

# How the Economic Census helps businesses

In recent years, solar cell manufacturing has generated a huge amount of interest and taken off as an industry.

In terms of solar cell production, China has overtaken the US. Chinese manufacturers now produce close to three-fifths of the world's solar cells at a fraction of the cost.

Solar cells will also get a boost from the Malaysian government's initiatives to increase the share of renewable energy in electricity generation from less than 1% currently to 22% by 2020.

Tenaga Nasional Bhd is also embracing renewable energy. In February this year, it launched a solar plant in Putrajaya, which will cover a buffer area of 500m next to an existing power plant.

The passing of the Renewable Energy Act in April this year may encourage homeowners to install solar panels on the roof tops of their homes and sell the electricity generated to Tenaga under the "Feed-In-Tariff" mechanism.

All this interest in solar cell manufacturing might seem like a very recent trend, but it comes as no surprise to the Department of Statistics (DoS) which picked up on the wave in solar cell manufacturing from the results of the second Economic Census conducted in 2006.

"We were able to capture the solar cell manufacturing industry using the results from that census," said DoS' Chief Statistician Dr Abdul Rahman Hasan in a recent interview.

"It is still small [in Malaysia] but is going to be big in the future as we as a nation progress towards a more environmentally friendly mindset," said Omi Kelsom Haji Elias, Deputy Chief Statistician of the Economic Programme.

The capturing of new industries through the results of the census is something which can be useful to business. "They [businesses] will be able to gauge their strengths and competitiveness," said Omi.

Enabling businesses to take note of potential competition is just one reason why DoS is encouraging companies to take part in this year's Economic Census.

The department mailed out the questionnaires for the census in May this year to about 943,000 companies. These include those registered with the Companies Commission of Malaysia (CCM) and professional bodies like the Bar Council and Persatuan Arkitek Malaysia (PAM). The number excludes distributive trade companies such as retail and wholesale companies.

Dr Abdul Rahman said besides tracking new emerging industries, there are other uses for the Economic Census results.

"[It] provides comprehensive information on the growth, structure and profile of the economy as an input to the formulation of National Development Plans and economic policies and as a benchmark for the re-basing of Gross Domestic Product (GDP) and other economic indicators, like the Index of Industrial Production and the Producer Price Index. It also assists the business community to gauge the effectiveness [of businesses] and enhance business opportunity," he said.

Within the business community, companies can use the results of the Census to estimate their market share. The census statistics for their industry, related industries and sales markets can also help them better prepare themselves to apply for and seek new financing.

The census will also allow businesses to assess possible store locations by comparing their sales with local census totals within their industry and against the local population and its income statistics.

Access to important information like this would undoubtedly help the vast number of small and medium enterprises (SMEs) in Malaysia. According to the department, in 2005, SMEs constituted 99% of the total number of companies in the country.

The department is looking to gather more insights on the SME landscape during the 2011 census. This will be the first time since 2005 that the Economic Census is being integrated with the SME

Census. The department has since decided to merge the two since SMEs constitute such a large portion of the economy.

The growth of local SMEs has outstripped Malaysia's gross domestic product (GDP) growth since 2004, according to the department's research. In 2010, SMEs grew at 8.4%, surpassing GDP growth of 7.2%.

Another sector that has seen such growth is the services sector. According to Tay Suan See, the Senior Director of the Services Statistics Division, the services industry's contribution to GDP has grown over the years. In 2000, the contribution was 49.3%. Last year, it grew to 57.7%. This is in line with Malaysia becoming a more developed nation, said Tay.

Unfortunately, although the results of the Economic Census provide useful information, the response rate to the questionnaires mailed out is low at 15%.

In the months after the questionnaires were mailed out, department staff follow up with telephone calls and visitations to company offices to collect information for the census. All information gathered is kept confidential.

Overall, the Economic Census collects six classifications of information from businesses. There are a total of 270 types of questionnaires which tailor questions to cater to the various sub-sectors of industries. The six classifications comprise the industry's profile, assets and capital expenditure, income or turnover, expenditure patterns, human resource information and information and communications technology (ICT) compliance.



**Abdul Rahman: The census provides comprehensive information on the growth, structure and profile of the economy**

New modules are also introduced with every census depending on the developments in a particular industry. This year, the department introduced questions regarding the following: ICT (information related to the usage of computers, websites and e-commerce), innovation (local and international accreditation and intellectual properties), environment, access to financing (the accessibility, availability and sources of alternative financing) and finally, marketing and promotion (mediums used).

There is also a question regarding women-owned companies, said Dr Abdul Rahman. "This is in line with the government's aspiration to increase women entrepreneurs' participation in the economy," he said.

