

REGIONAL SEMINAR ON INTERNATIONAL
TRADE STATISTICS

**Manufacturing Services on Inputs
Owned By Others**

Presented by:
Department of Statistics Malaysia
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OUTLINE

- METHODOLOGY
- QUESTIONNAIRE
- IDENTIFICATION OF MANUFACTURING SERVICES THROUGH ECONOMIC CENSUS
- IMPACT OF MANUFACTURING SERVICES ON BOP COMPILATION
- WAY FORWARD
- CHALLENGES



DEFINITION

- **According to Balance of Payments Manual 6th Edition (BPM6)**

Manufacturing services on physical inputs owned by others covers activities of processing, assembly, labeling, packing and so forth undertaken by enterprise that do not own the goods concerned.

The manufacturing is undertaken by entity that does not own the goods and that is paid a fee by the owner. In this case, the ownership of the goods does not change, so no general merchandise transaction is recorded between the processor and the owner.



METHODOLOGY

Frame

- **Annual Manufacturing survey**
- **Monthly Manufacturing survey**

Questionnaire design for pilot survey

- **To identify the component of manufacturing services**
- **Fees received for services rendered**
- **Value of imports of raw materials**
- **Value of goods exported**



METHODOLOGY

Pilot test

- Discussion with selected companies

Pilot test as a follow up of the discussion with selected companies involved in manufacturing services

- Sent questionnaires

Study the data

Compilation of data



QUESTIONS USED IN THE PILOT SURVEY



Name of Company :

Reference Quarter/ Year: **Q1 2011**

Question 1 : Please describe the principal activity of your company

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.....

For office use

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GOODS RECEIVED FROM ABROAD FOR PROCESSING IN MALAYSIA

Question 2 : Do your company involve in manufacturing services/ outsource processing/ contract manufacturing/ goods for processing (physical input owned by companies abroad)

Yes (Go to Next Question) No (If No, end here)


Question 2A : Import of raw material owned by others (no change of ownership)

No.	Description of raw material	Import (RM 000)
	Total	

Question 2B :Export of processed goods/ finished goods owned by others to owner or third country

No.	Description of processed goods	Types of workdone *	Export (RM 000)	Processing Fees Received (RM 000)
	Total			





GOODS SENT ABROAD FOR PROCESSING

Question 3 : Do your company SEND goods for processing abroad


Yes (Go to Next Question) No (If No, end here)

Question 3A : Export of raw material owned by your companies

No.	Description of raw material	Export (RM 000)
Total		

Question 3B : Import of processed goods/ finished goods owned by your company

No.	Description of processed goods	Types of workdone	Import (RM 000)	Processing Fees Paid (RM 000)
Total				

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Question Related to Manufacturing Services

CENSUS 2011

Nilai / Value

RM

20

8.1 Jualan daripada produk yang dibuat/proses/pemasangan:
Sales of manufactured/processed/assembled products:

01

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Nilai di medan 2001 mesti sama dengan medan 2542 (Soalan 14)
Value in field 2001 must be equal to field 2542 (Question 14)

8.2 Pendapatan daripada perkhidmatan perindustrian yang diberikan:
Income from industrial services rendered:

8.2.1 Bayaran diterima bagi kerja memproses yang dibuat untuk
pertubuhan lain yang menggunakan bahan mereka sendiri
Fee received for processing work done for other establishments' on their
materials

02

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8.2.2 Pendapatan daripada kerja membaiki dan menyelenggarakan jentera
dan kelengkapan pertubuhan lain
Income from repairs and maintenance work done on other establishments'
machinery and equipment

03

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Question Related to Manufacturing Services

CENSUS 2011

Soalan / Question: 16b

**EKSPORT BAGI KERJA MEMPROSES DAN MEMBAIKI &
MENYELENGGARA UNTUK PERTUBUHAN LAIN**
EXPORT FROM PROCESSING WORK DONE AND REPAIR
MAINTENANCE FOR OTHER ESTABLISHMENT

16.b2 Jika Soalan 8.2.1 dilaporkan, sila nyatakan peratus (%) pendapatan yang diterima dari luar negara bagi kerja memproses yang dibuat untuk pertubuhan lain

If Question 8.2.1 is reported, please state the percentage (%) of income received from abroad for processing work done for other establishment

15

74

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16.b3 Jika Soalan 8.2.2 dilaporkan, sila nyatakan peratus (%) pendapatan yang diterima dari luar negara bagi kerja membaiki dan menyelenggarakan jentera dan kelengkapan untuk pertubuhan lain

If Question 8.2.2 is reported, please state the percentage (%) of income received from abroad for repairs and maintenance work done for other establishment

15

75

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IMPACT OF MANUFACTURING SERVICES ON INPUTS OWNED BY OTHERS ON BOP COMPILATION



BALANCE OF PAYMENTS BPM6 vs BPM5

Example of components of the current account, Q12011 - Malaysia

For the purpose of this presentation, dummy data were used in the compilation.

Item	First Quarter (RM Million)		
	BPM5	2011 P BPM6	DIFF
1. Goods - Net	42,393	39,185	-3,208
1.1 Goods - Credit	170,852	164,552	-6,300
1.2 Goods - Debit	128,459	125,367	-3,092
2. Services - Net	-1,305	102	1,408
2.1 Services - Credit	25,179	26,379	1,200
2.1.1 Manufacturing Services		1,200	1,200
2.1.2 Transportation	3,833	3,833	0
2.1.3 Travel	13,309	13,309	0
2.1.5 Government Transactions n.i.e	56	56	0
2.2 Services - Debit	26,485	26,277	-208
2.2.1 Manufacturing Services		0	0
2.2.2 Transportation	9,375	9,167	-208
2.2.3 Travel	7,335	7,335	0
2.2.4 Other Services	9,617	9,617	0
2.2.5 Government Transactions n.i.e	158	158	0
Balance on Goods & Services	41,087	39,287	-1,800
3. Income - Net	-5,724	-5,724	0
4. Current Transfers - Net	-5,161	-5,161	0
Balance on Current Account	30,203	28,403	-1,800



IMPLICATION

- Goods for processing owned by others **included** in merchandise trade in BPM5 and Goods for processing owned by others **excluded** from merchandise trade in BPM6
 - ✓ **Goods debit and credit will be lower**
- Fees received from manufacturing services included in services account as a separate item shown as **manufacturing services**
 - ✓ **Services credit will be higher**
- Current account balance will show a lower surplus
- Lower Transportation debit



WAY FORWARD

- Implementation of BPM6 starting from 2012 especially item related to Goods for Processing & Manufacturing Services.
- The full implementation of BPM6 by 2014



CHALLENGES

- To identify the companies involved in international manufacturing services
- To get the value of merchandise trade for manufacturing services
- To made understand of users on the impact of the data on BOP & GDP compilations.



THANK YOU