

United Nations Statistical Commission

Fifty-second session

1–3 and 5 March 2021

Item 3 (d) of the provisional agenda

Items for discussion and decision: national accounts

Document E/CN.3/2021/8 – Report of the Intersecretariat Working Group on National Accounts

Statement provided by:

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Statement:

Malaysia was glad to be part of the member in ISWGNA towards the development of national accounts statistics. Malaysia would like to welcome the report and we appreciate the efforts undertaken by Inter-secretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts on the implementation of the System of National Accounts (SNA).

- a) Concerning to the Work Programme for the updating of the 2008 SNA, Malaysia fully supports this initiative and it has been set as a high priority in national statistical transformation plan. We actively participate and providing our opinion and feedback to the Islamic Finance Team and would like to join other teams in future. Therefore, Malaysia is looking forward to updating 2008 SNA by March 2025 in line with the new set standard of accounting system (IFRS) adopted by the International Accounting Standards Board. Regarding the update 2008 SNA, it should able to be followed by developing countries as they facing more the scarcity of data sources. Therefore, the update 2008 SNA proposed to embrace a type of compilation which is a minimal, medium and advanced compilation as an option for the developing countries. In line with the update of 2008 SNA, Malaysia has also actively provided feedback on the update of BPM6 and it is pertinent in ensuring both manuals to be updated simultaneously for consistency purpose precisely on methods, concepts, classifications and the outcome of the updates and recommendations to be deliberated with complete guidelines and documentations.
- b) Malaysia has no objection to the setup fund.
- c) Malaysia fully supports the Progress in resolving issues related to globalization, digitalization, well-being and sustainability, and communication, as these areas have been emphasized by Malaysia's government. Therefore, Malaysia's views and comments as follows:

- i. **Globalization**

Looking forward guidance notes on the remaining issues in its remit: economic ownership and recording of intellectual property products; merchanting, factoryless goods producers and recording of their transactions; a typology of the various global production arrangements; and global value chains and trade in value added.

Given the importance of globalisation, the Department of Statistics explores further trade in value added (TiVA) to measure the interdependencies of Malaysia with other countries. As such, a preliminary study was conducted on trade in value added namely basic trade indicators and multiplier decomposition analysis using the Multi - Regional Input-Output 2015 – 2019 data compiled by the Asian Development Bank (ADB). Concerning this, an internationally recognised manual or notes on globalization especially TiVA is essential in ensuring consistency and comparability globally.

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ii. **Digitalization**

Malaysia takes note on partially to be completed note on crypto assets and the ongoing research in the recording of data and valuation of free digital products. Malaysia would also like to suggest including 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 measure the digital economy and to facilitate comparisons among countries. Presently, Malaysia is committed to international agenda such as estimating contribution of the digital economy. Malaysia also would like to highlight the concern on the new way of doing business nowadays such as sharing economy and gig economy which is both using a digital platform and how to incorporate in the National Accounts.

Malaysia welcomes the initiative for preparing that guidance notes. This guidance should also clearly explain the method to record the transaction made by the citizens to the service providers that are located outside the country such as a subscription to Netflix, payment made via an online platform such as Shopee, Lazada, Alibaba in purchasing consumer goods which suppliers also located outside the resident country. In this platform, there are also domestic suppliers which produce their home-based product which is not registered under any licensing authority and sell it online.

Malaysia initiates to develop Information and Communication Technology Satellite Account (ICTSA) since 2011 and looking forward to the development of Digital Economy Satellite Account, which is expected to have comprehensive guideline/manual and methodology.

iii. **Well-being and sustainability**

Looking forward to the guidance notes and papers on a broader framework for well-being and sustainability in SNA; distribution of household income; consumption; saving and wealth; unpaid household service work; and health and social conditions.

iv. **Communication**

Congratulate to communication task team that has been approved by the 51st UN Statistical Commission (2020). The team will oversee the development of recommendations and tools aimed to improve the way macroeconomic statistics and accounts are communicated and presented to a diverse set of users.

v. **Financial and Payment System**

In line with the globalization, new types of financial instruments, institutions and financial digitalization have emerged over the years. Looking forward to comprehensive guidelines and recommendations in recording those items in both National Accounts and Balance of Payments.

d) Work programmes of the Working Group and of the regional commissions, as presented in section III;

Malaysia appreciates the activities related to economic statistics and national accounts conducted in 2020 and welcome the activities in 2021 organised by the member organizations of the ISWGNA and the regional commissions. Presently, Malaysia is actively participating in Islamic finance Task team and looking forward to joining the technical team to contribute to resolving issues for the update of the 2008 SNA.

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- e) Reporting of annual national accounts data, including the changeover to the 2008 SNA, as presented in section IV.

Malaysia is welcome the report and always take it seriously in compiling data with conceptual compliance recommendation of the System of National Accounts.

Submitted on:

2/17/2021