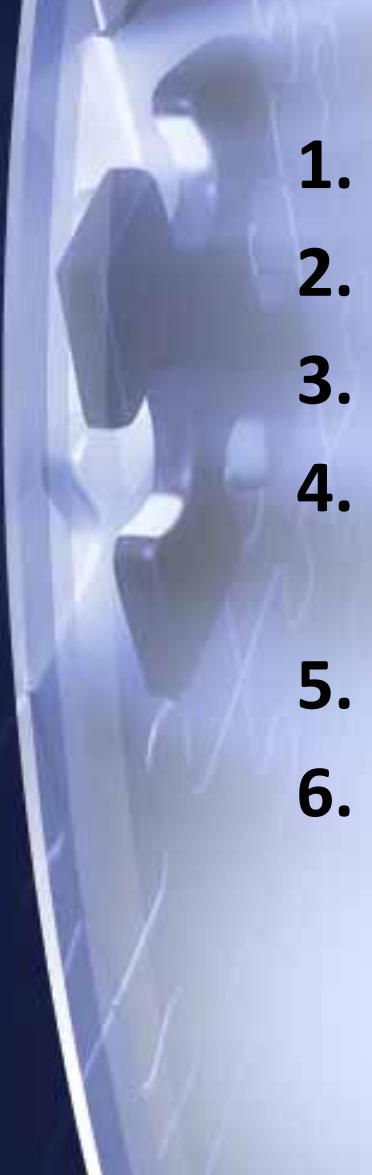
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TOPICS

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- 1. Economic statistics in Malaysia**
 - 2. Business Register**
 - 3. Use of administrative data**
 - 4. Harmonization with international statistical standards**
 - 5. Challenges**
 - 6. Moving forward**

1. Economic statistics in Malaysia

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- Department of Statistics, Malaysia (DOSM) - premier government agency entrusted with the responsibility
 - to collect, interpret and disseminate statistics for the purpose of monitoring national economic performance and social development of the country.
 - Established in 1949 as Bureau of Statistics
 - Data on external trade and estate agriculture
 - Operate under the Statistics Act 1965 (Revised 1989)

Objectives of Economic Census

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- 1. In line with international recommendations to be carried out every 5 years**
 - 2. Supplement/update business register and database system**
 - 3. Provide benchmark data for rebases of IPI, PPI, GDP and I-O Tables**

Economic Census

- 8 censuses since 1959 when 1st manufacturing census conducted
- 2006 : latest Economic Census for reference year 2005
 - Activities covered : agriculture such as logging, crops; industrial sector (mining and quarrying, manufacturing); construction and selected services such as health, ICT, education, transportation, business management and consultancy, professional

Other economic statistics

- Also conducts some 42 regular surveys annually/quarterly/monthly:
 - Monthly Manufacturing Survey
 - Quarterly Construction Survey
 - Monthly Distributives Trade Survey
 - Monthly Survey of Producer Prices
 - Quarterly Joint Survey on International Investment Position (collaboration with Central Bank of Malaysia)
 - Quarterly Survey of International Trade in Services
 - National Accounts Survey of Selected Establishments

Other economic statistics

- **Compilation**
 - **Monthly Merchandise Trade Statistics**
 - **Price Statistics (Consumer Price Index & Producer Price Indices)**
 - **Leading, Lagging and Coincident Indices**

Classification

- **Classification of economic activities follows the International Recommendations of Economic Activities (ISIC) of the United Nations.**
- **DOSM has updated :**
 - i. Malaysia Standard Industrial Classification (MSIC) 2008 version 1.0 in line with ISIC Rev. 4.**
 - ii. Malaysia Classification of Products by Activity (MCPA) based on the Central Product Classification (CPC) version 1.0**

Questionnaire

- 1975 - Common Questionnaire (CQ) was introduced to replace the standard questionnaire of the individual surveys with the aim of reducing processing time.
- Content of the CQ consisted of two parts:
 - Part A : Operating characteristics of the establishments
 - » legal status, ownership, employment and compensation of employees, capital expenditure, commencement of business activity
 - Part B : focused on topics which are survey specific

Questionnaire

- CQ was further enhanced for the Economic Census of 2000 to take into account new data needs as well as to be more user friendly – E-commerce, R&D
- In 2006, CQ was reformatted to suit the requirements of ICR

Data Collection & Processing

- Conducted through mail where respondents were requested to furnish the completed questionnaire within the stipulated time
- Field follow up to ensure quick response
- To ensure quality of data, manual as well as computerized procedures on editing and coding are instituted
 - Branch office
 - Head Quarters

Data Collection & Processing

- Validation checks for completeness and consistency
- Intelligent Character Recognition (ICR) technology - first introduced in the Census of Establishments and Enterprises 2005 (SMEs)
 - shorten processing time and reduce conventional data entry

Dissemination & Communication

- Results of the economic census/surveys released 18 months after the reference period.
- Monthly and quarterly surveys and external trade data - released within the quarter/month after the survey reference quarter/month.
- Press releases and reports and publications as well as DOSM's website* are the main channels of data dissemination.

