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Addressing the Statistics Gap: The Experience of Malaysia

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Introduction

Since the formation of the World Trade Organization (WTO), there has been an increasing awareness of the importance of improving national economic data and trade statistics for policy planning purposes. The analytical treatment of several aspects of economic growth and international trade has moved beyond conventional theories of development and of trade. Some statistics customarily compiled for crucial decisions have been challenged when applied to the new needs that have emerged. One particular area concerns data on the services sector.

Prior to the Uruguay Round that resulted in the set of agreements in WTO,[1] data compiled by national statistics offices on the services sector catered more to social needs and societal development rather than economic planning goals. Detailed statistics for economic development were focused more on 'productive activities' such as those in agriculture and mining, and on manufacturing industries where aspirations for economic growth were placed. Services were considered only as supportive activities for industrialisation, especially in relatively young, developing economies. The idea that intangible services activities are important value-added industries that can contribute to significant economic growth in their own right is relatively recent. The reality that services are increasingly traded between and among nations is established and accepted only with the General Agreement on Trade in Services (GATS), where the four modes of services trade are defined.[2]

The changes following GATS prompted the need to relook at ways to measure services outputs and international trade of those outputs, particularly those that were previously regarded as limited and untradeable. The fundamental shift in thinking on the concept of services – from mere activities for social consumption and auxiliaries for economic production, to economically value-add possibilities that may be marketised, transacted and even traded between nations – calls for changes in how services are measured and how services statistics are produced.

In some economies, such as Malaysia, services are increasingly assuming the role of economic drivers or engines of economic growth. Malaysia's services sector accounts for an ever-increasing share of GDP as the country's economy moves up the ladder of development. As of early 2010, services represented close to 58 per cent of GDP. In advanced economies, services share exceeds 70 or 75 per cent of GDP.

This chapter recognises the need to have accurate data on services within the economy and to have realistic statistics for services trade for purposes of policy planning, for choice of growth strategy and for socio-economic development including human development. In that context it considers three broad aspects of measuring services: issues of concern when measuring services; new statistical requirements for development and trade within the global environment; process and administration issues with suggestions going forward. References are made to the experience of Malaysia in the past few years for illustration.

Issues of concern when measuring services

Fundamental to the difficulties with services statistics is the fact that existing data compiled using conventional methods do not incorporate the needs of the services sector especially within the context of a global economy characterised by fragmented production networks that rely on trade to reconnect them.

Statistical data is required for planning economic policy directions, choosing strategies, executing those policies and strategies, and for monitoring impacts after their implementation. Apart from macroeconomic purposes, available data are also used by investors, for business operations, and for monitoring performance of sub-sectors and industries within the economy. The importance of reliable and timely statistics for both the public and private sectors cannot be overemphasised. As an important component of national economies, the services sector has also been measured along with other sectors. However, statistics available for services suffer from a number of shortcomings where changes have been slow within most developing economies. Some of the key challenges faced by Malaysia, which may be similar to those in other countries, are discussed below.

Data type, form and availability

The most common difficulty encountered with services data in Malaysia is the fact that statistics on services are too highly aggregated. There are many services sub-sectors and each sub-sector often encompasses a range of industries that comprise numerous activities. For instance, the logistics sub-sector may be divided into passenger travel logistical services and merchandise or goods freight logistical services. In turn, there are different modes based on air, maritime, road and rail, and various forms of transportation industries within each mode. The range of activities of freight logistics would

cover those of shipping agents, freight forwarding agents, customs, ship owners or operators, ports or airports or other terminals, warehousing, haulage, depot operators, financial institutions, besides the source shippers and destination recipients at both ends. Conventional Input–Output statistics do provide some details. However, as with many developing countries, Malaysia is still trying to improve the quality and frequency of its I–O tables. It is expected that the size of those tables will be enlarged as more services activities are recorded, either because of disaggregation or because they are new, such as those in the IT industries.

