



PRIME MINISTER'S DEPARTMENT  
DEPARTMENT OF STATISTICS MALAYSIA

# MEETING OF THE UNITED NATIONS COMMITTEE OF EXPERTS ON INTERNATIONAL STATISTICAL CLASSIFICATIONS

**THE MODERNIZATION OF MALAYSIA STATISTICAL INDUSTRIAL CLASSIFICATION (MSIC) AND THE IMPACTS OF THE REVISED ISIC ON STATISTICS IN MALAYSIA**

**DEPARTMENT OF STATISTICS, MALAYSIA  
NEW YORK USA, 25-28 OCTOBER 2022**



20 OCT



2016 - 2030



     
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# INTRODUCTION ON MALAYSIA STANDARD INDUSTRIAL CLASSIFICATION (MSIC)



     
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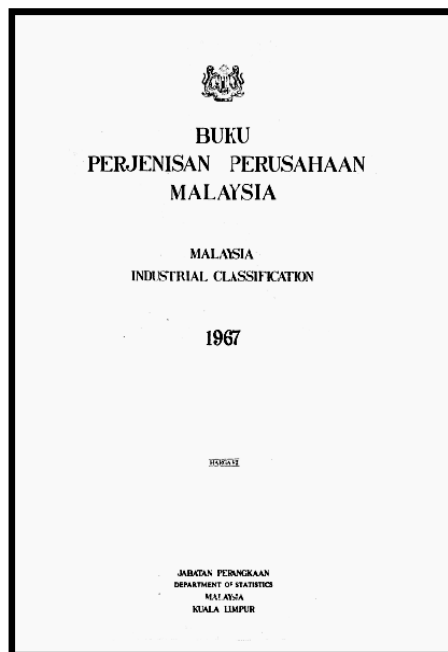


# MALAYSIA STANDARD INDUSTRIAL CLASSIFICATION (MSIC)

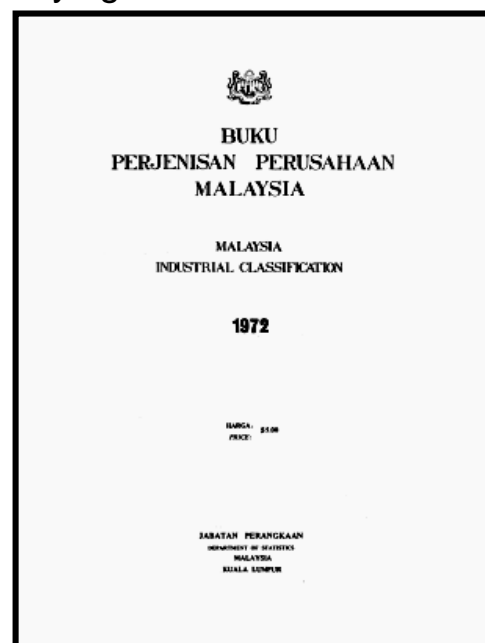


MSIC 2008 is a classification of all economic activities in Malaysia which adopts the International Standard Industrial Classification (ISIC), Revision 4 for enabling comparisons of activities at international level.

To provide a standard framework for classifying statistical units in all official statistics



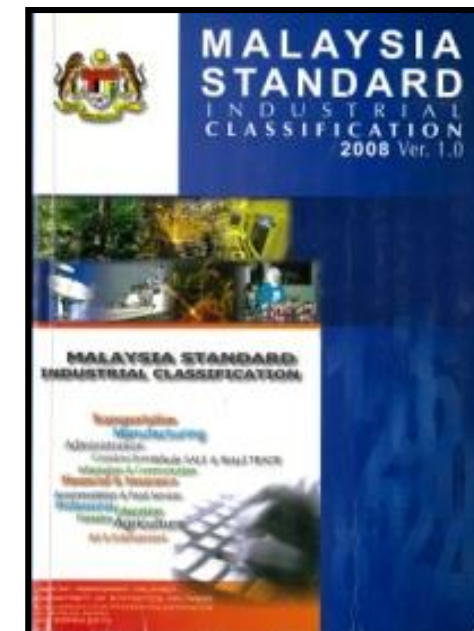
**1967**  
Malaysia Industrial Classification 1967  
(ISIC Rev.1,1958)



