

NOTA TEKNIKAL *TECHNICAL NOTES*



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TECHNICAL NOTES

A. Introduction

The compilation of Cultural and Creative Satellite Account (CCSA) 2024 is based on 2008 System of National Accounts (SNA) and 2025 UNESCO Framework for Cultural Statistics (FCS). The concepts and definitions are adapted to Malaysia's requirement. The term "satellite account" is adopted to reflect the nature of the account developed. It is a "satellite" to the core set of National Accounts that presents additional information which is beyond the available information provided in the National Accounts.

This satellite information focuses on a particular aspect of the economy for example contribution of creative to the nation. It also permits further linkages to additional information specific to cultural and creative such as income, exports, imports and employment.

The development of satellite account is a systematic statistical measurement that applies concepts, definitions and classification which are based on international standard to enable comparison among countries.

B. Concepts and Definitions

1. Definition of cultural and creative industry

1.1 Cultural

Refers to a way of life that is inherited and practiced within a society. National Culture on the other hand, encompasses ways of life that transcend ethnic and tribal cultures and shape shared cultural practices. This definition is based on the Dasar Kebudayaan Negara 2021.

1.2 Creative industry

Refers as the mobilization and production of individual or group abilities and talents based on creativity, innovation and technology that leads to a source of economic success and high income to the country with an emphasis on works and intellectual property in line with culture and values -the pure values of racial diversity in Malaysia. This definition is based from Dasar Industri Kreatif Negara 2009.

2. Cultural and Creative industry

Malaysia's cultural and creative industries are divided into core domain and transversal domain. Core domain has seven segments while transversal domain has six segments.

2.1 Core domain

The **core domain** comprises economic and social activities that are traditionally associated with culture

2.1.1 Cultural and natural heritage

The Cultural and natural heritage domain is shaped by social and cultural processes that assign value, functions and meanings to heritage. Heritage is not static but is continuously constructed and reinterpreted. It includes tangible heritage (physical, movable and underwater) and intangible heritage (cultural practices, traditions and meanings). It also covers natural heritage, which refers to natural features, ecosystems and protected areas with scientific, conservation, or aesthetic value. Cultural products closely linked to both cultural and natural heritage will be classified under corresponding cultural domains based on their artistic purpose, with two segments:

- a. Museums, libraries and archives*
- b. Parks, botanical gardens and zoos*

2.1.2 Performing arts

The Performing arts domain are cultural and creative expressions presented live to an audience, using voices, bodies, or inanimate objects to convey artistic ideas. This domain includes various segments such as:

- a. Theatrical performance*
- b. Dance and musicals*
- c. Other performing arts*

2.1.3 Visual arts and crafts

The Visual arts and crafts domain focuses on the creation, production, restoration, dissemination and commercialization of both historical and contemporary artworks and crafts. It includes a wide range of artistic forms such as painting, photography, sculpture, engraving, carving, design and visualization, using materials like stone, wood, paper and paint. The domain emphasizes creativity and craftsmanship to achieve artistic mastery and significantly contributes to the cultural and natural heritage domain. This domain is divided into two segments:

- a. Photography*
- b. Crafts*

2.1.4 Books and press

The Books and press domain reflects a dynamic interplay of activities and actors engaged in the conversion of a manuscript into a tangible or digital product. Its central role is to offer the public a rich array of literary content

imbued with profound symbolic significance. Within this domain, traditional and emerging agents coexist and interact, continually adapting to technological shifts as they collaborate in the creation, production, distribution and consumption of books, newspapers and magazines. the books and press domain includes four segments at its common scope:

- a. Books*
- b. Newspapers*
- c. Magazines*
- d. Other published works*

2.1.5 Audiovisual

The Audiovisual domain corresponds to the extensive network of agents responsible for the production, dissemination, transmission and exhibition of a series of mutually associated images, with or without reproducible sound, which require the use of technological support, irrespective of the type of support that includes them. This domain includes three segments in its common scope:

- a. Film*
- b. Video*
- c. Television*

2.1.6 Design and creative services

The Design and creative services domain encompass a wide range of activities that bridge technological research and innovation with social practice. Designers work across various sectors like infrastructure, transport, advertising, housing and public services, connecting different fields and professionals. The primary purpose of design services is to provide cultural and creative input that contributes to the development of a final product. Although design services often lead to products that are not necessarily cultural (such as commercial advertisements), they add value throughout the product's development, from concept to final product. The design and cultural and creative services domain include five segments:

- a. Graphic design*
- b. Architectural / industrial services*
- c. Fashion design*
- d. Interior design*
- e. Advertising*

2.1.7 Music

The Music domain includes creators (such as musicians, composers and songwriters), as well as managers, record companies, music publishers and

collecting societies. It also covers the dissemination of music through radio stations, music stores, online platforms, live events and the manufacture of music instruments and related merchandise. The music domain is divided into five segments:

- a. Sound recording
- b. Live music
- c. Radio
- d. Music publishing
- e. Musical instruments

2.2 Transversal domain

The **transversal domain** supports the core domain. The transversal domain also cuts across almost all core domains to ensure that the entire cultural ecosystem functions effectively and more comprehensively.