* <http://www.statistics.gov.my>

2. Business Registers

- In Malaysia, all businesses and companies are required to register with the Companies Commission of Malaysia (CCM)
 - except professionals, institutional and government agencies
- DOSM maintains a Central Register System (CRS) of a profile of active business establishments and enterprises
 - used as a sampling frame for establishment surveys (economic surveys)
- Initiated in 1988

2. Business Registers

- **CRS contains information**
 - **Name, business location, correspondence address, type of business activity, number of employees, revenue, date of commencement, date of business registration and organization type**
- **Designed under a PC based system and was subsequently upgraded into a Local Area Network (LAN) Environment. Further enhancements were made in 2002 with the conversion into the Wide Area Network (WAN) Environment**

2. Business Registers

- DOSM regularly update the CRS using information obtained from :
 - i. various sources
 - ii. survey/census results
 - iii. screening questionnaire to determine operating status of new establishments

3. Use of administrative data

- **Look beyond statistical surveys**
- **Administrative data as a direct statistical source to replace survey data**

3. Use of administrative data

- **Advantages**
 - a. Cheaper to acquire data from the administrative source rather than to conduct a survey ; thus reducing cost**
 - b. Provide complete coverage of the population**
 - c. Reduce respondent burden**
 - d. High response rates**

3. Use of administrative data

- Constraints
 - a. Administrative processes not under the statistical office control
 - limit data coverage, content, quality and consistency
 - b. Administrative data alone insufficient to meet all the needs
 - c. Frequency
 - d. Legislation – most OGA's governed by their own legislations which ensure confidentiality of data

3. Use of administrative data

- DOSM identified and initiated discussions with relevant OGAs
- 11 OGAs identified as possible sources, eg.
 - Tax records from IRB – to be used in the compilation of GDP using income approach
 - Number of people employed, monthly remittances from EPF to update CRS and input to survey needs.

3. Use of administrative data

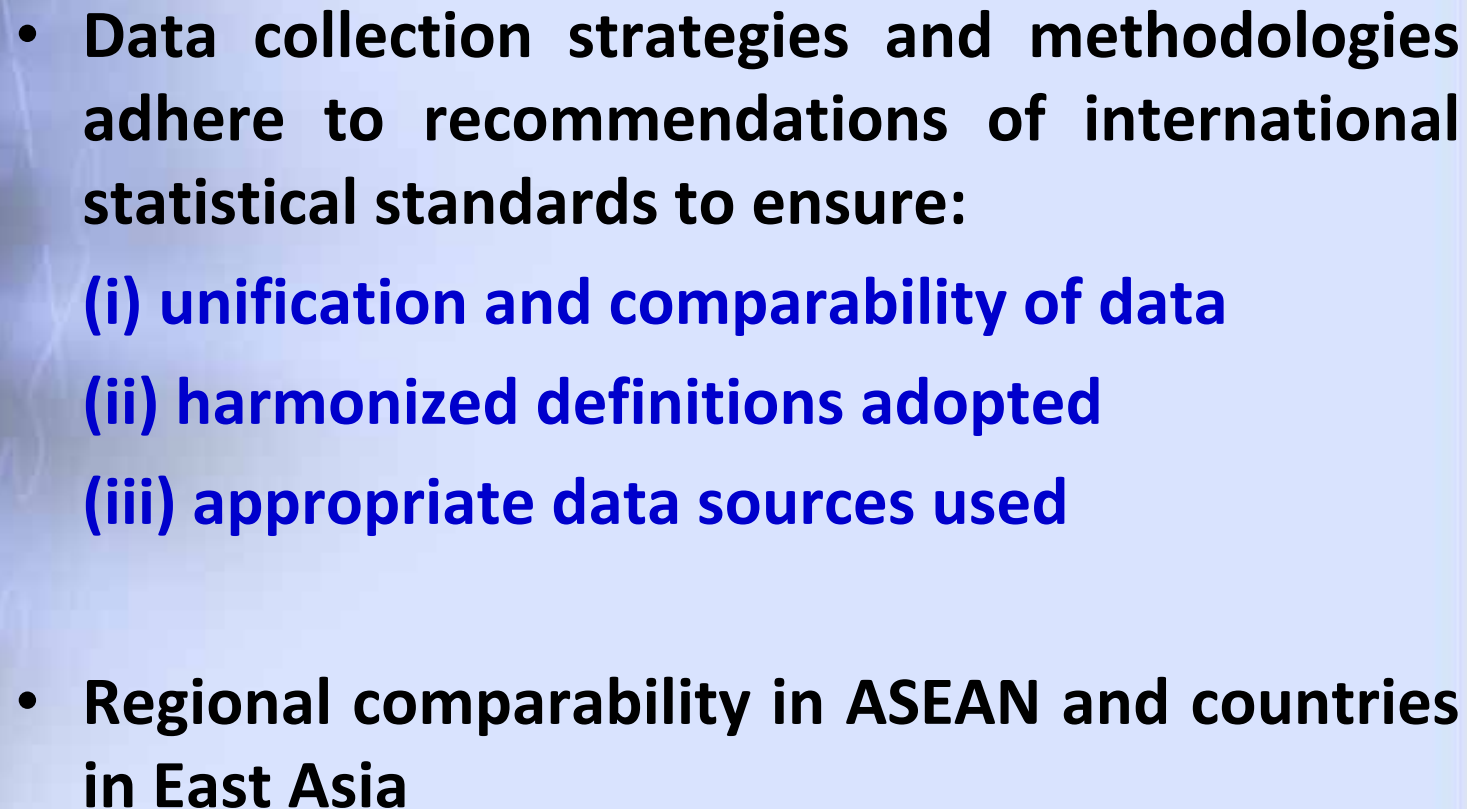
Table 1: OGAs Targeted as Sources for Administrative Data