**1972**  
Malaysia Industrial Classification 1972  
(ISIC Rev.2,1968)



**2000**  
Malaysia Standard Industrial Classification 2000  
(ISIC Rev. 3, 1990)



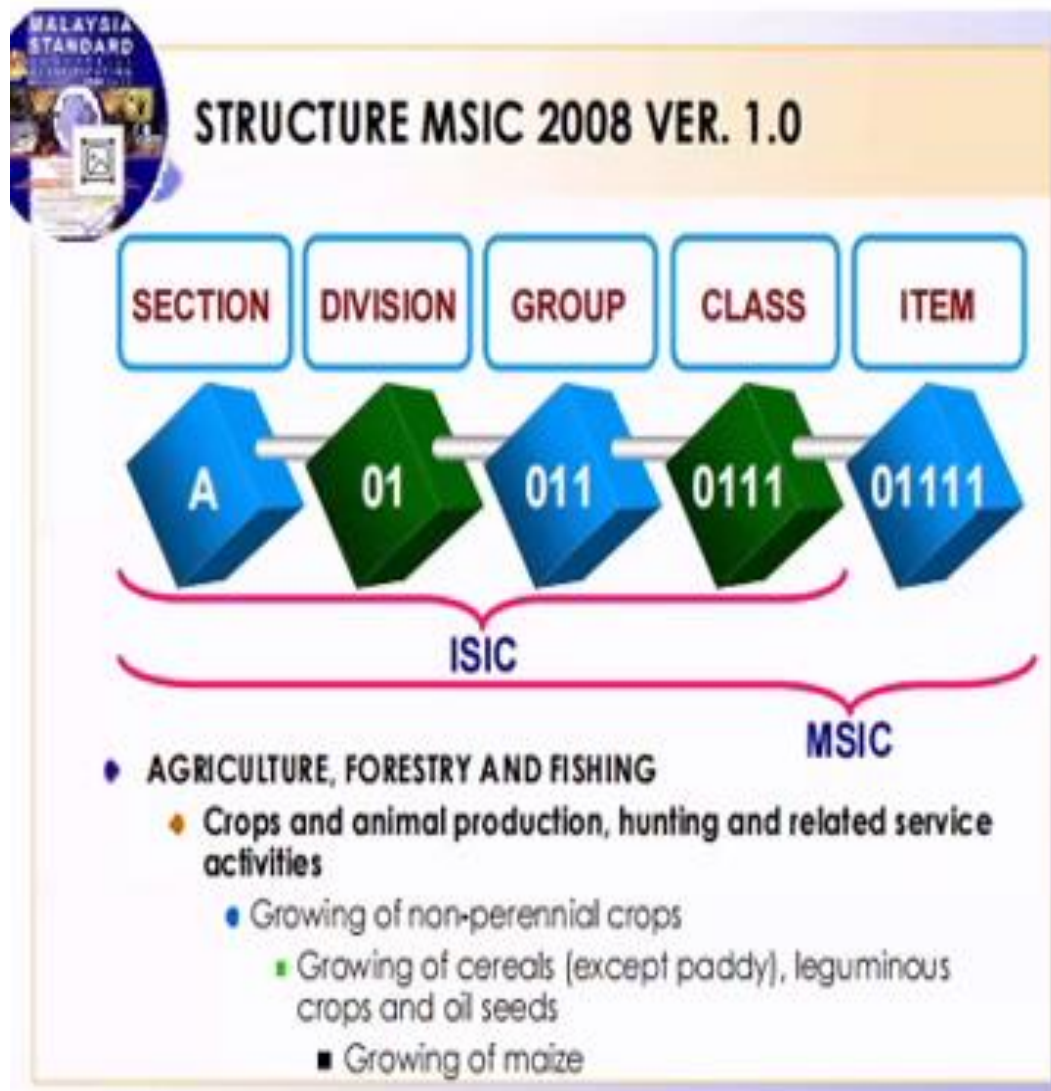
**2008**  
Malaysia Standard Industrial Classification 2008  
(ISIC Rev. 4, 2006 : official release 2008)

