

LIST OF FIGURES

No.	Table	Title	Page
1	Figure 2.1	Potential economy– official economy and second economy	17
2	Figure 2.2	Size of second economy (1999-2006)	26
3	Figure 2.3	Theoretical framework of the potential economy	38
4	Figure 3.1	Schematic presentation of estimating direct tax gap	97
5	Figure 3.2	Schematic presentation of estimating indirect tax gap	98
6	Figure 3.3	Schematic presentation of UE that escape taxes	99
7	Figure 3.4	Schematic presentation of indirect tax data sampling	103
8	Figure 3.4	Schematic presentation of the entire economy	104
10	Figure 4.1	GDP nominal and GDP real - in absolute value	126
11	Figure 4.2	Growth of GDP nominal compared to GDP real	126
12	Figure 4.3	Growth of UE estimates compared to GDP nominal and GDP real	126
13	Figure 4.4	CPI series	128
14	Figure 4.5	CPI growth	128
15	Figure 4.6	Growth of electricity consumption relative to GDP	129
16	Figure 4.7	Growth of GDP and investment	131
17	Figure 4.8	Savings and investment gap	131
18	Figure 4.9	Number of unemployed labor force	136
19	Figure 4.10	Proportion of unemployed labor force	136
20	Figure 4.11	Number of immigrant labor force	137
21	Figure 4.12	GDP nominal and GDP real per capita - gap	139
22	Figure 4.13	Growth of GDP per capita	139
23	Figure 4.14	Property loan and electricity consumption	143
24	Figure 4.15	Telecommunication and internet dial subscription	144
25	Figure 4.16	M1 aggregate held per person	146
26	Figure 4.17	Cash in circulation held per person	147
27	Figure 4.18	Growth of cash in circulation and M1 aggregates	147
28	Figure 4.19	Proportion of large denomination notes of MYR 50 and MYR100	147
29	Figure 4.20	Proportion of total large denomination notes	148
30	Figure 4.21	Federal revenue and federal expenditure - gap	150
31	Figure 4.22	Growth of federal expenditure	150
32	Figure 4.23	Federal expenditure by development and operational expenses - absolute value	151
33	Figure 4.24	Growth of federal expenditure by development and operational expenses	151
34	Figure 4.25	Development expenditure by public sectors	151
35	Figure 4.26	Operating expenditure by public sectors	152
36	Figure 4.27	Federal expenditure to GDP ratio	153
37	Figure 4.28	Change in tax mix relative to GDP and federal revenue	155
38	Figure 4.29	Growth of GDP and direct taxes	157
39	Figure 4.30	Institutional and individual direct taxes	158
40	Figure 4.31	Irregular economy – absolute value	160
41	Figure 4.32	Irregular economy – growth per annum	160

42	Figure 4.33	Percentage ratio of unpaid tax to tax collection	161
43	Figure 4.34	Ratio of unpaid tax to tax evasion	161
44	Figure 4.35	Value of total goods smuggled	162
45	Figure 4.36	Evasion of indirect tax on smuggled goods	162
46	Figure 4.37	Growth of indirect tax non compliance	163
47	Figure 4.38	Value of various smuggled goods	164
48	Figure 4.39	Indirect tax evasion across various smuggled goods	164
49	Figure 4.40	Number of criminal cases	165
50	Figure 4.41	Income of illicit activities	166
51	Figure 4.42	Growth of illegal economy	166
52	Figure 4.43	Activities of illegal economy	166
53	Figure 4.44	Value of drugs seized	168
54	Figure 4.45	Value of assets seized - black wealth	168
55	Figure 4.46	Bribery cases - number of reports, investigated, arrested and accused cases	171
56	Figure 4.47	Amount of bribery captured	172
57	Figure 5.1	Distribution of household income	178
58	Figure 5.2	Malaysia's Gini coefficient	179
59	Figure 5.3	Tax evaders and unreported income by states	183
54	Figure 5.4	Unreported income by zone of states	184
60	Figure 5.5	Unreported income relative to GDP and per capita by zone of states	184
61	Figure 5.6	Institutional tax evaders across economic industries	185
62	Figure 5.7	Institutional unreported income across economic industries	186
63	Figure 5.8	Institutional tax evaders in the top five industries	187
64	Figure 5.9	Institutional unreported income in the top five industries	187
65	Figure 5.10	Individual tax evaders and unreported income in the top five industries (2005)	192
66	Figure 5.11	Individual tax evaders and unreported income in the top five industries (2008)	193
67	Figure 5.12	"Intense" tax evaders relative to GDP and GDP per capita by zone of states	205
68	Figure 6.1	Anti corruption enforcement success rate	222
69	Figure 6.2	Growth of UE in 5-year moving average	228
70	Figure 6.3	Annual growth of UE	229
71	Figure 6.4	Annual growth of UE relative to GDP real and GDP nominal	231
72	Figure 6.5	Annual size in three level range time series relative to GDP	231
73	Figure 6.6	UE in annual proportion of illegal economy	236
74	Figure 6.7	UE in annual proportion of direct tax non compliance	236
75	Figure 6.8	UE in annual proportion of indirect tax non compliance	236
76	Figure 6.9	UE in low series estimates - by direct tax gap mix	244
77	Figure 6.10	UE in upper series estimates - by direct tax gap mix	244
78	Figure 8.1	Size of UE - in three level range time series as a percentage of GDP	276

Note: UE means underground economy