2.2.1 Cultural knowledge

The Cultural knowledge domain refers to living heritage practices that preserve and transmit cultural knowledge across generations. It emphasizes the protection of cultural knowledge from misappropriation and ensures the equitable sharing of benefits derived from its use. This domain focuses on measuring heritage practices based on cultural knowledge, supporting the identification, conservation and promotion of intangible cultural heritage. The cultural knowledge domain includes segment of Oral traditions and expressions.

2.2.2 Festivals

The Festivals domain refers to themed public celebrations that are categorized based on their characteristics, duration and spatial dimensions. These events, which can include music, theatre, visual arts and more, are classified by genre but are often complex and may not fit neatly into a single category due to the growing prominence of transmedia content. These events hold significant social and economic value and the domain is structured into two segments:

- a. Feasts
- b. Festivals

2.2.3 Interactive media

The Interactive media domain refers to digital platforms and technologies that allow users to actively engage with content, enabling the creation, sharing and consumption of information in a dynamic and participatory manner. This

domain encompasses various forms of digital media where the audience has a direct role in content creation or interaction. The interactive media domain includes two segments:

- a. Video games*
- b. Social network*

2.2.4 Cultural governance and management

The Cultural governance and management domain focuses on the role of cultural managers as key intermediaries in generating value within cultural and creative ecosystems. It views cultural governance and management from an ecosystem perspective, emphasizing the importance of both public and private individuals and organizations (formal and informal) in fostering and supporting the cultural sector. This domain includes two segments:

- a. Cultural organizations and associations*
- b. Private management*

2.2.5 Cultural education

The Cultural education domain refers to educational activities related to culture and the arts, encompassing formal and non-formal contexts. It involves diverse pedagogies that integrate various cultural perspectives, practices and expressions, using different modalities like offline, online and blended learning. Cultural education promotes intercultural dialogue, cultural diversity and collaboration among stakeholders, including educational and cultural institutions, government bodies, artists and civil society organizations. This domain is divided into two segments:

- a. Formal education*
- b. Non-formal education*

2.2.6 Equipment and multipurpose devices

The Equipment and multipurpose devices domain highlights the contributions of specialized equipment and supporting materials exclusively used for the creation, production and distribution of cultural products. Electronic devices such as music players, televisions, video game consoles, camcorders, photographic cameras and e-book readers exist primarily to support cultural practices. Their main purpose is to facilitate cultural participation and contribute to the development of cultural content. The domain emphasizes the importance of two essential tools for enhancing cultural engagement:

- a. Computers*
- b. Mobile phones*

C. Production Accounts of Cultural and Creative Industry

1. **Gross Domestic Product** is the total value of all goods and services produced in a certain period after deducting the cost of goods and services used up in the process of production. This value is before deducting the allowances for consumption of fixed capital i.e. the sum of value added of resident producer in producers' prices plus import duties. GDP is equivalent to expenditure on the GDP (in purchasers' prices) i.e. the sum of all components of final expenditure on goods and services less imports of goods and services.

GDP can be measured by using three approaches namely Production, Expenditure and Income Approach.

2. **Value Added** is the difference between output and intermediate consumption. It represents the added value of goods and services by economic activity. Hence, it is approximately equivalent to commercial profit, salaries and wages, depreciation and indirect taxes; plus interest paid less interest received.
3. **Gross Value Added of Cultural and Creative Industry (GVACCI)** is the sum of Gross Value Added of all cultural and creative industry.

D. Generation Income Accounts of Cultural and Creative Industry

1. **Compensation of employees** includes remuneration, in cash or in kind, payable by an enterprise to an employee in return for work done during the accounting period.
2. **Gross operating surplus** refers the operating surplus before deducting the consumption of fixed capital and mixed income.
3.
 - 2.1 Operating surplus refers to measures the surplus or deficit accruing from processes of production before deducting any explicit or implicit interest charges, rent or other property income payable on the financial assets, land or other natural resources required to carry on the production. By definition, operating surplus can only be earned by industries.
 - 2.2 Mixed income includes an unknown element of remuneration for work done by the owner of the enterprise or other members of the household, as well as operating surplus accruing from the production.