The first Malaysia Industrial Classification (MIC) was published in 1957

It was subsequently revised in 1967 to bring it inline with the International Standard Industrial Classification of all Economic Activities (ISIC) of 1958 (Statistical Papers, Series M, No.4, Rev.1)



# STRUCTURE OF MSIC 2008



## A

MSIC 2008 Ver. 1.0

SECTION A

**DIVISION 01 : CROPS AND ANIMAL PRODUCTION, HUNTING AND RELATED SERVICE ACTIVITIES**

**Group 011 : Growing of non-perennial crops**

CLASS	ITEM	DESCRIPTION	MSIC 2000
0111 <sup>(1)</sup>		<b>Growing of cereals (except paddy), leguminous crops and oil seeds</b>	
	01111	Growing of maize	01119p
	01112	Growing of leguminous crops <sup>(2)</sup>	01119p
	01113	Growing of oil seeds <sup>(3)</sup>	01119p
	01119	Growing of other cereals n.e.c.	01119p
0112 <sup>(4)</sup>		<b>Growing of paddy</b>	
	01120	Growing of paddy	01111
0113 <sup>(5)</sup>		<b>Growing of vegetables and melons, roots and tubers</b>	
	01131	Growing of leafy or stem vegetables <sup>(6)</sup>	01121p
	01132	Growing of fruits bearing vegetables <sup>(7)</sup>	01121p
	01133	Growing of melons <sup>(8)</sup>	01139p





# STRUCTURE OF MSIC 2008



## ABC's OF MSIC 2008

Sections	Description	Divisions
A	Agriculture, forestry and fishing	01-03
B	Mining and quarrying	05-09
C	Manufacturing	10-33
D	Electricity, gas, steam and air conditioning supply	35
E	Water supply; sewerage, waste management and remediation activities	36-39
F	Construction	41-43
G	Wholesale and retail trade; repair of motor vehicles and motorcycles	45-47
H	Transportation and storage	49-53
I	Accommodation and Food service activities	55-56
J	Information and communication	58-63
K	Financial and insurance/takaful activities	64-66
L	Real estate activities	68
M	Professional, scientific and technical activities	69-75
N	Administrative and support service activities	77-82
O	Public administration and defence; compulsory social security	84
P	Education	85
Q	Human health and social work activities	86-88
R	Arts, entertainment and recreation	90-93
S	Other service activities	94-96
T	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	97-98
U	Activities of extraterritorial organizations and bodies	99

MSIC  
(DOSM)

ISIC  
(UNSD)

As an example, the formation of the five-digit code for items in the Section A - 'Agriculture, forestry and fishing' is illustrated below:

Level	Title and Description	Codes
Section	Agriculture, Forestry And Fishing	A
Division	Crop and animal production, hunting and related service activities	01
Group	Growing of non-perennial crops	011
Class	Growing of cereals (except paddy), leguminous crops and oil seeds	0111
Item	Growing of maize	01111
	Growing of leguminous crops	01112
	Growing of oil seeds	01113
	Growing of other cereals n.e.c.	01119

	5 Digit	4 Digit	3 Digit	2 Digit	1 Digit
ISIC Rev.4	1,174	423	238	88	21



# **MODERNIZATION OF STATISTICAL CLASSIFICATION IN MALAYSIA**



     
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01

## E-MSIC:

The Malaysia Standard Industrial Classification (MSIC) search engine system or e-MSIC was developed to facilitate the users to find the relevant industrial code.

## Search engine system - Search by code/ description of MSIC

Link: <https://msic.stats.gov.my/bi/index.php>



Search by MSIC 2008 Code  Search Menu  
Please insert at least 3 digits.

