

**THE FORTY-EIGHT SESSION OF THE UNITED NATIONS STATISTICAL COMMISSION,
7 - 10 MARCH 2017, UNITED NATIONS, NEW YORK**

ITEMS FOR DISCUSSION AND DECISION		
NO.	ITEM	MALAYSIA'S FEEDBACK
National Accounts		
1.	<p>E/CN.3/2017/13</p> <p>The report of the Intersecretariat Working Group on National Accounts</p>	<p>Thank you very much Honourable Chairperson. Malaysia was glad to be part of the commission member towards the development of national accounts statistics.</p> <ol style="list-style-type: none"> 1. Malaysia remains committed towards the full implementation of 2008 SNA in which recommendations of 2008 SNA have been partially incorporated since 2012. We support the efforts undertaken by the commission and would like to bring your attention on few topics related to 2008 SNA. <p><u>FISIM:</u></p> <ol style="list-style-type: none"> 2. Malaysia believes that <u>credit default risk (CDR)</u> should be excluded in the calculation of FISIM but recognized that in practical it will be difficult to implement. 3. For the consideration of the <u>financial instruments & units' scope and units of FISIM</u>, Malaysia agrees with the recommendations of AEG members for FISIM to cover only loans & deposits instruments and pure financial intermediaries. 4. Malaysia appreciated the inclusive of <u>Islamic Financial Institutions (IFIs)</u> instruments and guidance of compiling monetary statistics in the IMF's <i>Monetary and Financial Statistics Manual and Compilation Guide</i> as IFI is one of the significant contributor to the economy in our country. Currently, Malaysia's compilation for IFI FISIM is similar to conventional financial institution. However, we believe that IFI should not be considered the same due to the difference in the instruments. On this stand, Malaysia proposes the AEG to further research on this issue. <p><u>CAPITAL SERVICES OF ASSETS NOT CONTRIBUTING TO PRODUCTION:</u></p> <ol style="list-style-type: none"> 5. Currently, Malaysia follows the recommendation of 2008 SNA. The assets are recorded when the ownerships of assets is transferred to institutional unit that intend to use them in production. Generally, the assets recorded are a finished product or completed construction

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		<p>which the assets are readily to be used in production. Therefore, the COFC and capital services derive from this asset is reflected to actual economic transaction.</p> <p>6. However, 2008 SNA also recommend to record the <u>own-account cultivated biological resources & incomplete construction projects and assets developed under a contract of sales</u> as a GFCF although the assets are still under development and not yet contributing to production. Therefore, it need further discussion and research to find proper treatment to on particular issue is needed.</p> <p>7. <u>Broadening the fixed asset boundary to include other intellectual property assets</u></p> <p>Innovation: The present estimates of GFCF in R&D uses information of R&D expenses obtained from the economic survey by Department of Statistics Malaysia (DOSM), National Research and Development Survey by Malaysian Science and Technology Information Centre (MASTIC) and information from the Intellectual Property Corporation of Malaysia (MyIPO).</p> <p>8. <u>Measuring digital economy:</u></p> <p>Suggest to include a standard manual on the digital economy statistics compilation in the report, as it is important to have standard procedures for references, particularly on how to measures the digital economy and to facilitate comparisons among countries.</p> <p>Thank you Mr/Madame Chair. (Thank you for your attention).</p>