Sub-sectors and location

It is believed that reporting GDP contributions of major services sub-sector activities may derive significant benefits to begin with. In the case of Malaysia, disaggregate GDP data for various services sub-sectors was published for the first time only in 2008, for years 2000–2007. This is more than a decade after the point was first raised in forums and papers. Disaggregated data for GDP by geographic area, territory or state in the national accounts will also be useful, if they are not already available. Malaysia's disaggregate GDP share by states and for two Federal Territories was made available publicly only in 2009, for years 2005 and 2006.[3] The process of change has not been easy.

As with other countries, services statistics available in Malaysia are not often in the right form to be useful. They are often classified in ways that users may find constraining or based on criteria that may not be very meaningful for users. For instance, data on small and medium enterprises (SMEs) may be classified by size according to employment, revenue or asset, which is traditionally used for SMEs engaged in manufacturing. More understanding is needed to produce statistics on SMEs engaged in services activities, using the most appropriate criteria to classify specific variables. Such bases will depend on the type of services with which the SMEs are involved, for instance an IT small business will not share characteristics with a small catering business and may require data in different forms.

Another problem, which may not be unique to Malaysia, is that services statistics have been collected but they remain unavailable because they are not processed. Or they have been gathered and compiled but have not been published. Even for statistics collected, processed and published the form and manner of their publication may have been too restrictive in terms of distribution or access, to benefit those who require them. Data dissemination is as important as decisions of resource utilisation among a range of requirements.

The philosophy and methods for producing services data have often been similar to those for non-services activities. Data collection instruments for services have by and large been adapted from those used for manufacturing, agriculture and mining activities. The treatment of variables has almost been identical irrespective

of economic sector. An examination of past survey reports for professional services – transportation, tourism and hospitality, distributive trade services, to name a few – demonstrates the point. The implicit assumptions have to be examined. The changes in services business operations and the way transactions are carried out, either among residents or between residents and non-residents, must be understood in order for national statistics agencies to use their resources in more effective and efficient ways. Most countries, particularly trading nations, are facing the same situation because their national statistics departments would have adhered to the guidelines of international statistics agencies.

Timeliness, frequency and consistency

While the Department of Statistics of Malaysia (DOSM) has conducted a number of censuses and surveys on different services sub-sectors and industries, the purpose of those efforts has been primarily for constructing the national accounts. Similar to other countries, Malaysia follows closely the methodologies contained in the manuals developed by intergovernmental agencies, particularly those of the United Nations Statistical Office (UNSO). However, within the country, the timing, frequency and consistency of some of the statistical series for services activities have given rise to criticisms by users when their statistical needs were not adequately met.

The extent of lapses and inadequacies has caused users to regard some data as unreliable. Some statistical series are not published regularly or in a timely manner. Others have formats that are too 'changeable' over time to enable splicing into meaningful series for users. There is a strong demand to see the same variables presented consistently in the same survey series.

A common difficulty is evident on definition and classification issues. For services statistics, conceptual problems are not surprising in view of the introduction of new concepts and adoption of new definitions, especially for international trade in services. The central product classification (CPC) scheme used for GATS, regional ASEAN Free Trade Area (AFTAS), Free Trade Areas (FTAs) and bilateral negotiations, has been around since the mid-1980s and the newer version is expected to be adopted before long. The CPC Version 2 codes will provide for detailed types of services outputs or services products within sub-sectors, as never before.

WTO's Manual of Statistics for International Trade in Services (MSITS), launched in December 2009, provides important guidelines for changes to balance of payments data for services transactions between residents and non-residents through the extended balance of payments (EBOPS). There are also guidelines for changes to identifying services trade categories by the four modes of services trade, particularly through Mode 4, the movement of natural persons. Many of the difficulties encountered when measuring international trade in services using data obtained from existing balance of payments as the major source of statistics will hopefully be ironed out, if not resolved.

Numerous changes are expected to take place after the adoption of the MSITS, even though the transition will take years.