Search by description of activities :  Search Menu  
Please enter a word to be searched. Example: vapor

### Information Display for MSIC 2008 Code

Table for 4 digits

Section	Item	Description
C	1072	Manufacture of sugar

Table for 5 digits

Section	Item	Description
C	<a href="#">10721</a>	Manufacture of sugar
C	<a href="#">10722</a>	Manufacture of sugar products

### Information Display for MSIC 2008 Code

Table 4 digits

Section	Item	Description	Includes	Excludes
A	0114	Growing of <b>sugar</b> cane		growing of <b>sugar</b> beet, see 01137
C	1030	Processing and preserving of fruit and vegetables	dehydration by artificial means	(a) manufacture of flour or meal of dried leguminous vegetables, see 10613 (b) preservation of fruit and nuts in <b>sugar</b> , see 10732 (c) manufacture of prepared frozen vegetable dishes, see 1075 (d) manufacture of artificial concentrates, see 10799
C	1062	Manufacture of starches and starch products		(a) manufacture of lactose (milk <b>sugar</b> ), see 10509 (b) production of cane or beet <b>sugar</b> , see 1072
C	1072	Manufacture of <b>sugar</b>	(a) manufacture of refining of <b>sugar</b> (sucrose) and <b>sugar</b> substitutes from juice of cane, beet, maple and palm (b) manufacture of <b>sugar</b> syrups (c) manufacture of molasses	manufacture of glucose, glucose syrup, maltose, inulin, see 10622
C	1073	Manufacture of cocoa, chocolate and <b>sugar</b> confectionery		manufacture of sucrose <b>sugar</b> , see 1072



# INNOVATION ON CLASSIFICATION



02

## BizCode@Stats?



Mobile application has been recognized as an impressive channel for information exchange in digital world. With the transformation of static behavior into mobile lifestyle, mobile application is getting well known as **robust platform to be used by public in delivering information simplicity**. Mobile application development for statistical codes and classifications allows users to access the application via handheld devices.

This mobile applications should serve users with similar services to those accessed on PCs and it could be accessed even without internet connection.





