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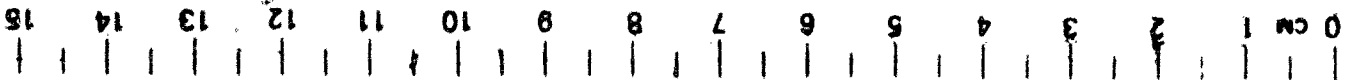
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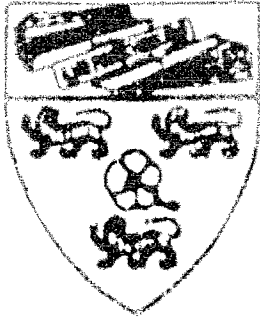
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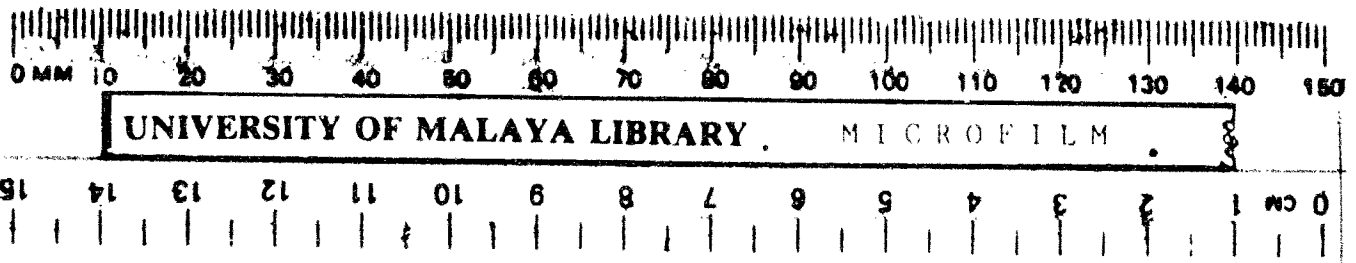


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Malaya... out of the country...  
"FOREIGN TRADE STATISTICS OF MALAYA" / Gross Domestic  
Production ratio...  
A STUDY OF THE USE OF STATISTICS  
of the  
Malayan economy.

IN THE ANALYSIS OF FOREIGN TRADE

Chapter I is a critical examination of the definitions,  
concepts and methods of compiling trade statistics, giving the logic  
behind the present system used and, where possible, the faults in the  
system and the published data are to be adjusted to present a true  
picture of the trade flow... by the examination of the definitions  
... any... published statistics for it  
... had a different system been

Khong Kim Nyoon

diagrams.  
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appendices.

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to Port Swettenham work  
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A Graduation Exercise presented to  
the University of Malaya in  
part fulfilment towards the  
Degree of Bachelor of Arts  
with Honours in Economics  
(Statistics)

4. Best chapters -  
II + III  
Chapter III + VI  
are int as good  
on the whole, worthy of  
publication with improvements  
to chapters  
III + VI.

Some tables can  
be removed. Others  
shown as appendices.  
Diagrams to help.

Division of Statistics,  
Faculty of Economics and Administration,  
University of Malaya.

August, 1956

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## SYNOPSIS

This Graduation Exercise is a study of how Malayan trade statistics are used to study the flow of goods in and out of the country during the period 1947-1965. The Gross Export Proceeds/Gross Domestic Production ratio and Gross Imports/Total consumption ratio being both half, it is obvious that trade is a very important sector of the Malayan economy.

Chapter I deals with a detailed examination of the definitions, concepts and methods of compiling trade statistics, giving the logic behind the present system used and, where possible, the faults in the system and how published data may have to be adjusted to present a true picture of the trade flow. This close examination of the definitions is fundamental in any analysis based on the published statistics for it is obvious that conclusions may be different had a different system been followed.

Trends in total imports and exports follow, with a more detailed analysis of exports by commodities and imports by sections in later sections in Chapter II. This study in the trends is to see how far external economic situations affect the trade of Malaya and whether the fluctuations in the value of trade is due more to fluctuations in price or volume. The chapter concludes with an analysis how the trade sector has affected the domestic economy of the country during the period mentioned.

