HIGH LEVEL SEMINAR ON THE DIGITAL ECONOMY:
A POLICY AND STATISTICAL PERSPECTIVE

DEPARTMENT OF STATISTICS
M A L A Y S I A

BANCI PENDUDUK & PERUMAHAN MALAYSIA 2020
DATA ANDA MASA DEPAN KITA

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Definition and Scope of Digital Economy:
Malaysia's Perspective

Beijing, China
15-17 November 2018

PRESENTATION OUTLINE

- INTRODUCTION
- THE STATE OF MALAYSIA'S DIGITAL ECONOMY
- CURRENT EFFORTS TO IMPROVE DATA COLLECTION OF DIGITAL ECONOMY
- WAY FORWARD

1. INTRODUCTION

Governance of Malaysia's ICTSA

MSC Malaysia Implementation Council Meeting (ICM)
Chair: Prime Minister

Digital Economy Satellite Account Steering Committee
Chair: Ministry of Communication & Multimedia Malaysia (KKMM)

ICTSA Steering Committee
Chair: Secretary General
KKMM

ICTSA Technical Committee
Chair: Under Secretary
KKMM

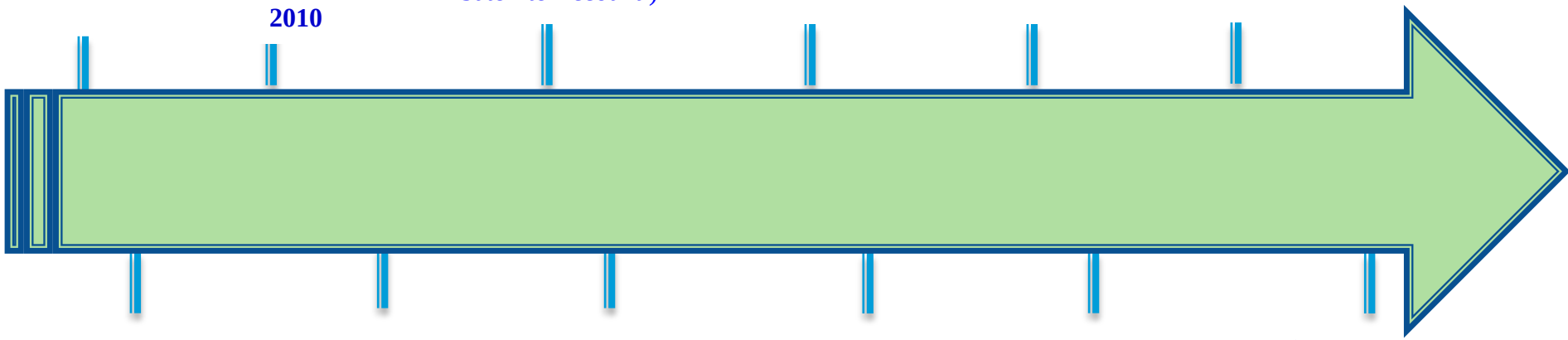
Data Primer Committee (ICTSA)
Chair: DOSM

e-Commerce Committee
Chair: Subject Matter Division

Secondary Data:
Integrated Intelligence & Transformative System (INSIGHTS)
Chair: KKMM /

Malaysia Digital Economy Corporation (MDEC)

The Chronology of Malaysia's ICTSA Development



Since early 2000 documented in Corporate Plan 2004-2009

Compilation began in 2009, presented in Strategic Plan 2010-2014

DOSM initiated Development of ICTSA 2010

Digital Malaysia Lab 18th July 2011 until 19th August 2011

23rd MSC Implementation Council (ICM) 19th Oct 2011
(One of the initiatives under the Digital Malaysia Master Plan: setting up of an ICT Satellite Account)

ICTSA Steering Committee Meeting 1st December 2011

ICTSA Workshop 6th June 2012

Publication ICTSA 2005 & 2010 (Nov. 2012) **(limited circulation)**

Presented to Cabinet 5th July 2013

Publication ICTSA 2005-2012 (Nov. 2013) **(limited circulation)**

Publication ICTSA 2005-2013 (Nov. 2014) **(1st time release to public)**

- **Publication ICTSA 2010-2014** (Nov. 2015)
- **Publication ICTSA 2015** (Oct. 2016)
- **Publication ICTSA 2016** (Oct. 2017)
- **Publication ICTSA 2017** (Oct. 2018)

