WORKSHOP ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES
HANOI, VIETNAM
30 NOVEMBER – 3 DECEMBER, 2010
DEPARTMENT OF STATISTICS, MALAYSIA
Contents

BOP Framework
ITS Statistics - Current Practices
Quarterly Survey of ITS 1 – Transport
Compilation of FDI in Services
Moving Forward
Issues and Challenges
11 COMPONENTS (BPM5)
1. Transportation
2. Travel
3. Communications services
4. Construction services
5. Insurance services
6. Financial services
7. Computer and information services
8. Royalties and license fees
9. Other business services
10. Personal, cultural, and recreational services
11. Government services n.i.e.
Compilation of ITS Data

Data sources

• International Transaction Reporting System (ITRS)-BNM
• Enterprise survey
• Surveys of travellers and household expenditure surveys
• Official sources and government transactions
### ITS Statistics - Current Practices

<table>
<thead>
<tr>
<th>Components</th>
<th>Data source</th>
<th>Credit</th>
<th>Debit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>International Trade in Services Survey-Transport (ITS 1)</td>
<td>Administrative data (custom), ITS 1 and ITIS (BNM),</td>
<td>BNM, Survey, ITS 1, Administrative data, Immigration</td>
</tr>
<tr>
<td>Travel</td>
<td>Tourism Malaysia, ITIS (BNM)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Construction services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Insurance services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Financial services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Computer and Information services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Royalty and license fees</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Other business services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Personal, cultural and recreational services</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
<td>ITIS (BNM)</td>
</tr>
<tr>
<td>Government transaction n.i.e</td>
<td>ITIS (BNM)</td>
<td>Administrative data</td>
<td></td>
</tr>
</tbody>
</table>
Data Sources for Cash BOP – controlled by Central Bank (BNM)

Central Bank Of Malaysia Act 2009

Empowers BNM to collect any necessary information for maintaining the records of balance of payments and international investment position

- Cash flow records for economic transactions between residents and non-residents, which are effected through the **domestic banking system**

- **Inter-company accounts** – record all payables and receivables between resident and non-resident companies arising from offsetting arrangements

- **Overseas accounts** – record resident companies’ debits and credits with non-resident banks

*Source: Bank Negara Malaysia*
Cash vs Accrual Recording

Differences in timing of recording and change of ownership

Cash Basis
- revenues are recognised when cash is received and deposited
- expenses are recorded in the accounting period when bills are paid
- transactions recorded may be net flows

Accrual Basis
- income is realised in the accounting period in which it is earned regardless of when the cash from these fees is received
- expenses are recorded as they are owed (e.g. when supplies are ordered, the printer finishes your brochure, employees actually perform the work, etc.), instead of when they are paid
- transactions recorded on gross flows

Source: Bank Negara Malaysia
Transaction flow of ITRS (Central Bank)

Main Users
- Economics Dept
- Exchange Control Dept
- DOSM

Source: Bank Negara Malaysia
IMPROVEMENT ON STATISTICS OF INTERNATIONAL TRADE IN SERVICES (SITS)

Balance of Payments Trade in services - EBOPS

Foreign Affiliates statistics

Statistics on the international supply of services by mode
Quarterly Survey of ITS 1 Transport

DOSM undertakes ITS survey Transport commencing first quarter 2008.
Objectives of ITS Survey

Input to the Services Account in the compilation of Balance of Payments statistics and also for compilation according to EBOPS (Extended Balance of Payments Services Classification)

The production of data for international services by Modes of Supply
Objectives of ITS Survey

Statistics on International Services by Trading Partners.

to compile statistics on foreign affiliates.
**Survey Coverage**

canvasses enterprises involved in transportation activities and having international transactions (large company)

**Data Collection Methodology**

The methodology for data collection is through a standard questionnaire. The questionnaire is sent to respondents on a quarterly basis. This survey is also conducted via web based.

**Manual and Classifications**

BPM5, MSITS 2002, MSIC2008 and CPC version 1.0
Statistics Produced

- Export and Import of Transportation
- Services by modes of supply
- Categories of Transportation Services by GATS Classification
- Inward FATS by Activities
- Inward FATS by Countries
Expansion of ITS Survey

Commencing Q1 2009 the department undertaken:

ITS 2 - Telecommunication, Computer and Information (Developmental work)
Unable to obtain data on partner countries

- Most respondents do not keep ready information on trading partners and thus need to allocate extra resources and additional man-hours to extract & compile such information. Some regard such information as highly confidential.
Issues and Challenges

Difficulty in identifying the business sector of some companies to classify them according to EBOPS and MSITS especially in ICT.

The account and record of some respondents are maintained and need approval from overseas headquarters.
THANK YOU