An analysis of the patterns of trade by economic and geographical areas is relevant in understanding the trends of trade, for if we can trace the main consumption centres of our exports and the main sources of our imports we are able to trace the external causes for the fluctuations in external trade. The trade of Malaya with the main economic and geographical trades have been traced in Chapter III. But in doing this, we are faced with the major difficulty that separate trade statistics for Malaya alone are not published for the years before 1958. Accordingly, two methods have been suggested to estimate Malaya's trade by countries and, in most tabulations, separate sets of figures are given to show the results of the two methods used.

The fluctuations in the trade with these countries are analysed and the reasons traced in the remaining parts of this Chapter. Throughout, adjustments for exports to Singapore, the destination of which is not known at the time of export, have to be made to show the true picture.

Chapter IV attempts to project future exports and imports. In the case of exports, such projections are done by commodities, various variables affecting future export volume and value being taken

into account. For imports, projections are being done only be value for the various sections. The assumptions made for such projections and the reasons for such a set of assumptions are spelled out in detail throughout the whole analysis.

From a study of the trends, past and present patterns and future trade, conclusions are drawn as to the implications for Malayan trade.

TABLE OF CONTENTS

	Page
LIST OF TABLES . . . . .	iv
INTRODUCTION . . . . .	viii
 Chapter	
I. DEFINITIONS AND CONCEPTS IN MALAYAN FOREIGN TRADE STATISTICS . . . . .	1
1) Method of Collection and Compilation . . . . .	1
2) Period Covered by the Statistics . . . . .	2
3) Coverage of Merchandise . . . . .	3
4) Trade System . . . . .	7
5) Commodity Classification . . . . .	9
6) Valuation . . . . .	12
7) Country Classification . . . . .	13
8) Index Numbers on Trade . . . . .	19
9) A Note on the Comparability of Trade Statistics, 1947 to 1965 . . . . .	20
II. IMPORT AND EXPORT TRENDS, 1947-1965 . . . . .	22
1) Total Gross Export and Total Gross Import Trends . . . . .	22
2) Exports . . . . .	31
a) Price and Volume Changes . . . . .	31
b) Import Trends - Main Commodities . . . . .	41
3) Import Trends . . . . .	51
4) Export, Import Indices and Terms of Trade . . . . .	58
5) Foreign Trade and National Income . . . . .	58
III. PATTERNS OF TRADE . . . . .	64
1) Availability of Statistics on Trade by Countries Before 1958 and Methods of Estimating Malayan Trade Before 1958 . . . . .	64
a) Malayan Trade/Pan-Malayan Trade Ratio Method . . . . .	65
b) Malayan Trade/Malayan Direct Trade Ratio Method . . . . .	69
2) Present and Changing Patterns of Trade . . . . .	74
a) Trade by Currency Areas . . . . .	74
b) Trade with the Developed and Underdeveloped Countries . . . . .	76

c)	Trade with Industrial and Non- industrial Countries . . . . .	83
d)	Trade with the Commonwealth . . . . .	87
e)	Trade with Southeast Asia and Asia . . . . .	90
f)	Trade with Europe . . . . .	95
g)	Trade with Other Regions . . . . .	99
h)	Summary - Trade by Continents . . . . .	99
i)	Recent Changes . . . . .	99
3)	Implications of the Patterns of Trade . . . . .	99
IV.	PROJECTION OF EXPORTS AND IMPORTS . . . . .	106
1)	Projections of Exports . . . . .	106
a)	Rubber Exports . . . . .	107
b)	Tin Exports . . . . .	110
c)	Timber . . . . .	111
d)	Tin Ore . . . . .	114
e)	Palm Oil and Palm Kernels . . . . .	116
f)	Copra . . . . .	119
g)	Coconut Oil . . . . .	122
h)	Canned Pineapple and Juice . . . . .	122
2)	Projection of Imports . . . . .	127
V.	CONCLUSION . . . . .	134
	BIBLIOGRAPHY . . . . .	137