2. THE STATE OF MALAYSIA'S DIGITAL ECONOMY

Scope and Definition

- Malaysia has broader definition than OECD countries (World Bank, 2018)
- ICT definition adopted from OECD Guide to Measuring the Information Society 2011 with some modification
- Methodology of compiling e-commerce refers to OECD Internet Economy Outlook 2012
- ICT Industry includes ICT Manufacturing, ICT Trade, ICT Services and Content & Media

If Malaysia's ICT sector is approximated using the OECD's industry classifications and definition, it still accounted for 9.7% of GDP in 2015 (World Bank, 2018).

Classification of ICT Industries & Products

ICT industries*

1. ICT manufacturing industries
2. ICT trade industries
3. ICT services industries
4. Content and media industries
   i. Publishing of books, periodicals and other publishing activities
   ii. Motion picture, video and television Programme activities
   iii. Sound recording and music publishing activities
   iv. Programming and broadcasting activities
   v. Other information service activities

Note:

* International Standard of Industrial Classification (ISIC) Rev.4
  Malaysia Standard Industrial Classification (MSIC) 2008

** Central Product Classification (CPC) Ver.2.0
  Malaysia Classification of Products by Activity (MCPA) 2009

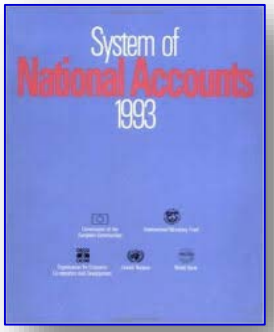
ICT products**

1. ICT Goods
   i. Computers and peripheral equipment
   ii. Communication equipment
   iii. Consumer electronic equipment
   iv. Miscellaneous ICT components and goods
   v. Manufacturing services for ICT equipment
2. ICT Services
   i. Business and productivity software and licensing services
   ii. Information technology consultancy and services
   iii. Telecommunications services
   iv. Leasing or rental services for ICT equipment
   v. Other ICT services
3. Content and Media products
   i. Printed and other text-based content on physical media, and related services
   ii. Motion picture, video, television and radio content, and related services
   iii. Music content and related services
   iv. Games software
   v. On-line content and related services
   vi. Other content and related services

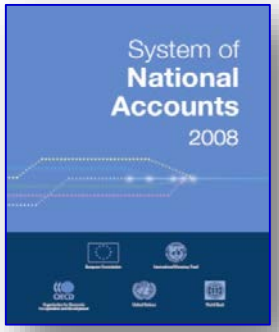
***Source:* OECD Guide to Measuring Information Society 2011**

References Manual

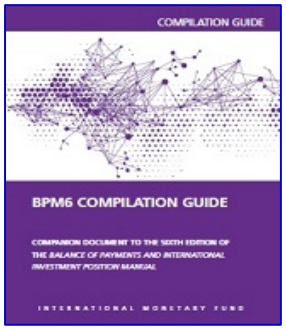
SNA 1993



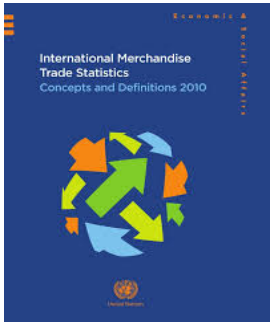
SNA 2008



Balance of Payments and International Investment Position Manual (BPM6)

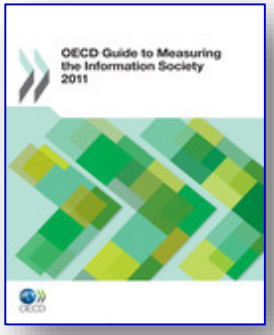


International Merchandise Trade Statistics: Concepts and Definitions 2010 (IMTS 2010)