2.3 *Consumption of fixed capitalis defined as the decline in the current value of the stock of fixed assets owned and used by a producer during the course of the accounting period as a result of physical deterioration, normal obsolescence or nominal accidental damage.*

3. ***Taxes less subsidies on production and imports*** consists of taxes on products and other taxes on production less subsidies on product and other subsidies on production.

3.1 *Taxes on products is taxes that are payable per unit of some goods or services and usually become payable when they are produced, delivered, sold, transferred or otherwise disposed by their producer. The tax may be a specific amount of money per unit of quantity of a good or service, or it may be calculated ad valorem as a specified percentage of the price per unit or value of the goods or services transacted. For example, sales taxes, excise taxes, import duties, export duties, etc.*

3.2 *Other taxes on production consists of all taxes except taxes on products that enterprises incur as a result of engaging in production such as taxes payable on land, fixed assets or labour employed in the production process or certain activities or transactions. Examples of other taxes on production are taxes payable by enterprises for business licenses, payroll taxes, stamp duties, etc.*

3.3 *Subsidies on products is a subsidy payable per unit of a good or service. The subsidy may be a specific amount of money per unit of quantity of a good or service, or it may be calculated ad valorem as a specified percentage of the price per unit of the goods or services. A subsidy on products usually becomes payable when the good or service is produced, sold or imported, but it may be also payable in other circumstances such as when a good is transferred, leased, delivered or used for own consumption or own capital formation.*

3.4 *Others subsidies on production consists of subsidies except subsidies on products that resident enterprises may receive as a consequence of engaging in production such as subsidies on payroll or workforce.*

E. Data sources

The data sources in compiling Cultural and Creative Satellite Account are as follows:

INDUSTRY / DATA	DATA SOURCES
<ul style="list-style-type: none">• Cultural and natural heritage• Performing arts• Visual arts and craft• Books and press• Audiovisual• Design and creative services• Music• Cultural knowledge• Festivals• Interactive media• Cultural governance and management• Cultural education• Equipment and multipurpose devices	<ul style="list-style-type: none">• GDP• Economic Census• Annual Survey
<ul style="list-style-type: none">• Exports and imports of cultural and creative goods• Exports and imports of cultural and creative services	<ul style="list-style-type: none">• External Trade Statistics• Statistics of International Trade in Services
<ul style="list-style-type: none">• Tax and subsidies	<ul style="list-style-type: none">• GDP Income Approach
<ul style="list-style-type: none">• Compensation of employees	<ul style="list-style-type: none">• GDP Income Approach• Accountant General's Department of Malaysia
<ul style="list-style-type: none">• Gross operating surplus	<ul style="list-style-type: none">• GDP Income Approach
<ul style="list-style-type: none">• Employment	<ul style="list-style-type: none">• Annual Labour Force Survey• Annual Economic Survey• Quarterly Survey of Services• Monthly Manufacturing Survey• Monthly Survey of Wholesale & Retail Trade

F. Main tables CCSA

CCSA comprises of five (5) tables and the explanation are as follows:

Table 1: Gross Value Added of Cultural and Creative Industry

The statistics on Gross Value Added of the Cultural and Creative Industry are measured at current prices. The measurement of Gross Value Added for the Cultural and Creative Industry is conducted on an overall basis, without taking into account whether the output is produced specifically to generate cultural and creative products or otherwise. The compiled statistics are based on the annual GDP that has been published.

Table 2 and 3: Exports and Imports of cultural and creative products

Data from goods of exports and imports statistics for cultural and creative products was extracted from the customs declaration (International Trade Statistics) where the compilation was based on the Harmonized Commodity Description and Coding Systems (HS) code. Meanwhile, the value of the exports and imports services was derived from the balance of payments statistics. The arrangement also took into account the recommendations by the 2008 SNA and Balance of Payments and International Investment Position Manual Sixth Edition (BPM6) particularly in implementation on treatment of Goods for Processing from Abroad (GFP) and Manufacturing Services (MS).

Table 4: Income components of cultural and creative industry

The income components statistics of the cultural and creative industry consist of compensation of employees, gross operating surplus and taxes less subsidies on production and imports. This statistics is derived using SUT 2015 according to the cultural and creative products. For subsequent years, data is based on the Annual GDP Income Approach.

Table 5: Employment in the cultural and creative industry

Statistics of employment data in the cultural and creative industry is a compilation of employment obtained from the Annual Labour Force Survey, Annual Economic Survey, Quarterly Survey of Services, Monthly Manufacturing Survey and Monthly Survey of Wholesale & Retail Trade are obtained by Department of Statistics Malaysia.

G. Publication and Data Revision

This publication presents Cultural and Creative Satellite Account for the year 2015 to 2024. The series will be updated whenever any latest data available.

H. Symbols

e	: estimate
p	: preliminary
-	: negative
%	: percentage

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