LIST OF TABLES

Table		Page
1.1	Malaya: Approximate Entrepot Trade, 1957-1961 (Excluding Trade with Singapore) . . . . .	10
1.2	Analysis of Malaya's Exports to Singapore (\$ M.) 1963-1965 . . . . .	17
1.3	Analysis of Malaya's Exports to Singapore, 1963-1965, Average Value and Percentage . . . . .	18
2.1	Export and Import Trends for Malaya, United States and United Kingdom . . . . .	23
2.2	Malaya - Exports Growth Rate Per Annum in Comparison with Other Countries . . . . .	25
2.3	Malaya - Imports Growth Rate Per Annum in Comparison with Other Countries . . . . .	26
2.4	Comparison of Exports Troughs and Peaks of Malaya . .	29
2.5	Imports During Exports Troughs and Peaks . . . . .	30
2.6	Price and Volume Changes, Rubber and Tin, 1949-1965 . . . . .	32
2.7	Iron Ore - Price and Volume Changes, 1949-1965 . . .	34
2.8	Timber - Price and Volume Changes, 1949-1965 . . . .	35
2.9	Palm Oil - Price and Volume Changes, 1949-1965 . . .	36
2.10	Canned Pineapple - Price and Volume Changes 1949-1965 . . . . .	37
2.11	Coconut Oil - Price and Volume Changes, 1949-1965 . .	38
2.12	Palm Kernels - Price and Volume Changes, 1949-1965. .	39
2.13	Copra - Price and Volume Changes, 1949-1965 . . . . .	40
2.14	Rubber Export Trend . . . . .	42
2.15	Tin Export Trend . . . . .	44



Table		Page
2.16	Iron Ore Export Trends . . . . .	45
2.17	Sawn Timber, Export Trend . . . . .	46
2.18	Coconut Oil Export Trend . . . . .	47
2.19	Copra Export Trend . . . . .	48
2.20	Palm Oil Export Trend . . . . .	49
2.21	Palm Kernels Export Trend . . . . .	50
2.22	Changing Pattern of Gross Export, 1947-1965, Percentage of Total Exports of Main Commodities . .	52
2.23	Changing Patterns of Imports, 1947-1965 . . . . .	53
2.24	Trend Value of Imports, 1947-1965 . . . . .	55
2.25	Import Replacement in Malaya, Selected Commodities .	57
2.26	Malaya - Import and Export Prices Volume and Terms of Trade Indices . . . . .	59
2.27	Fluctuations in Trade and Real Gross Domestic Product, 1947-1960 . . . . .	62
3.1	Trade by Countries, Malayan Figures, Pan-Malayan Figures and Direct Trade, 1958 . . . . .	66
3.2	Method of Estimating Malaya's Exports and Imports by Countries by the Malayan/Pan-Malayan Ratio . . .	68
3.3	Method of Estimating Malaya's Exports and Imports by Countries by the Malayan Trade/Malayan Direct Trade Ratio . . . . .	70
3.4a	Comparison of the Two Methods of Estimating Malayan Trade, Major Countries, 1948-1955, Exports . . . . .	72
3.4b	Comparison of the Two Methods of Estimating Malayan Trade, Major Countries, 1948-1955, Imports . . . . .	73
3.5	Exports to Singapore and Imports from Singapore . .	74
3.6	Trade by Currency Areas, 1961-1965 (\$ M.) . . . . .	75
3.7	Trade by Currency Areas, 1961-1965 (\$ M.) (Adjusted for Trade with Singapore) . . . . .	77

3.8	Percentage of Trade with Currency Areas, (Adjusted for Trade with Singapore) . . . . .	78
3.9	Trade of Underdeveloped Area with Developed and Underdeveloped Area, 1948-1963 (Percentage of Total Imports and Exports) . . . . .	80
3.10	Malaya: Trade with Developed and Underdeveloped Areas, 1948-1965 (\$ M.) . . . . .	81
3.11	Malaya: Trade with Developed and Underdeveloped Areas, 1948-1965 (Percentage of Total Trade) . . . . .	82
3.12	Trade with Developed and Underdeveloped Areas, 1960-1965 (Including Exports to Exports the Destination of Which is Unknown at time of Exports) . . . . .	83
3.13	Malaya: Trade with Industrial and Non-industrial Areas, 1948-1965 (\$ M.) . . . . .	84
3.14	Malaya: Trade with Industrial and Non-industrial Areas, 1948-1965 (Percentage of Total Trade . . . . .	85
3.15	Exports to Industrial and Non-industrial Areas, 1960-1965 (Including Exports to Singapore the Destination of Which is Unknown at Time of Export) . . . . .	86
3.16	Trade with Commonwealth, 1948-1955, Value and Percentage of Total . . . . .	89
3.17	Trade with Southeast Asia and Asia, 1948-1965 (\$ M.). . . . .	91
3.18	Trade with Southeast Asia and Asia, 1948-1965 (Percentage of Total Trade) . . . . .	92
3.19	Exports to Southeast Asia and Asia, 1960-1965, (Adjusted for Exports to Singapore) . . . . .	94
3.20	Trade with Europe, 1948-1965 (\$ M.) . . . . .	96
3.21	Trade with Europe, 1948-1965, (Percentage of Total Trade) . . . . .	97
3.22	Exports to Europe, 1960-1965, (Including Exports to Singapore, the Destination of Which is Unknown at Time of Export . . . . .	98
3.23	Trade with North America, 1948-1965 . . . . .	100
3.24	Trade with Africa, 1958-1965 . . . . .	101