## Mobile Apps – Bizcode@Stats





## Why BizCode@STATS

**01** Facilitate stakeholders or the public to get more specific industry code

**02** Provide positive and professional impression to users

**03** Improve the efficiency of services to users

**04** Improve the quality of coding

**05** Improve the quality of data

**06** Facilitate the work of DOSM staff during field work





# IMPORTANCE OF CLASSIFICATION IN STATISTICS

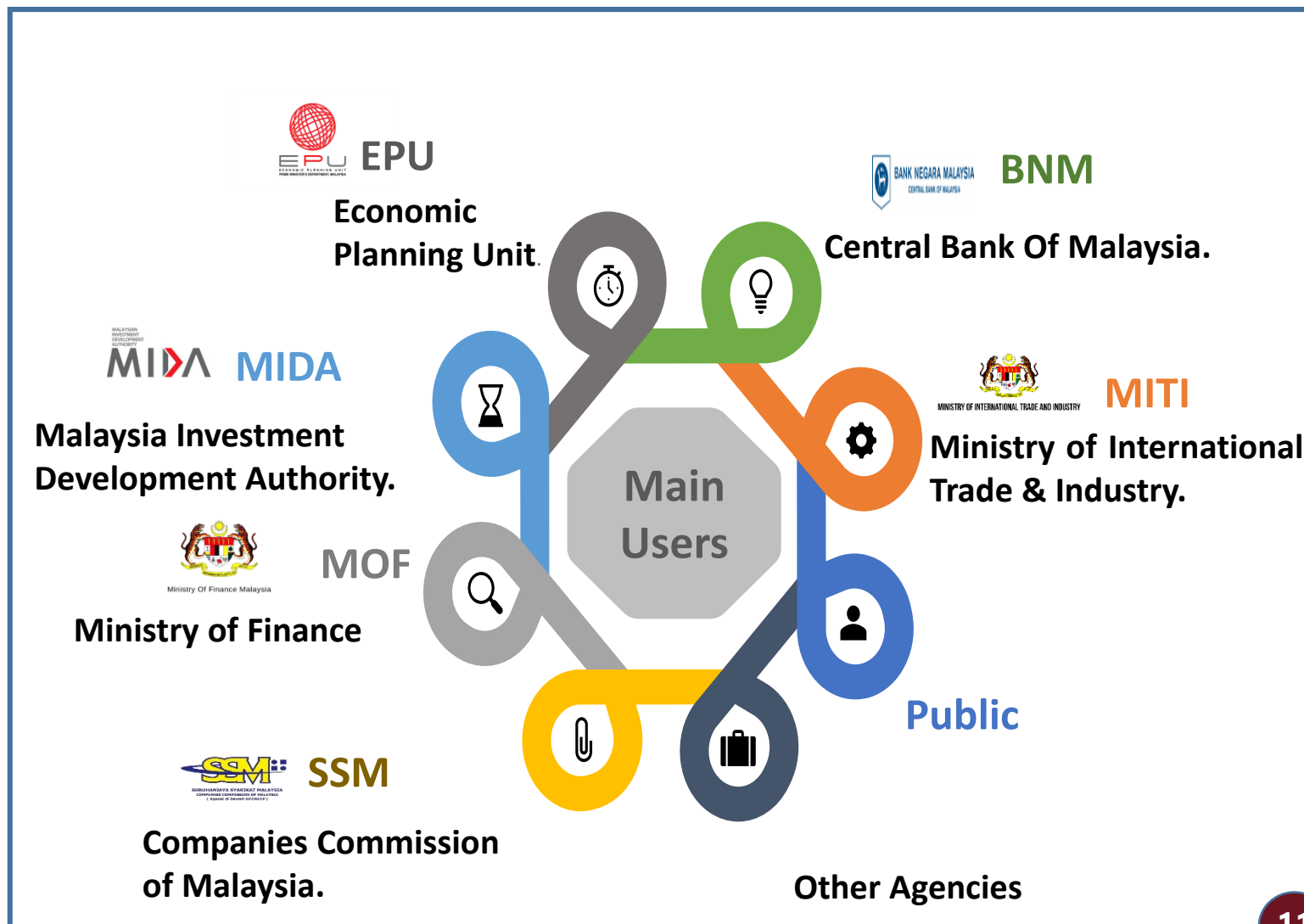


To ensure the comparability of data provided by countries around the world

To enable comparisons among categories of economies throughout the world

To serve as a guideline for other countries to develop their classification

Provide general comparable performance of the same category's economy trend





# MAIN CHANGES FOR THE REVISED ISIC



     
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## Part B. Main changes in the revised ISIC

10. Since the approval of ISIC Rev. 4 by the UNSC in 2006, globalization and digitalization have changed the way in which many economic activities provide goods and services; new activities have gained importance while others have lost importance in the global economy; and rapid and dynamic changes took place in the information technology environment. In addition, the increased awareness of the impact of the economy on the environment has created specialized activities to protect the environment. The revision of ISIC Rev. 4 aims to address these issues to reflect more closely the reality of current economic activities in the classification.

11. Below is the list of the major changes in the revised ISIC. They are organized by the Sections of ISIC Rev. 4 (sections G, J, K, P and R) followed by cross-sectional issues such as the classification of intermediation services, factoryless goods producers (FGPs), selected activities related to the environment and other issues.

\*as at March 2022 and subject to change





## DIVISION 45 : WHOLESALE AND RETAIL TRADE AND REPAIR OF MOTOR VEHICLES AND MOTOCYCLES

### Current ISIC:

- DIVISION 45** : WHOLESALE AND RETAIL TRADE AND REPAIR OF MOTOR VEHICLES AND MOTOCYCLES  
**Group 454** : Sale, maintenance and repair of motorcycles and related parts and accessories

CLASS	ITEM	DESCRIPTION	MSIC 2000
4540 <sup>(1)</sup>		Sale, maintenance and repair of motorcycles and related parts and accessories	
	45401	Wholesale and retail sale of motorcycles <sup>(2)</sup>	50401p, 50402p
	45402	Wholesale and retail sale of parts and accessories for motorcycles <sup>(3)</sup>	50402p, 50401p
	45403	Repair and maintenance of motorcycles	50403