However, in Malaysia, even non-services specific variables face definition and classification problems. The same variable may have been defined differently by different agencies according to their own needs. This has led to unintended misreporting when the same term is used indiscriminately due to conceptual and definitional differences across agencies. A good example from Malaysia is 'ownership' of equity or assets. Another is 'control'. The converse, where the same meaning is labeled differently, is also true at other instances. The justifications given by one agency for its own purposes may be as valid as those of another agency with an entirely different agenda. Up till the present, such difficulties have not been sorted out, and some may have to remain as they are. Malaysia has in the past paid inordinate attention to the ownership and control variables, and the same variables will become important again in the new manual for deciphering services trade by Mode 3 and perhaps some instances of Mode 4 trade.

Recognising the importance of inter-agency co-operation for linking data compilers and data users, Malaysia has formed the high-level Main User Committee to iron out statistical issues. But many issues related to difficult services statistics may require actions that go beyond the committee mandate. The imminent changes following MSITS will impinge upon the type and quality of services statistics if existing difficulties such as incomplete statistics can be overcome.

Incomplete statistics

It is a fact that most countries do have data collected and compiled on their services sector. But most will agree that these data are incomplete or insufficient for current needs. Probably the best example is the coverage and depth of statistics on 'invisibles' trade. Balance of payments data do well only for selected services, notably for Mode 1, cross-border trade (such as those affected by services embodied in goods that are shipped across borders as in conventional goods trade or where a pipeline channels oil between neighbouring countries) and to some extent Mode 2, consumption abroad trade (such as when tourists travel abroad to import foreign services or where students travel to a foreign country to import education). Balance of payments covers transportation and travel, financial services and where payments across borders, such as transfers, are recorded according to those specified services, including for some of Mode 4 services trade by construction firms contracted to perform building services in the trading partner's country. However, given the existing level of aggregation in classification and of resultant data, there are doubts that all Mode 2 and Mode 4 transactions would have been clearly represented by the balance of payments statistics, as envisaged by the concepts adopted by the global trading community.

While acknowledging the artificially developed legal definitions and coverage of what international transactions of services outputs entail, the partial coverage of services trade by balance of payments is evidenced by the poor representation of Mode 4 and the absence of Mode 3 services trade. Mode 3 services trade is defined as occurring when services producers establish a commercial presence in the importing country to conduct transactions with non-resident or foreign buyers. Surveys to capture sales turnover and other operational data of subsidiaries or affiliates controlled by the corporation, such as the FATS survey recommended in the new MSITS, will address this data gap.

Mode 4 trade takes place when services personnel travel to another country to perform or deliver the services that are needed. There are recommendations in MSITS for compilation of extended balance of payments statistics, which has been attempted in a few advanced economies. Developing countries lag far behind but some are trying to move in that direction. As of now, complete statistics for international trade in services as per the GATS agreed definitions, remains unavailable. Malaysia, together with other developing economies, is facing a big challenge in measuring and recording services transactions with trading partners, either intra-firm with related parties that are affiliates, or for arm's length transactions with unrelated parties.

New statistical requirements for global development and trade

Mindful of the changing needs within a new trading framework and changes in the production networks of corporations, Malaysia tried to keep abreast of developmental needs by emphasising competitiveness in the national economic plans. The Third Industrial Master Plan 2006–2020, acknowledging that services development is crucial for attaining economic competitiveness, included for the first time a chapter on development of the services sector. The Plan prioritised eight services sub-sectors for development and quickly recognised the need for statistical upgrades.

In March 2007, two services councils were established, namely the Malaysian Services Development Council and the Malaysian Logistics Council, to cover the eight priority sub-sectors. The minister of international trade and industries chairs the councils. In turn they report to the Cabinet Committee on Services Liberalisation, chaired by the deputy prime minister. When the two councils were formed, the Task Force on Services Statistics was also established to examine data needs and to recommend changes to be implemented by the Department of Statistics and various statistics producing bodies.

The Department of Statistics is the most important agency for the purpose of gathering, compiling and publishing statistics. With authority from the Statistics Act, it operates under the Economic Planning Unit of the Prime Minister's Department.

The Task Force was chaired by a statistics user and an academic, and co-chaired by the deputy director of the department of statistics. With its terms of reference clearly laid out, the Task Force comprised members from all relevant government ministries and departments related to those services sub-sectors identified as priorities. Key industry associations involved in those services that are already members of the two councils, a few leading industry players and a few academics were also in the Task Force, and the Malaysian Industrial Development Authority (MIDA) of the Ministry of International Trade and Industries, served as the Secretariat. The Task Force reported to both the services councils.