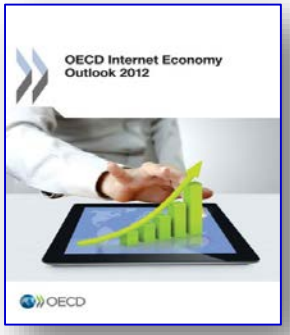


Eurostat Manual of Supply, Use and Input-Output Tables 2008

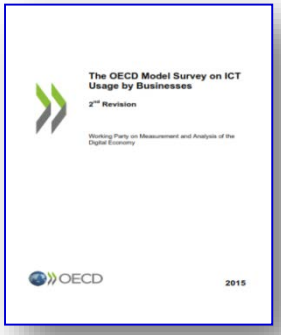
OECD Guide to Measuring Information Society 2011



OECD Internet Economy Outlook 2012

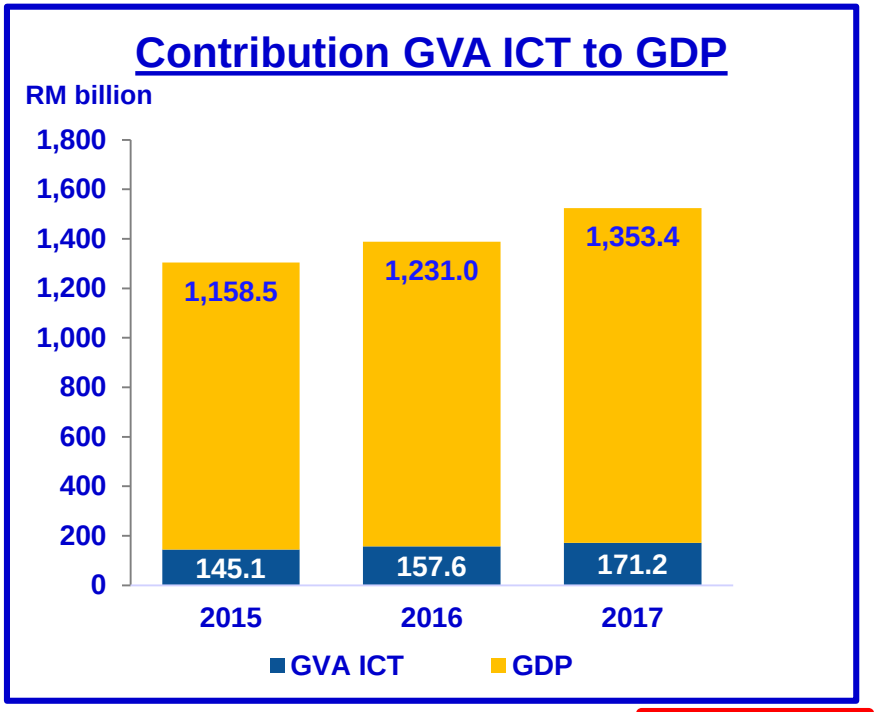


The OECD Model Survey on ICT Usage by Businesses 2015



Simulation of ICT Definition:
Malaysia: Comparision between Approach 1 and Approach 2

