

LIST OF TABLES

No.	Table	Title	Page
1	Table 1.1	Potential economy - GDP and second economy	3
2	Table 2.1	A taxonomy of the type of activities in underground economy (UE)	15
3	Table 2.2	Sectors of hidden economy by market transactions and legality in terms of production and distribution	16
4	Table 2.3	Summary of worldwide size of second economy relative to GDP (1999-2000)	19
5	Table 2.4	Summary of worldwide size of second economy relative to GDP (1999-2006)	24
	Table 2.5	Size of second economy by country group	25
6	Table 2.6	Size of second economy in selected Asia countries relative to GDP (1999-2003)	26
7	Table 2.7	Size of second economy in selected Asia countries relative to GDP (1999-2003)	27
8	Table 2.8	Size of second economy in Malaysia (1971-2000)	87
9	Table 4.1	GDP growth and in absolute value	127
10	Table 4.2	Electricity consumption by user sectors	129
11	Table 4.3	Unemployed labor force	136
12	Table 4.4	GDP nominal and GDP per capita - average of 5 - year period growth	138
13	Table 4.5	GDP nominal and GDP per capita - average of 10 - year period growth	139
14	Table 4.6	GDP per capita - growth and in absolute value	140
15	Table 4.7	Federal deficit - growth and in absolute value	153
16	Table 4.8	Size of federal expenditure and federal deficit - relative to GDP	153
18	Table 4.9	Taxes - relative to federal revenue and GDP	154
19	Table 4.10	Tax mix - direct and indirect taxes	155
20	Table 5.1	Direct tax evasion scheme of field audit cases	181
21	Table 5.2	Institutional UE - tax evaders by economic industries	188
22	Table 5.3	Malaysia's GDP contribution by economic industries	189
23	Table 5.4	Tax structure of manufacturing industry	190
24	Table 5.5	Number of tax evaders by economic industries and business sectors	194
25	Table 5.6	Unreported taxable income by economic industries and business sectors	194
26	Table 5.7	Distribution of institutional reported income	195
27	Table 5.8	Distribution of institutional unreported income	196
28	Table 5.9	Distribution of individual unreported income - categories of skew	196
29	Table 5.10	Correlation of individual reported and unreported income	200
30	Table 5.11	Regression of individual reported on unreported	202

		income	
31	Table 5.12	Correlation of unreported income and tax loss	203
32	Table 5.13	Characteristics of individual and institutional “intense” tax evaders	206
33	Table 5.14	Correlation between audited income and reported income in post audit year	211
34	Table 6.1	Total filing of Income Tax Return Forms	218
35	Table 6.2	Filing of Income Tax Return Forms - individuals and institutional	218
36	Table 6.3	Non filing of Income Tax Return Forms - individuals and institutional	219
37	Table 6.4	Enforcement success rates of bribery cases	223
38	Table 6.5	Size of UE - by different data coverage and statistical techniques	225
39	Table 6.6	Size and growth of UE – average of 5 - year period	226
40	Table 6.7	Size of UE in recession years	228
42	Table 6.8	UE growth by non compliant activities	238
43	Table 6.9	Components of illicit activities - average size	238
44	Table 6.10	Components of illicit activities - range size	239
45	Table 6.11	Components of indirect tax non compliance	240
46	Table 6.12	Direct tax gap - unreported income of illicit activities	243
47	Table 6.13	Direct tax gap - unreported income of illicit activities and indirect tax non compliance	243
48	Table 6.14	Size of direct tax loss relative to federal account - (1990-99)	246
50	Table 6.15	Size of direct tax loss relative to federal account - (2000-2009)	247
51	Table 6.16	Indirect tax gap	248
52	Table 6.17	Indirect tax loss relative to federal account (2000- 2009)	249
53	Table 7.1	UE models - valid in both nominal and real variables	257
54	Table 7.2	UE models - valid in nominal variables	258
55	Table 7.3	Summary of significant and elastic indicators of UE	259
56	Table 8.1	Size of UE as a percentage of GDP	274
57	Table 8.2	Size of UE in components	275

Note: UE means underground economy