The work of the Task Force was highly focused on improving statistics for national economic development purposes, specifically for achieving high economic growth and for expanding trade in services. With an action plan of its own, the Task Force worked on five major areas in a period of less than three years.

Identifying data and knowledge gaps

Identifying statistical data gaps meant trying to document all that was available, recording requirements of users of statistics and identifying the differences between the two. Right from the start, the Task Force embarked on a stocktaking exercise by email. A template was designed to collect information on all available statistics on services sub-sectors that were relevant for the person filling up the survey. The respondents were asked to indicate the surveys they were aware of, the variables included in the surveys, ownership of the data, the years available for the data series, accessibility to user, whether they were free of charge, whether the form of the data was useful, and so on.

A second survey, again using a simple template, was sent out to users of services statistics. Respondents were asked to indicate what they would like to see in the statistics that they use for specific services, that were not already there, or were available but not in the form or way they would prefer them to be. As in the stocktaking exercise, the survey email was widely distributed to and through council members, industry associations regardless of economic activity or sector, government departments and agencies, researchers in public and private sectors and to all who had any interest in using or improving the state of services statistics. The data gaps these two exercises brought to light became the starting point for changes.

A third exercise, started in the initial months of the Task Force, involved an extensive search for information on services statistics that may be helpful for Malaysian services policy-makers or investors and businesses. All the focus groups in both the services councils were enlisted to send in website details they came across or they knew about that concerned their own, or even other, sub-sectors or activities.

Within three months, in June 2007, the Task Force distributed its first volume of output. It contained the results of the stocktaking exercise, the services statistics user requirements and the list of websites on services statistics. The blue covered volume was continually updated with additions and corrections. By the close of the Task Force in December 2009 after 33 months, the fifth version of the blue book was produced and made available.

Filling the gaps

Several interesting observations were made from the initial exercises. First and foremost, there was generally a poor level of knowledge and understanding of services as valuable economic outputs that may be traded among countries. Even among some regulators, improvements were needed in knowledge gaps and the underlying changes that had been taking place globally. In particular, the division and dispersion of international production networks across regions and countries were not well understood. Another important observation was the mindset in the way statistical data have been gathered and compiled. There were difficulties of re-orienting minds towards new ways and approaches that were unfamiliar. Mental blocks added to the attitudinal stance of some towards change. In some cases, there were limitations in capacity to accept the number of new ideas that emerged.

To overcome some of these issues, the Task Force organised the first national workshop on improving services statistics, in August 2007. A two-pronged approach was used. First, the workshop attempted to show what data the Department of Statistics Malaysia already had and how they may be of help to users of statistics. This was achieved through presentations by heads of divisions of major areas, such as on national accounts, input-output statistics, international trade data and selected services surveys on topics like tourism, distributive trade, professional services and construction.

The second objective of the workshop was to raise awareness among statistics users and compilers from other agencies or even private industry associations, on the need to shift from the past towards the future. References to international and regional trading arrangements such as GATS/WTO and AFAS were strongly emphasised with the underlying theme of national economic competitiveness.

Although the Task Force intended seeking the services of a consultant to report on the findings of the first workshop, the idea was dropped in favour of a different direction altogether. The Task Force was convinced that Malaysia did not need another consultancy report because many of the issues on statistics at that time were already known and many of them required action to solve or manage or deal with their rectification. Instead, it was decided to launch the Services Statistics Action Programme (SSAP).

The objective of the SSAP was to accelerate the implementation of measures to meet the required statistical outputs of the six focus groups under the Malaysian Services Development Council and the five focus groups under the Malaysian Logistics Council (MLC), in their achievement of the Third Industrial Master Plan strategies. The SSAP examined and discussed a wide range of statistical issues towards finding solutions for the data difficulties in the services sector. It explored ideas and suggestions for actions to bridge statistical gaps raised by users and producers of statistics at the first workshop as well as observed from the stocktaking and users' requirement exercises. A secondary objective of SSAP was to impart knowledge of statistics to users, particularly on new developments in the services sector. Areas for improvements for future compilation of services statistics were also identified and discussed in depth. As SSAP proceeded, it was becoming clear that its meetings went beyond statistics. It also served as an avenue for imparting knowledge on services concepts, changes that were taking place in international producing networks and corporations, domestic trade and cross-border trade, new ways of conducing international trade, and so forth.

