

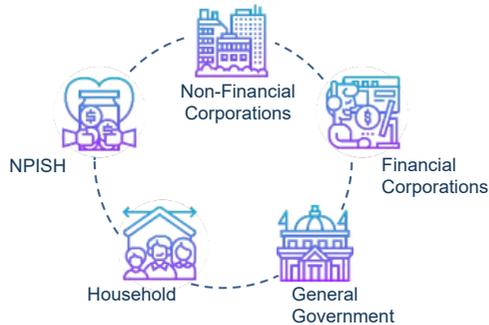


CONNECTING THE DOTS: WHO DOES WHAT AND WHY

Understanding economic actors, actions, and activities helps us see the flow of goods, services, and money in the economy. It shows how production leads to income, income supports consumption, and investment drives future growth, forming a continuous cycle that sustains economic development.

ECONOMIC ACTORS

- Classified by **institutional sectors** and industries.



- National accounts compile data for resident institutional units by sector and sub-sector.
- The framework applies at national, regional, and supra-regional levels.

NPISH refers to Non-Profit Institutions Serving Households

ECONOMIC ACTIONS

- Economic activity starts with producers, who can be:

Market producers: selling goods or services at economically significant prices

Non-market producer: providing goods or services free or at not economically significant prices

- These producers create output, which can be:



- The value of this output** is recorded as flows, capturing transactions like sales, transfers, and other economic events over a period.
- Over time, these flows accumulate and change
- the economy's stocks, such as assets and liabilities, which are measured at a point in time.

ECONOMIC ACTIVITIES



- Economic activities** involve the production, distribution, consumption, and accumulation of goods and services.
- Together, these activities form a continuous
- cycle that drives the economy.

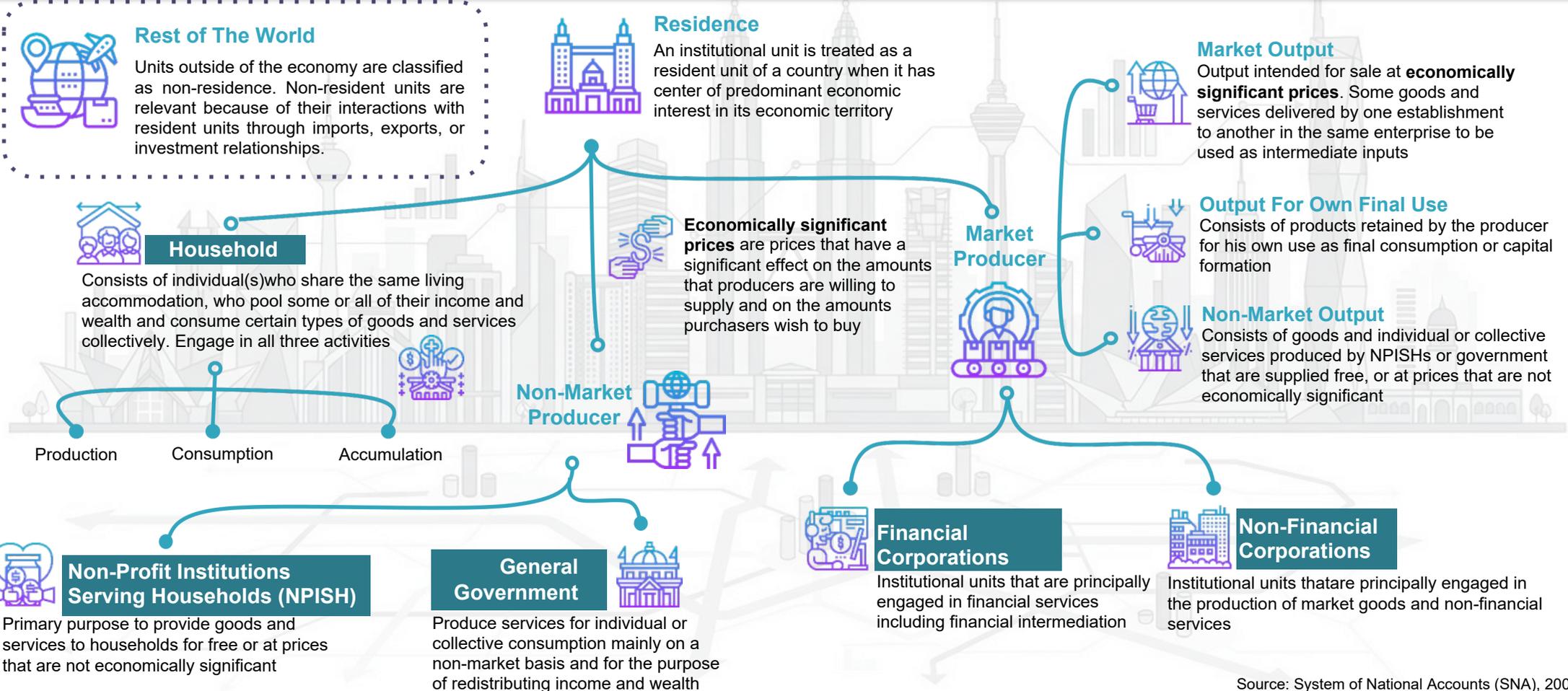
The interconnectedness of all economic actors and their activities drives economic growth and sustains development