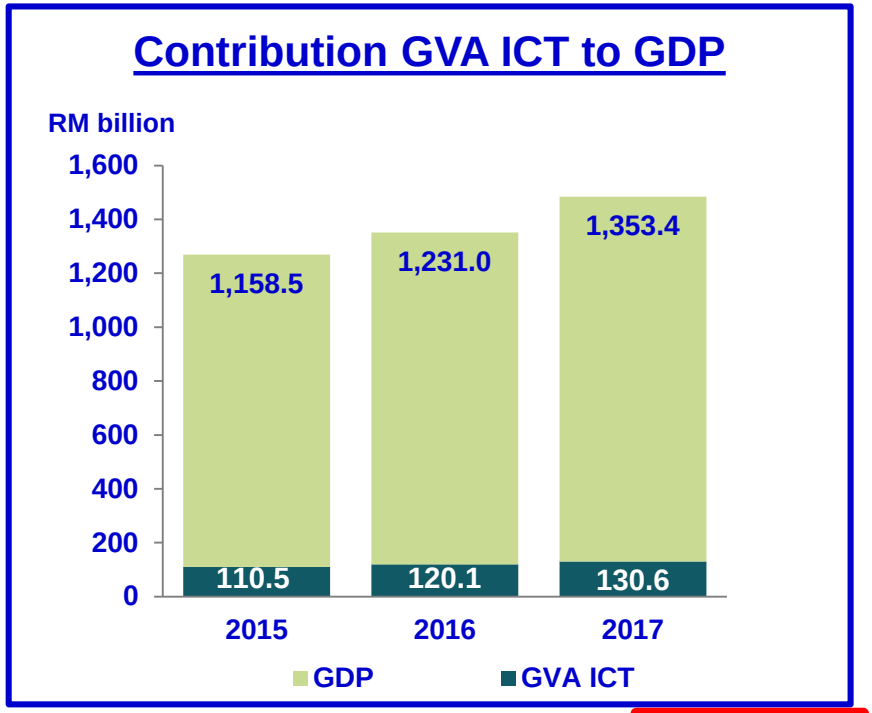
Approach 1: OECD Guide to Measuring the Information Society 2011



Year	2015	2016	2017
% to GDP	12.5%	12.8%	12.6%

Total GVA ICT	RM171,189 m	12.6%
ICT Manufacturing	RM63,293 m	4.68%
ICT Trade	RM24,574 m	1.82%
ICT Services	RM72,196 m	5.33%
Content and media	RM11,126 m	0.82%

Approach 2: OECD Digital Economy Outlook 2017



Year	2015	2016	2017
% to GDP	9.5%	9.8%	9.6%

Total GVA ICT	RM130,557 m	9.653%
ICT Manufacturing	RM63,293 m	4.68%
ICT Services	RM67,224 m	4.97%
Content and media	RM40 m	0.003%

The ICT and e-Commerce Performance in 2017

- Digital economy contributes 18.3% to Malaysia's economy in 2017 and targeted to reach 20.0% by 2020.
- In 2017, 13.2% was from the ICT sector and 5.1% of e-commerce non ICT Industry
- ICT Industry: Services 40.5%, Manufacturing 36.1% and Trade 13.8%
- Value added of e-commerce consists of ICT industry, 1.2% and non ICT industry, 5.1%
- ICT industry contributes 7.6% of total employment

3. CURRENT EFFORTS TO IMPROVE DATA COLLECTION OF DIGITAL ECONOMY

1. Survey/Census Frames

- Malaysia Statistical Business Register (MSBR)

- Trade by Enterprise Characteristic (TEC)
  - Aim the impact of international trade on employment, growth and income (by kind of industry, size of enterprise and other characteristics)
  - Effectiveness of trade policies (e.g., export-promotion, effects on 2-way traders and foreign affiliates)

2. Integration of MSBR with Trade Database (TEC)

- **Guidelines on Statistical Business Registers, UNECE. Para 2.54:**
  Coherent compilation of trade statistics by enterprise characteristics requires linkage of trade and business registers at micro level. If this can be achieved, the combination of the key enterprise characteristics and the trade data, such as product code and partner country, offers many opportunities for producing a more complete and diversified view of the structure of both trade and production

- **IMTS 2010 ; Linking Trade And Business Statistics Para 11.5:**
  Linking and integrating trade and business statistics is important for data-compilation and analytical purposes

3. The Questionnaires

- Since 2015 – The Surveys/Census Questionnaires includes the Module of Information & Communication Technology (ICT) and e-Commerce.
  - Eight (8) questions related to ICT
  - Ten (10) questions related to e-Commerce

4. Supply Use Tables (SUT) Framework

- To integrate the ICT and e-Commerce dimensions in the existing SUT framework.
- Future purposes to generate the Satellite accounts of ICT and e-Commerce
- To estimate multipliers of ICT and e-commerce

4. WAY FORWARD

- Looking forward for the official definition of Digital Economy. Data are internationally comparable.

- Integrating the existing SUT Framework with Digital Economy.

  - To improve the frequency of data releases
  - Able to deep dive to more granular level.

Thank You

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