SSAP adopted a co-operative approach among users and producers of statistics. Led by the Task Force on Services Statistics with support from the two Councils, the action programme was effectively a multi-party effort that involved all related parties, namely the users and producers of statistics from both the public and private sectors, with the Department of Statistics Malaysia as the principal agency. A series of meetings and discussions was held for various sub-groups of the focus groups on specific statistical issues, for the purpose of obtaining services statistics that were generally unavailable or insufficient. The meetings were like mini workshops and led to concrete, actionable proposals and recommendations for implementation in stages. Among the issues covered were: data definitions, data interpretations, coverage, data disaggregation/aggregation or re-classification, usage in their respective areas of interest and in relation to macroeconomic statistics such as GDP, Input–Output and so on. Inter-sectoral and intra-sectoral linkages concerning services were considered. The Department of Statistics either incorporated some of the changes into its work plans or dealt with them in other ways. SSAP was ready to initiate specific independent research on certain highly focused issues. There were also lengthy deliberations on operational issues and change execution. Meetings under SSAP were conducted over a period of 16 months from July 2007 to November 2008.

A number of services sub-groups were created and membership established. Agendas for the various meetings were planned. The SSAP attempted to address identified data gaps in four broad steps, according to degree of difficulty in filling the gaps. The first step involved the simplest type of data gaps, by making available with consent data that the Department of Statistics and other government agencies had already collected but not yet published. SSAP effectively channelled requirements or needs of certain data to agencies that generated them, first to confirm their availability, and then to work on making them available to those who needed them.

The second step concerned data that needed some minor work to modify existing available data before obtaining outputs, such as through disaggregation or re-grouping of data, depending on discussions with the Department of Statistics. SSAP explored the possibility of supplementary publications of modifications of existing data. It was recognised that re-tabulations to fill gaps meant additional IT and other resources for which there were no provisions in the Department of Statistics. Such outputs were limited, although the Department could accommodate specific requests by users on an individual basis.

The third step concerned adjustments to existing Department of Statistics surveys to meet demands and specific requests. Adoption of changes to survey coverage or definitions or their publications if timely or possible would mean obtaining acceptance and agreement by the Department of Statistics and other government agencies on where those adjustments are directed. SSAP would not expect fast results but was satisfied that the needs were made known, explained and justified by users, and that the statistical producing agencies agreed to consider them seriously. SSAP successfully opened new communication links for changes and improvements for statistics to be published in future.

Step four centred on new surveys by the Department of Statistics. Some involved collaborative work between the Department and other government agencies while others came through administrative data. Detailed discussions took place on plans for entirely new surveys that would be undertaken to collect data on international trade in services by sub-sectors. Also, the need to develop indices for services, such as price index and volume index, was also deliberated at length.

Sharing and learning from others

Underlying the changes that were required was the need to share with each other and to learn from each other, especially when services activities and industries fell under a host of ministries and government agencies but with none serving as a dedicated or unifying body for the sector as a whole. The SSAP together with the two services councils provided a platform for this co-operative role where working dialogues were conducted. Based on 16 months of intense work, the outcome of SSAP was summarised and divided into courses of action to be undertaken by four groups of change agents. They were to be carried out within the sharing and learning spirit that had been planted and was now burgeoning. It was stressed that measuring services outputs and/or activities meant a state of constant learning, and perhaps unlearning, because GATS is still being negotiated in the WTO Doha Round, and AFTAS is still moving towards greater regional economic integration through the ASEAN Economic Community process.

The first set of tasks destined for the most important change agent for services statistics, was to be carried out by the Department of Statistics. They included time

to respond and follow up with requests, to begin planning on the development of services indices, to improve data dissemination and administrative processes, to pursue more memoranda of understanding with other government agencies and to maximise usage of Input–Output statistics.

