

## **FREQUENTLY ASKED QUESTIONS (FAQ) ADVANCE GROSS DOMESTIC PRODUCTS (GDP) ESTIMATES STATISTICS**

### **1. What are the Advance GDP Estimates?**

The Advance GDP Estimates provide an interim measurement of the country's economic performance using partial information available upon its release. Meanwhile, the preliminary estimates of GDP, which are compiled based on a more complete information, provide a more accurate and detailed breakdown of economic performance indicators.

### **2. Is the Advance GDP Estimates revised periodically?**

Yes. The Advance GDP Estimates are subject to revision when more comprehensive data becomes available.

### **3. Since when DOSM compile the Advance GDP Estimates statistics?**

DOSM has been compiling the Advance GDP Estimates statistics since the second quarter of 2020, in response to the need for more frequent economic measurement due to the COVID-19 pandemic. The first public release of the Advance GDP Estimates by DOSM was on 20 October 2023.

### **4. How is the Advance GDP Estimates calculated?**

The Advance GDP Estimates is calculated following the guidelines of the System of National Accounts (SNA) 2008, the Quarterly National Accounts Manual, and various references from international statistical institutions. Available data for the first two months is used in the compilation, while the third month is estimated using several approaches namely time series extrapolation techniques, trend analysis and economic models. Additionally, results from surveys with partial coverage are also incorporated.

### **5. What are the main data sources used to calculate the Advance GDP Estimates?**

- i. **Industrial sector (Manufacturing, Mining and Electricity):** The published Index of Industrial Production (IPI) and the Manufacturing sales value for the first two months are used. Meanwhile, data for the third month was estimated mainly based on preliminary data from the Monthly Manufacturing Survey, preliminary statistics of external trade, and forecasted data for the production of the Mining sector and the generation of electricity.
- ii. **Construction sector:** Estimated based on preliminary data from the Monthly Construction Survey (for internal use) and other related indicators.
- iii. **Services sector:** The published Volume Index of Wholesale & Retail and Wholesale & Retail sales for the first two months are used. Meanwhile, data for the third month was estimated mainly based on preliminary data from the Monthly Wholesale & Retail Trade Survey. Data for other Services sub-sectors were estimated based on the Monthly Services Survey and other related indicators.

- iv. **Agriculture sector:** Data for the first two months are obtained from agencies, while data for rubber production is used from published Monthly Rubber Statistics. Meanwhile, data for vegetables, fruits and livestock products (eggs) are sourced from the Quarterly Agriculture Survey (for internal use). Data for the third month was estimated by agencies and DOSM.
- v. **Merchandise exports and imports:** The main data sources are imports and exports declarations approved by the Royal Malaysian Customs Department and Free Zone Authorities, besides other data sources.
- vi. **Good and Services in Balance of Payments:** External trade statistics, DOSM internal surveys and statistics from other agencies, namely Bank Negara Malaysia, Tourism Malaysia, Ministry of Higher Education and others.

## 6. Why is the Advance GDP estimates important?

The Advance GDP Estimates is important for:

- i. **Timely Economic Indicator:** Provides an early snapshot of the state of the economy and subsequently allows policymakers, businesses and investors to monitor the current economic performance.
- ii. **Policy Decision-Making:** It provides valuable insights into the overall health of the economy, particularly helping policymakers stimulate or stabilize economic activity.
- iii. **Business Planning and Investment:** Assists businesses in planning their operations and investment strategies. It indicates the overall demand for goods and services, hence helping businesses make decisions on production levels, hiring, and capital investments.
- iv. **Market Expectations:** Financial markets pay close attention to the Advance GDP Estimates because it may significantly impact investor sentiment and market expectations.
- v. **Economic Forecasts:** The Advance GDP Estimates serves as a crucial input for economic forecasting including employment, inflation, and other macroeconomic variables.
- vi. **International Comparisons:** The Advance GDP estimates allows for comparisons of economic performance between countries and regions. It also provides a basis for assessing relative economic strength, competitiveness, and potential investment opportunities.

**7. How does the Advance GDP Estimates' growth differ from the Preliminary GDP Estimates?**

Based on the thirteen series of estimates (second quarter of 2020 until the second quarter of 2023), the difference in GDP growth between the Advance and Preliminary GDP estimates is less than one (1) percentage point. Although there are slight differences between both GDP estimates, the trends are similar.