- (1) **Excludes:** (a) wholesale of bicycles and related parts and accessories, see 46441  
 (b) retail sale of bicycles and related parts and accessories, see 47635  
 (c) renting of motorcycles, see 77302  
 (d) repair and maintenance of bicycles, see 95291
- (2) **Includes:** wholesale and retail sale mopeds and activities of commission agents
- (3) **Includes:** wholesale and retail sale mail order

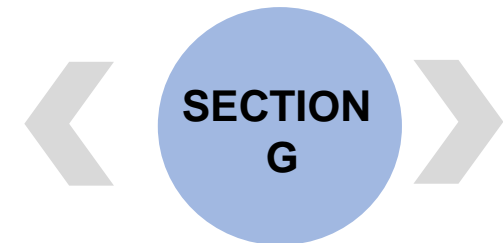
### Revised ISIC:

#### Division 45:

(a) whether the classification of activities of wholesale and retail of motor vehicles should be made consistent with the current split at the division level between Wholesale (Division 46) and Retail trade (Division 47)

(b) whether the activities of repair should be classified under the appropriate division outside of Section G.

**G**



# SECTION T – OTHER SERVICE ACTIVITIES

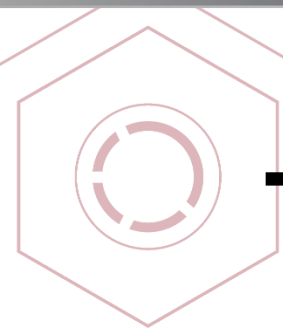


- New codes for group and class.
- Changes in description of codes

Code isic 4.1	Description isic 4.1	Revised ISIC - NumCode	Revised ISIC - Description
S	Other service activities	T	Other service activities
95	Repair of computers and personal and household goods	95	Repair and maintenance of computers, personal and household goods, and motor vehicles and motorcycles
951	Repair of computers and communication equipment	951	Repair and maintenance of computers and communications equipment
9511	Repair of computers and peripheral equipment	9511	Repair and maintenance of computers and peripheral equipment
9512	Repair of communication equipment	9512	Repair and maintenance of communications equipment
952	Repair of personal and household goods	952	Repair and maintenance of personal and household goods
9521	Repair of consumer electronics	9521	Repair and maintenance of consumer electronics
9523	Repair of footwear and leather goods	9523	Repair and maintenance of footwear and leather goods
9529	Repair of other personal and household goods	9529	Repair and maintenance of other personal and household goods
		953	Repair and maintenance of motor vehicles and motorcycles
		9531	Repair and maintenance of motor vehicles
		9532	Repair and maintenance of motorcycles
		954	Intermediation services for repair and maintenance of computers, personal and household goods, and motor vehicles and motorcycles
		9540	Intermediation services for repair and maintenance of computers, personal and household goods, and motor vehicles and motorcycles
960	Other personal service activities		
9601	Washing and (dry-) cleaning of textile and fur products		
9602	Hairdressing and other beauty treatment		
9603	Funeral and related activities		
9609	Other personal service activities n.e.c.		
		961	Washing and (dry-) cleaning of textile and fur products
		9610	Washing and (dry-) cleaning of textile and fur products
		962	Hairdressing, beauty treatment, day spas and similar activities
		9621	Hairdressing and barbers activities
		9622	Beauty care, manicures and pedicures and other beauty treatment activities
		9623	Day spas, saunas and steam baths
		963	Funeral and related activities
		9630	Funeral and related activities
		964	Intermediation services for other personal services
		9640	Intermediation services for other personal services
		969	Other personal service activities n.e.c.
		9690	Other personal service activities n.e.c.