The second set of changes was to be carried out by the Task Force Secretariat and involved meetings with new, uncovered or unregulated sub-sectors. (For example, certain technology-related activities in energy and environment services are new; certain creative and leisure services are not included; and pockets of niche services observed like container storage depot services are not regulated.) As a follow up on implementing SSAP decisions, the Task Force developed a concept paper for the path towards development of services indices and started the process with technical assistance from the Commonwealth Secretariat and WTO. The Task Force also started to transfer its functions to a newly formed Work Group on Services Statistics to continue with work started, such as by providing a platform for services sector stakeholders and with the process of informing and explaining to them relevant new developments.

The third group of change agents consisted of other government agencies and private sector organisations such as think tanks and consultancy firms that are data users and may also have data to share. They were asked to collaborate and co-operate in whatever way or form possible to raise the quantity and quality of services data. Further negotiation and mutual consent will be expected.

The fourth group comprised members of the two councils and their focus groups of industry players in services industries. They have an important role in continuing with the educative process for better understanding of services statistics started by the Task Force programmes. Their role in providing suggestions for modifying and improving survey forms will be critical, and their co-operation with the Working Group on Services Indices, cannot be underestimated. Their contribution to statistical integration efforts to develop new indicators or measurements related to production, productivity, price and capital formation will be crucial for future policies on economic growth and on trade. They are key stakeholders who provide the bridges to providers of raw data as responses to Department of Statistics surveys on the one hand, and on the other, as helpers in disseminating statistical outputs to users and providing feedback.

Constantly improving standards

As the SSAP action plan was nearing completion, the Task Force began to propose its own exit strategy; its role was to be taken over and developed further by the Working Group on Services Statistics, to be formed on a permanent basis in the Economic Planning Unit of the Prime Minister's Department. However, to follow through with the task of the Working Group on Services Indices, the Task Force proceeded

with proposals for developing the Index of Services and the Services Producer Price Index along with it, and secondly on developing Indices of International Trade in Services. Recognising the need to seek technical assistance from external experts, the Commonwealth Secretariat was approached.

The experts identified for Malaysia started work in March 2010. At the same time, a WTO national seminar on trade in services was held to update those who would be involved in working for the improvement of services statistics in the country. At the time of writing, an implementation map had been drawn up with inputs from stakeholders in the seminar. It is uncertain how the plans will turn out because in the process of developing the indices it is expected to take at least two to three years for pilot results. However, given the expressed interest of the Government of Malaysia and the strong commitment of the civil servants and industry players in moving ahead with services strategies for economic growth towards a competitive global position, it is believed that all the effort and goodwill of the Commonwealth Secretariat will be extremely beneficial. The project on developing services indices is expected to be catalytic in bringing about other indirect benefits, particularly in upgrading the standard and quality of statistics in general and of services data in particular.

Process and administration issues

As with all reformatory work, the introduction of a trade agreement on services ushered in a new era for economic policy-makers and for those who measure those new phenomena. It was not the case that Malaysia did not have information on those activities before. However, the requirements for statistics had changed over time. The new technology-based services production and delivery, new ways of providing old services, new methods of organising services firms, and new models of carrying out services business altogether demanded new approaches in data collection, presentation and analysis. An example is seen in tourism and air travel, where new services such as on-line ticketing, decentralised selling, centralised operations in tour groups, joint promotions with other service producers, are becoming common. The Tourism Satellite Account is an innovative process adopted worldwide for compiling and reporting tourism services statistics. Another example is the rise of hypermarkets and the benefits of reduced consumer prices that resulted from new retail and distribution formats. At the time of writing, Malaysia had completed some initial groundwork such as stocktaking available services statistics, stakeholders' user requirements, a statistics workshop and activities to uncover urgent needs for data improvements. Efforts to develop indices for services outputs, prices and trade are about to begin. Going forward there are challenges expected that will require perseverance and determination to make progress in the globally competitive environment. There are considerations for data producers on the supply side and for data users on the demand side.