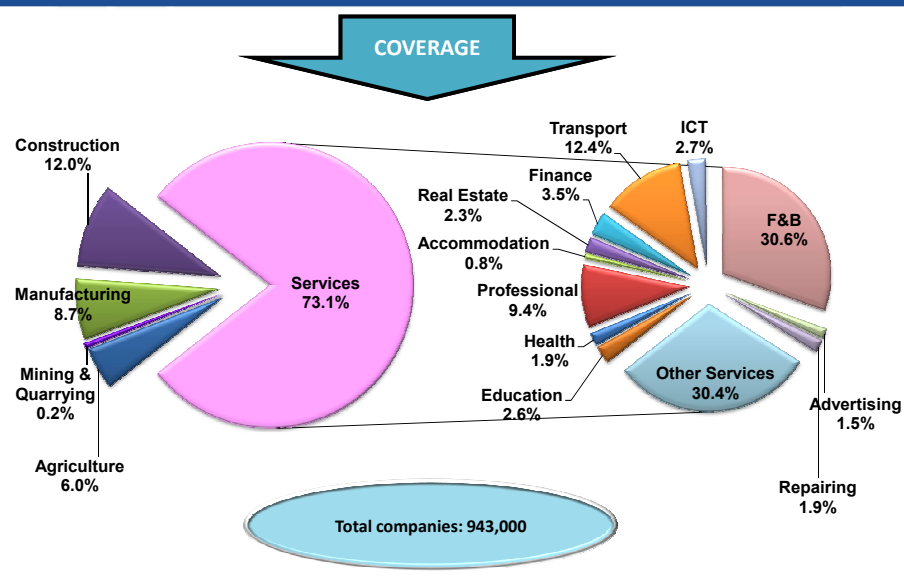
Since the census questionnaire was mailed out in May, the personal follow-ups have been initiated and the department hopes to gather responses from all registered companies in operation by December 2011. It aims to disseminate the findings of the census in early June 2012.

Dr Abdul Rahman and his team are hoping for a speedy collection of data from businesses.

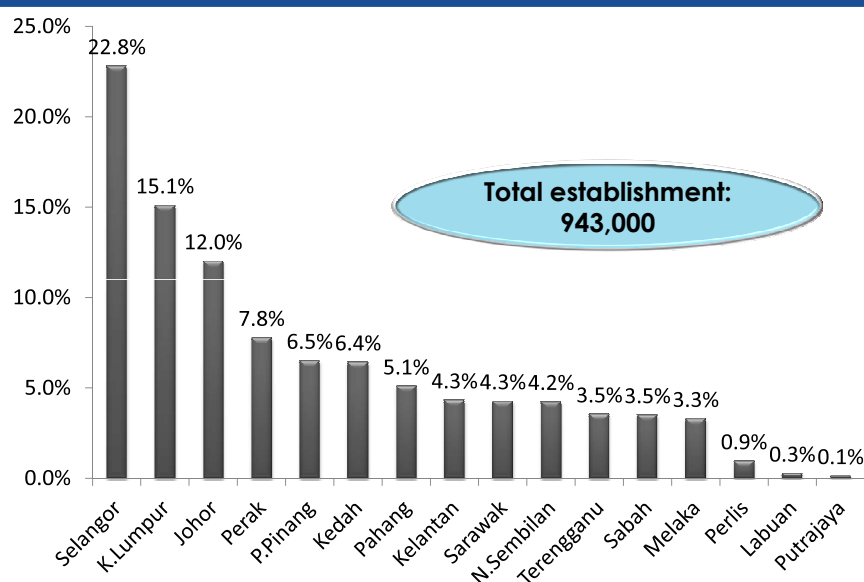
"At the end of the day, we're just providing information for the businesses themselves. Otherwise, it will be like walking in the dark with no [walking] stick," he said.

More information on the Economic Census and how companies can participate can be found on the website of the Department of Statistics: [www.statistics.gov.my](http://www.statistics.gov.my)

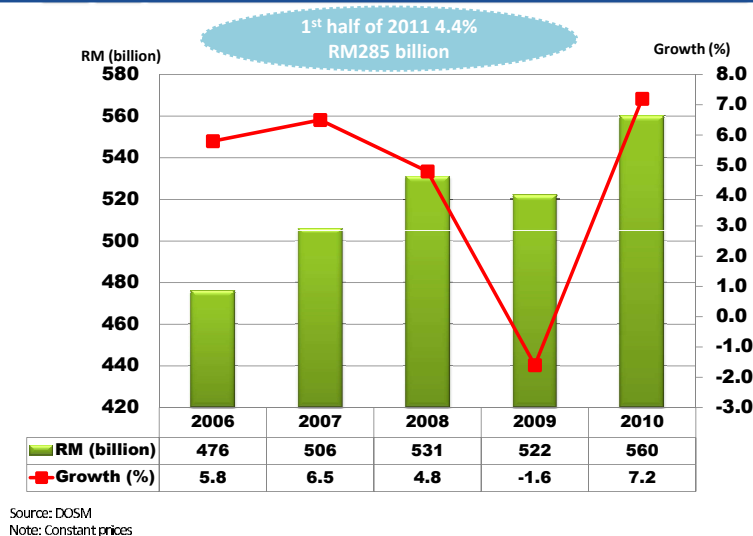
## Economic census



## Number of establishments by state



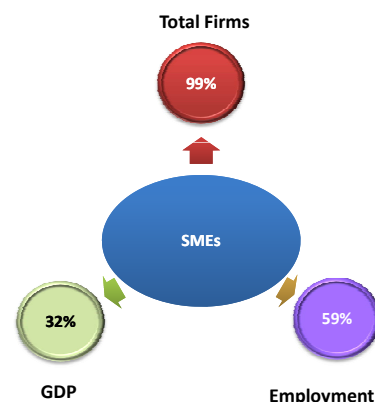
## Malaysia's economy



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## Currently Malaysian SMEs

### Percentage share



### SMEs performance