OGA	Frequency of Update (No. Times/year)	Data Elements	Records available
Companies Commission of Malaysia (CCM)	1	1, 2, 3	1.5 million
Employees Provident Fund (EPF)	1-3	1, 2, 3, 4, 5, 6, 7	1 million
Social Security Organization (SOCSSO)	1-2	1, 2, 4, 7	5 million
Federal Land Development Authority (FELDA)	3	1, 3, 4, 5	130,000
Department of Fisheries	2	1, 4, 6	30,000
Subang Jaya Town Council	1-2	1, 2, 3	56,606
National Tobacco Board	1-2	1, 3, 4, 5, 6, 7, 8, 9	11,700
Black Pepper Marketing Board	1-2	1, 2, 8, 9	16,650
Malaysian Timber Board (MTIB)	1-2	1, 2, 3, 4, 5, 6, 7, 8, 9	36,000
Agricultural Bank of Malaysia	1-2	1, 3, 4, 5, 6, 7, 8, 9	10 million
Inland Revenue Board (IRB)	1	5, 7	


Note :

1 – Address 2 – Contact Information 3 – Business Activity 4 – No. of Employees
 5 – Gross Income, 6 – Total Output 7 – Total Wages 8 – Total Export 9 – Capital Expenditure

4. Harmonization with international statistical standards

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- Data collection strategies and methodologies adhere to recommendations of international statistical standards to ensure:
 - (i) unification and comparability of data
 - (ii) harmonized definitions adopted
 - (iii) appropriate data sources used
 - Regional comparability in ASEAN and countries in East Asia

4. Harmonization with international statistical standards

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- MSIC 2000 recently revised to be consistent with ISIC Rev. 4 until the fourth digit and is ready for implementation; SNA 1993; BoP Manual Fifth Edition; International Merchandise Trade Statistics Rev. 2 1998; IRIS 2008
 - Revisions and updates to any codes and classifications are done with consultations and discussions with relevant OGA's :
 - Inter-Agency Technical Committee (IATC) chaired by the Chief Statistician of Malaysia set up with relevant OGA's as members.

4. Harmonization with international statistical standards

- To seek uniformity in the application of such codes and classifications in the country so as to enable meaningful comparisons of data.