Statisticians in national offices are often confronted by resource constraints. It is not always because they are deprived through budgetary allocations; it is also due to the ever-changing demands and expectations of their outputs. The growing range of statistics based on expanding economies translates into heavier workload by sheer enlargement of the bases of those surveys conducted. The changes introduced by GATS/WTO have been known for some time. Some of the manuals are now ready and advanced economies have implemented some of them. Statisticians of developing economies will experience a lag for various reasons. Besides resources, manpower constraints and keeping up to date with technical treatment of measurements are real issues. The case of Malaysia has highlighted a number of these challenges.

Perhaps the most difficult barrier toward innovation in services measurement is the hindrances caused by inadequate knowledge and understanding among those attempting to develop new data series. It is imperative that those responsible have deeper insights into how services industries, activities and products closely support other economic activities in manufacturing or modern agriculture, mining and other industries especially within a global value chain or supply chain. More empirical research on changing business models and their systems of operation will help. Past assumptions may have to be significantly revised to reflect reality. Deciphering where a value chain ends and another begins when intangible services are intertwined with goods may be problematic without analysis. The absence of clear-cut definitions and delineations for services products, particularly within the cultural context, will require experimentation on the part of statisticians. This is where lessons from others who have lived through those trials and errors are invaluable. For such reasons, Malaysia is grateful for expert help rendered by external experts from the Commonwealth Secretariat. Building on the work of others can save time and money when navigating such unfamiliar grounds. Nevertheless, Malaysia should prepare her main statistics agencies well to receive and benefit from the assistance obtained.

Collaborative working arrangements with other agencies within the economy that are important data sources, such as for constructing sampling frames, need to be strengthened and broadened. Relationships with respondents to enlist completion of survey instruments must be nurtured. Greater transparency, use of newer communication vehicles and electronic data dissemination approaches should draw industries and survey respondents closer. For example, the Department of Statistics mounted a relatively large-scale public relations exercise when re-launching its distributive trade survey by inviting trade associations and relevant industries to a half-day event that started with breakfast and ended with lunch.

In services production models it is well known that clients are often co-producers of the services they receive. For example, until and unless a student co-operates with his/her lecturer by listening and doing assignments, the educational service will not be delivered effectively. Similarly, if a patient does not co-operate as a co-producer by providing relevant background information of his/her condition, the medical

services delivered cannot be as effective as when adequate co-operation is given. This also applies to stakeholders from public sector agencies, private sector businesses and investors who are users of statistics. Their role in assisting the producing agency by supplying information and by filling up questionnaires in surveys is crucial for those statistics to be compiled.

Co-creation between the supplier and users of data are constrained by the need to raise the level of awareness in the public at large. In addition to sheer legal compliance, Malaysia is beginning to encourage respondents by using some appropriate motivational approaches that may range from expected benefits to nationalistic patriotism in obtaining inputs. Other forms of reaching out activities such as consultation with services firms or sub-sectors, use of technology for easier communication and other methods are gradually being used for newer statistics on services. It is undoubted that firms are overburdened with forms to fill and attending to authorities. Any attempt to simplify and to streamline the large number of demands on those who are expected to co-operate will indeed be a service in itself. For example, Malaysia has started to combine two surveys that target the same respondents.

Conclusion

Malaysia is in its infancy with regards to developing its modern commercially-oriented services sector and in measuring those activities within the framework of concepts adopted by the international trading community. We are not alone. There are those who have gone ahead from whom we are learning. It is believed that with more sharing of experiences, we are better placed to improve ourselves and hopefully to help others.

Notes

1. The main ones are: General Agreement on Tariffs and Trade (GATT); General Agreement on Trade in Services (GATS); Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
2. The modes of services trade as defined by GATS are: cross-border trade (Mode 1); consumers or users moving to the country where the service is available (Mode 2); establishment of a commercial presence in the country where service is needed in order to provide that service (Mode 3); movement of natural persons to the country where service is needed with a view to providing service (Mode 4).
3. They are available online at the Malaysia Department of Statistics website: http://www.statistics.gov.my/portal/index.php?option=com_content&view=category&id=35&Itemid=53&lang=en