**8. Is advance GDP estimates a global practice?**

Yes. Among the countries that released the Advance GDP Estimates are the United States, European Union, United Kingdom, South Korea, Taiwan, Singapore, Hong Kong and Japan.

**9. How far have the Advance GDP Estimates deviate from the Preliminary GDP estimates for these countries?**

No.	Country (YoY%)	2021	2022	2022								2023			
				Q1*	Q1	Q2*	Q2	Q3*	Q3	Q4*	Q4	Q1*	Q1	Q2*	Q2
1.	United States	5.8	1.9	3.6	3.6	1.6	1.9	1.8	1.7	1.0	0.7	1.6	1.7	2.6	2.4
2.	European Union	5.7	3.4	5.0	5.6	4.0	4.2	2.4	2.5	1.8	1.6	1.3	1.1	0.5	0.4
3.	United Kingdom	8.2	4.3	8.7	11.4	2.9	3.9	2.4	2.1	0.4	0.7	0.2	0.5	0.4	0.6
4.	South Korea	4.3	2.6	3.1	3.1	2.9	2.9	3.1	3.2	1.4	1.4	0.8	0.9	0.9	0.9
5.	Taiwan	6.5	2.4	3.1	3.9	3.1	3.0	4.1	3.6	-0.9	-0.8	-3.0	-3.3	1.5	1.4
6.	Singapore	8.9	3.6	3.4	4.0	4.8	4.5	4.4	4.0	2.2	2.1	0.1	0.4	0.7	0.5
7.	Japan	2.2	1.0	0.2	0.6	1.1	1.7	1.8	1.5	0.6	0.4	1.3	2.0	2.0	1.6
8.	Hong Kong	6.4	-3.5	-4.0	-3.9	-1.4	-1.2	-4.5	-4.6	-4.2	-4.1	2.7	2.9	1.5	1.5

Note: \*Advance GDP estimates

**10. How long have these countries' Advance GDP Estimates been released before the Preliminary GDP estimates as compared to Malaysia?**

No.	Country	Release Date for Advance GDP Estimates and Preliminary GDP Q3 2023		
		Advance GDP Estimates	Preliminary GDP	No. of Days
1.	Malaysia	20 October	17 November	28
2.	United States	26 October	29 November	34
3.	European Union	31 October	14 November	14
4.	United Kingdom	10 November	22 December	42
5.	South Korea	26 October	5 December	40
6.	Taiwan	31 October	NLT 30 November	30
7.	Singapore	13 October	NLT 24 November	42
8.	Japan	15 November	8 December	42
9.	Hong Kong	31 October	10 November	10

Note: \*NLT-Not later than

**11. When does DOSM release the Advance GDP Estimates?**

The Advance GDP Estimates are published three weeks after the reference quarter and detailed information is available in the Advance Release Calendar (ARC) of DOSM's portal.

**12. What are the statistics of the Advance GDP Estimates that will be available?**

The statistics available will be GDP at constant prices (2015=100) by production approach encompassing value, growth rate, and percentage share at five main economic sectors, namely Agriculture, Mining and quarrying, Manufacturing, Construction and Services.

**13. Does this imply that there will be twice the quarterly estimation of Malaysia's GDP in one quarter?**

Yes. Malaysia's upcoming quarterly GDP statistics will be published twice within a quarter: first, three (3) weeks after the end of the reference quarter (known as the "Advance GDP Estimates") and then seven (7) weeks after the end of the reference quarter (known as the "Preliminary GDP Estimates").

**14. Why is the release of the Preliminary GDP Estimates extended from six (6) to seven (7) weeks after the reference quarter?**

The availability of the Advance GDP Estimates to the public allows DOSM to reschedule the release of the Preliminary GDP Estimates from six (6) weeks to seven (7) weeks after the reference quarter to consider more comprehensive data and indicators received from sources. This will minimise the revisions to the final GDP, which will be finalised within three years. The change in the release date for the Preliminary GDP Estimates is within the Special Data Dissemination Standard (SDDS) recommendation under the national account's specification.

The SDDS (<https://dsbb.imf.org/sdds/country/MYS/category>) was established by the IMF to guide members that have, or might seek, access to international capital markets in the provision of their economic and financial data to the public.

**15. Will DOSM publish monthly GDP in addition to the Advance GDP Estimates?**

No. The monthly GDP will only be included in the Preliminary GDP Estimates.

**16. Will DOSM release seasonally adjusted Advance GDP Estimates?**

No. Only the Preliminary GDP estimates are adjusted for the effects of seasonal influences.