5. Challenges

1. Enhancement of the current CRS

a. The proposed upgraded system consists of :

4 components :

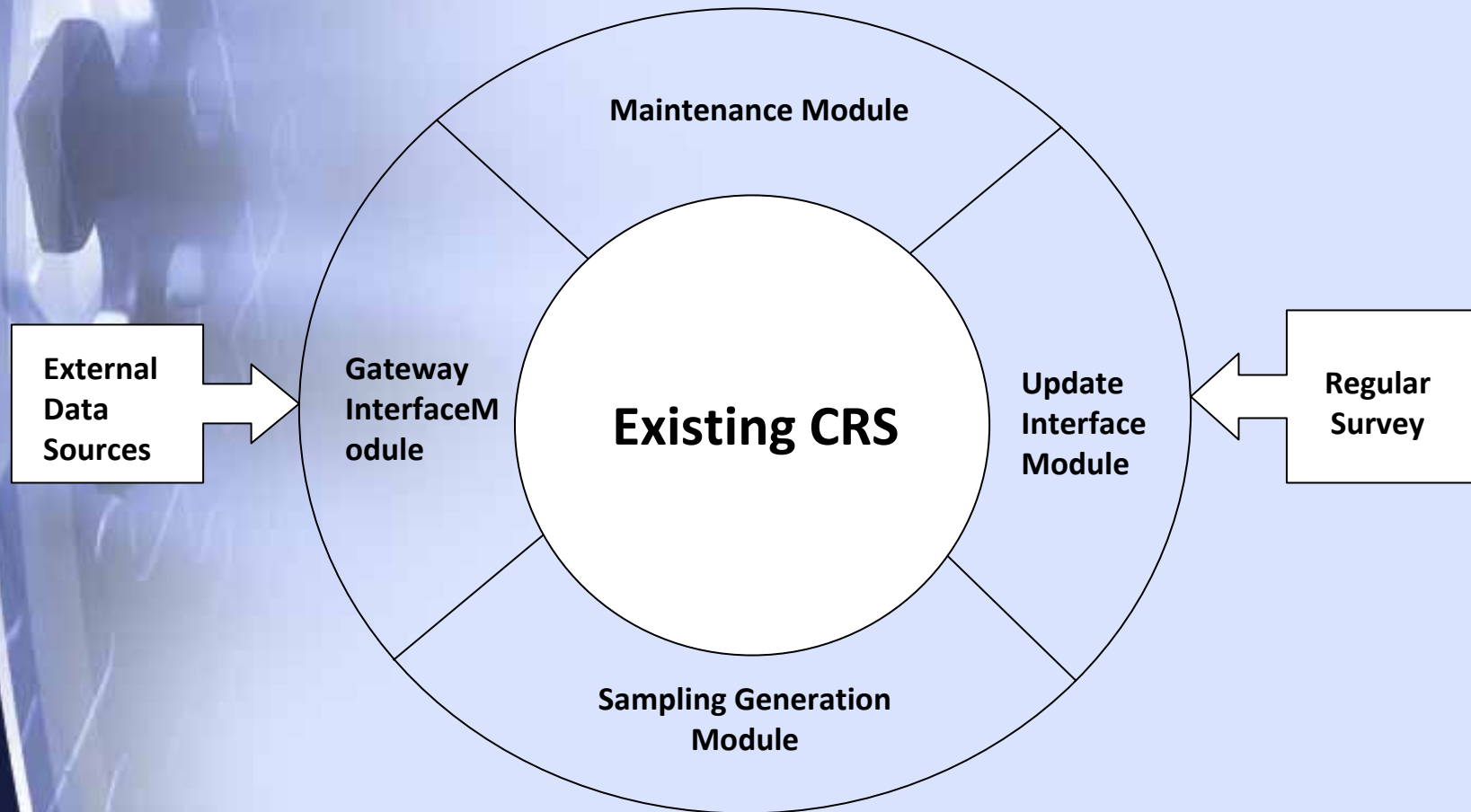
- i. Gateway Interface Module
- ii. Sampling Generation Module
- iii. Update Interface Module
- iv. Maintenance Module.

b. Two entities for updating the frame databases

- i. Regular Survey
- ii. External Data Sources (Administrative)

5. Challenges

Figure 1: System Architecture of the Upgraded CRS



5. Challenges


2. Integrated Economic Statistics

- i. Availability of a good business register is a prerequisite
- ii. Review questionnaire content of economic surveys so as to stay relevant to the needs of the national accountants and the policy makers
- iii. Mapping of economic concepts to accounting concepts and the relationship to questions in the survey form

5. Challenges

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- iv. Discussions and consultations with the private sector**
 - v. Central portal of data for extraction by related agencies**
 - vi. Review data collection strategies in line with new technologies of processing and technology advancement**
 - ❖ **E-surveys such as the Survey of International Trade in Services (ITS) and Monthly Manufacturing Survey (MMS)**

6. Moving forward

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- Holistic approach to economic statistics
 - diversity of users' needs
 - shorter timelines
 - Increasing use of administrative records to complement data obtained from surveys / censuses through MoU
 - DOSM's Strengthening Plans initiated in June 2006
 - Benchmark against best practices of national statistical organizations



THANK YOU