New codes →

← Description changes



# THE IMPACTS OF REVISED ISIC



     
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## THREE APPROACHES OF COMPILING GDP

### Production Approach

Measures the sum of the VA created through the production of goods and services within the economy.

$$\text{Value Added} = \text{Output} - \text{Intermediate Input}$$

### Expenditure Approach

- + Final Private Consumption
- + Gov. Final Consumption
- + GFCF
- + Changes in Inventories
- + Export – Import

Measures total **expenditures on all finished goods and services** produced within the economy.

### Income Approach

- + Compensation of employees
- + Operating Surplus
- + Mixed Income
- + (Taxes – Subsidies)

Measures total **income generated by the production of goods and services** within the economy.

**Production Approach = Expenditure Approach = Income Approach**



## CLASSIFICATION

- a. GDP compilation correspond with the following classifications;
  - Malaysia Standard Industrial Classification (MSIC 2008)
  - Malaysia Classification of Product by Activity (MCPA 2009)
  - Classification of the Functions of Government (COFOG)
  - Classification of Individual Consumption by Purposes (COICOP)
  - Standard International Trade Classification (SITC) Rev. 4
  
- b. Any changes on ISIC will affect the compilation and contribution of each economic activity on GDP.





01

Affects the production of time series data related to relevant subsectors due to the changes in ISIC codes to other sub sector or transferred to the other subsectors.

Value added

(Million)

Years	BEFORE CHANGES		AFTER CHANGES	% changes (before and after )
	Section G (Wholesale and retail trade)	Section G (Repair and maintenance of motor vehicles and motorcycles only)	Section G Wholesale and retail trade	
2015	204,273	6,227	198,045	-3.0
2016	215,957	6,159	209,798	-2.9
2017	230,135	6,277	223,858	-2.7
2018	247,416	6,478	240,938	-2.6
2019	262,954	6,763	256,191	-2.6
2020	248,510	6,058	242,452	-2.4
2021	252,256	5,204	247,052	-2.1

\* Not actual figure

# THE IMPACTS FOR INDUSTRY STRUCTURE IN MALAYSIA



06

The change of ISIC from Section 45 (Section G) to Section T will lead to change in the values of inputs, output and value added for the Input-Output Tables.

(Million)

Year	Item	BEFORE CHANGES		AFTER CHANGES
		Section G : Wholesale and retail trade	Section G: repair of motor vehicles and motorcycles (Group 45)	Section G : Wholesale and retail trade
2010	Output	199,972	29,261	170,711
	Input	87,563	12,194	75,369
	<b>Value Added</b>	112,409	17,067	95,342
2015	Output	302,031	35,437	266,594
	Input	122,428	12,143	110,285
	<b>Value Added</b>	179,602	23,294	156,309
2019	Output	415,740	48,778	366,962
	Input	165,566	16,422	149,145
	<b>Value Added</b>	250,173	32,356	217,817
2020	Output	387,423	45,456	341,967
	Input	150,510	14,928	135,582
	<b>Value Added</b>	236,912	30,527	206,385



06

In the compilation of the Input-Output Table, the size of the compiled table is 124 Commodities according to **124 Industries**. **Section 45 in section G is in a group 93 (Wholesale & Retail Trade, Motor Vehicle and Motorcycle Repair)**, while **Section T is in group 124 (Other Private Services)**. Therefore, the changes in ISIC will lead to the change in the value added structure. For example, the changes of code from Part 45 to Section T, becomes the dominant and major contribution in the group of 124 I/O tables.

Year	Group124 (Table Input-Output)	Section G : Wholesale and retail trade and repair of motor vehicles and motorcycles (Group 45)	Total Value Added Group 124 (Include Group 45) (Million)
2010	4,671	17,067	21,738
2015	4,700	23,294	27,993
2019	6,446	32,356	38,802
2020	4,696	30,527	35,223

Share (%)

Year	Group124 (Table Input-Output)	Section G : Wholesale and retail trade and repair of motor vehicles and motorcycles (Group 45)	Total Value Added Group 124 (Include Group 45)
2010	21.5	78.5	100.0
2015	16.8	83.2	100.0
2019	16.6	83.4	100.0
2020	13.3	86.7	100.0