Table		Page
3.25	Trade with South and Central America, 1958-1965 . . .	101
3.26	Trade by Continents, 1960-1965 (% of Total) (Adjusted for Exports to Singapore) . . . . .	102
3.27	Recent Changes in Trade with Certain Countries (1960-1965) . . . . .	103
4.1	Projection of Rubber Exports and Export Earnings, 1956-1970 . . . . .	109
4.2	Projection of Tin exports and Export Earnings, 1956-1970 . . . . .	112
4.3a	Projection of Exports of Sawn Timber and Export Earnings, 1947-1970 . . . . .	113
4.3b	Projection of Exports of Round Timber and Export Earnings, 1947-1970 . . . . .	115
4.4	Projection of Iron Ore Exports and Export Earnings, 1956-1970 . . . . .	117
4.5	Projection of Palm Oil Exports and Export Earnings, 1947-1970 . . . . .	118
4.6	Projection of Palm Kernels Exports and Export Earnings, 1947-1970 . . . . .	120
4.7	Projection of Copra Exports and Export Earnings . . .	121
4.8	Projection of Coconut Oil Exports and Export Earnings . . . . .	123
4.9	Projection of Canned Pineapple and Juice Exports and Export Earnings, 1953-1970 . . . . .	124
4.10	Value of Projection Exports, 1966-1970 . . . . .	125
4.11	Percentage of Projected Exports to Total, 1966- 1970 . . . . .	126
4.12	Projection of Future Imports by Commodity Sections (\$ M.) . . . . .	128
4.13	Public and Private Expenditure - Malaya, 1965 and 1970 (\$ M.) . . . . .	129
4.14	Projected Imports and Exports, 1966-1970 . . . . .	132

## INTRODUCTION

"Never before have statistics of international trade been so important and so widely used".<sup>1</sup> Every country has increasingly recognised the scope and relevance of trade statistics in any analysis of its domestic economy. Not only are trade statistics important in understanding the domestic economy, they are vital in other than purely domestic problems. "Political and economic factors have become so interrelated that such economic data as trade statistics are needed in the determination, evaluation, and implementation of foreign policy".<sup>2</sup>

That Malaya has recognised the importance of trade statistics is reflected in the constant attempts to improve the method of compilation of the trade statistics. More commodity detail, and more sophistication in the information compiled has always been strived for.

This Graduation Exercise concerns the foreign trade statistics of Malaya. The definitions and concepts used in the collection and compilation of information on the flow of merchandise trade between Malaya and the rest of the world has been dealt with in the first chapter. The rest of the chapters deal with the derived use of the statistics in an analysis of the manner in which trade has affected the economy of Malaya and the implications past and present trade relationships with her trading partners has on future development.

The manner in which Malayan trade statistics are to be used, the reliance placed on the information published will have to depend a great deal on the definitions, concepts and methodology used in the compilation and publication of the trade statistics. Our present system is far from perfect and conclusions reached in later chapters must take into consideration the limitations and qualifications which the manner of compilation must have on the use of the statistics.

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<sup>1</sup> & <sup>2</sup>R.G.D. Allen and J.E. Ely (Ed.), "International Trade Statistics" (John Wiley & Sons, Inc., London, 1953), p. 1.