STATISTICS FOR EVERYONE:

READING THE PULSE OF THE ECONOMY

The total economy reflect show all institutional sectors in a country work together through the flow of money, goods, and services. From household spending to government policies and international trade, each sector plays a vital role in shaping overall economic performance.



Source: System of National Accounts (SNA), 2008



FROM COMPANIES TO ECONOMIC ACTIVITIES: ESTABLISHMENTS IN THE SNA

In the System of National Accounts (SNA), the establishment is used as the basic statistical unit to ensure that economic activities are recorded according to homogeneous production accurately by industry, particularly where enterprises undertake multiple activities.

ENTERPRISE

- Enterprise may consist of many establishments classified in different International Standard Industrial Classification (ISIC) classes
- Example: PETRONAS

ESTABLISHMENT

- An establishment is a part of an enterprise that is more homogeneous than the enterprise itself. It is located at one site, focuses on one main activity that creates most of its value, and may do small secondary tasks. Its output can also be used by other establishments. Example: PETRONAS have two establishments, namely PETRONAS Carigali Sdn Bhd & PETRONAS Refinery & Petrochemical Corporation Sdn Bhd

INDUSTRY

- Industry is group of establishments engaged in the same kind of activity.
- Kind of activity is defined in accordance with the ISIC, Rev. 3
- Example: Extraction of crude oil & Manufacturing industries

The national economic structure consists of **five main sectors** encompassing industries classified according to MSIC



5 MAIN SECTORS

- Agriculture**
155 Industries
- Mining & quarrying**
46 Industries
- Manufacturing**
262 Industries
- Construction**
78 Industries
- Services**
668 Industries (exclude public sector)

Malaysia Standard Industrial Classification (MSIC)



The **2023 Economic Census (BE 2023)** uses MSIC 2008, based on the guidelines of the International Standard Industrial Classification (ISIC) classes (ISIC Rev.4, 2006)



The **2026 Economic Census (BE 2026)** adopts MSIC 2025, in line with ISIC Rev. 5 (2023) According to the MSIC 2025:

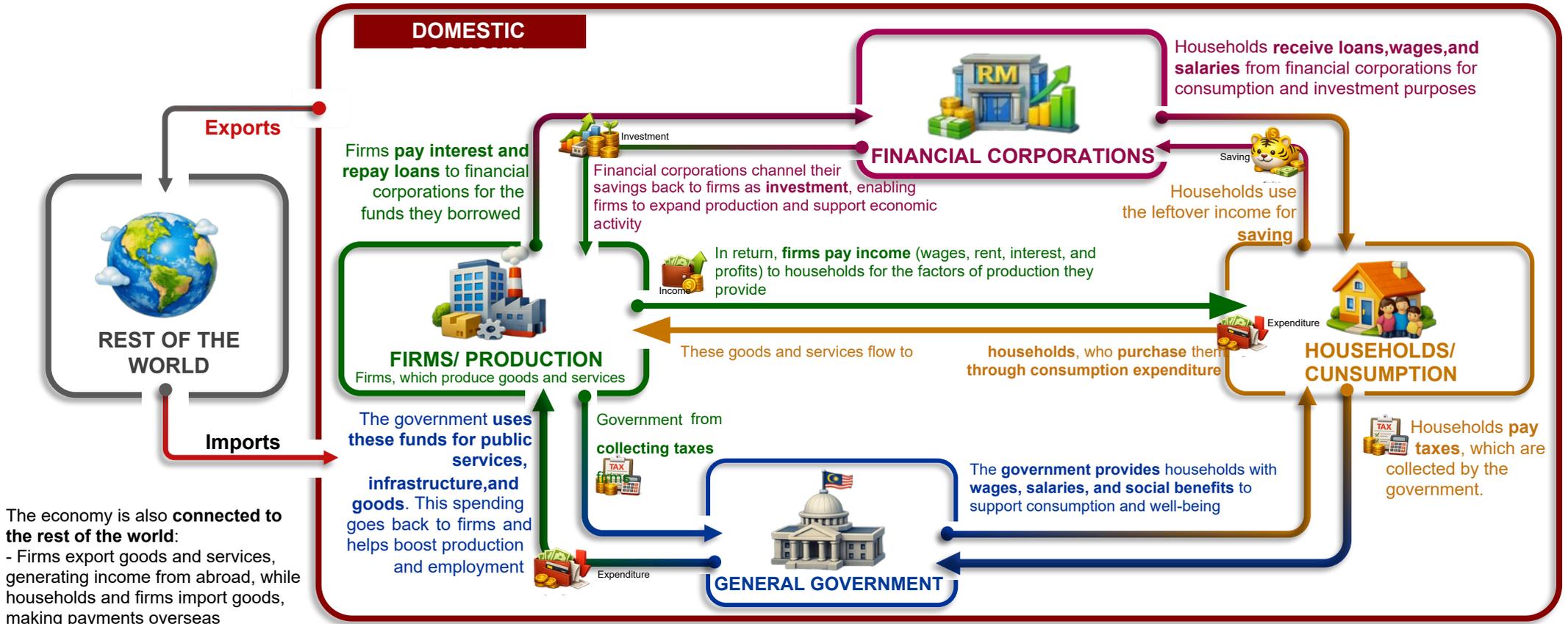
- 5 Sectors
- 10 Sections
- 1,248 Industries

Source: System of National Accounts (SNA), 2008



CLOSING THE LOOP: UNDERSTANDING THE CIRCULAR ECONOMY IN SNA

From the SNA perspective, the domestic economy functions as a continuous flow of production, income, and spending. This framework helps illustrate how economic activities are connected and how value moves within the economy.



Source: System of National Accounts (SNA), 2008



VALUATION IN NATIONAL ACCOUNTS: PUTTING A PRICE ON ECONOMIC ACTIVITY

The valuation of goods and services is essential to ensure that economic activities are recorded consistently within the circular flow of the economy. In this system, output is generated and valued differently across institutional sectors. Proper valuation allows these outputs to be accurately linked to production, income generation, and expenditure flows among sectors, ensuring that interactions within the circular economy are correctly measured and comparable in the national accounts.



The **basic price** is the amount receivable by the producer from the purchaser for a unit of a good or service produced as output minus any tax payable, and plus any subsidy receivable, by the producer as a consequence of its production or sale. It excludes any transport charges invoiced separately by the producer.

$$= \text{Output (-) taxes on products (+) subsidies}$$

PRODUCER'S PRICE

The **producer's price** includes taxes on products (taxes payable per unit of output) and excludes subsidies on products (subsidies receivable per unit of output).

$$= \text{Basic price (+) taxes on output invoiced to purchaser (-) subsidies received by producer from government}$$

PURCHASER'S PRICE

The **purchaser's price** of a good includes any transport charges paid separately by the purchaser to take delivery at the required time and place. If purchasers buy output not from the producer directly but from a wholesaler or retailer, it is necessary to include their margins in the difference between basic and purchasers' prices also.

$$= \text{Producer price (+) Transport and trade margin}$$

Source: System of National Accounts (SNA), 2008