# FOR DISCUSSION



     
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## 1

- We recommend in ISIC Rev. 4, code 3312: Repair of machinery, to include manufacture and repair of robot
- The recommendation comes from the Ministry of Science, Technology and Innovation (MOSTI)



## 2

### Cloud Kitchen/ Shared Kitchen

- Cloud kitchen is a new type of commercial kitchen designed particularly to create meals for delivery. These commissary kitchens are also referred to as virtual restaurants for the delivery-only food businesses that operate inside of them, ghost kitchens, shared kitchens, or virtual kitchens.
- We recommend in ISIC Rev. 4, code 5610: Restaurants and mobile food service activities, to include cloud kitchen/ shared kitchen
- The recommendation comes from the Malaysia Digital Economy Corporation (MDEC)

Website:

<https://www.thefoodcorridor.com/2019/12/05/everything-you-need-to-know-about-cloud-kitchens-aka-ghost-kitchens-in-2020/>





## 3

- We recommend in ISIC Rev. 4, code 6619: Other activities auxiliary to financial service activities, to include digital asset exchanges
- The recommendation comes from the Central Bank of Malaysia



Eg: Bitcoin, Non-Fungible token (NFT)

## 4

### 3D Printing

- 3D printing is a process of making three-dimensional solid objects from a digital file.
- Industrial 3D printing has gone mainstream in a big way. This technology has moved well beyond prototyping, rapid tooling, trinkets, and toys. “Additive manufacturing” is creating durable and safe products for sale to real customers in moderate to large quantities.
- We recommend in ISIC Rev. 4, code 1811: Printing, to include 3D printing
- The recommendation comes from the Malaysia Digital Economy Corporation (MDEC) and Department of Statistics Malaysia (DOSM)



# FOR DISCUSSION 3



## 5

- Fintech is a new financial industry that applies technology to improve financial activities
- We recommend in ISIC Rev. 4, code 6619: Other activities auxiliary to financial service activities, to include digital asset exchanges
- The recommendation comes from the Central Bank of Malaysia

### Central Bank of Malaysia statements:

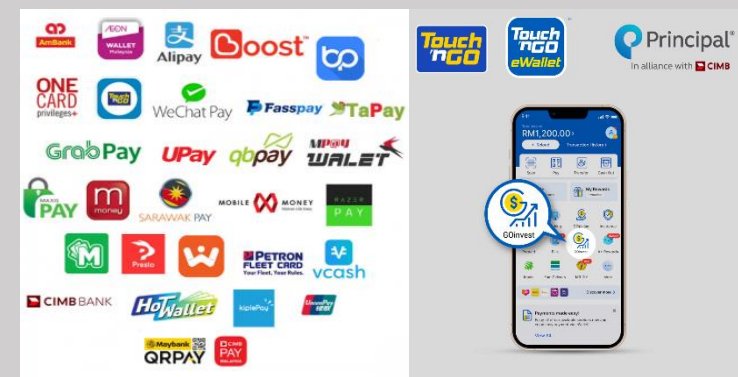
Add description to cover Fintech companies intending to carry on:

- (i) an authorised or registered business as defined in the Financial Service Act 2013 (FSA) and
- (ii) an authorised business as defined in the Islamic Financial Service Act 2013 (IFSA); or
- (iii) a money services business as defined in the Money Services Business Act 2011 (MSBA)

## 6

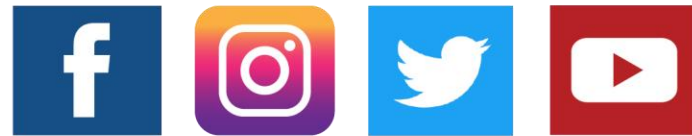
### Transaction/payment processing services through online (Digital bank)

- We recommend in ISIC Rev. 4, code 6619: Other activities auxiliary to financial service activities, to include transaction/ payment processing services through online
- The recommendation comes from the Central Bank of Malaysia



Eg: paywave, touch n go GO , E-wallet / mobile payments

# THANK YOU



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**2022**



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