Developing Malaysia Business Cycle Clock (MBCC) for A Better Insights on Economic Cycle

Action Area C. SC5
“It is worth investing in integrated statistics for integrated analysis”.

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OUTLINE

INTRODUCTION

LITERATURE REVIEW

THE DEVELOPMENT OF INTERACTIVE MBCC

CONCLUSION

• Burns and Mitchell (1946).
• Floris van Ruth, Barry Schouten and Roberto Wekker (2005).
• Cannata (2020).
• Larry Hartke (1997).

• Trend estimation and cyclical extraction.
• The estimation of x and y-coordinate.
• The estimation of Risk Zone.
• Hits performance MBCC.
• Challenges and strategies in MBCC.
1. INTRODUCTION

This paper describes the development of Malaysia Business Cycle Clock (MBCC) which is one of the latest innovations by the Department of Statistics, Malaysia.

The MBCC is beyond the traditional presentation of time series on Leading Index and Coincident Index.

It provides a new dimension to the users in understanding the movement of the economic cycle visually and interactively.
2. LITERATURE REVIEW

“Business cycles are a type of fluctuation found in the aggregate economic activity of nations; a cycle consists of expansions occurring at about the same time in many economic activities, followed by similarly general recessions, contractions and revivals which merge into the expansion phase of the next cycle; this sequence of changes is recurrent but not periodic;....”

BCT is a useful tool for the description of the Dutch business cycle. Besides that, it offers a reliable representation of the current state of the business cycle and is able to detect major turning points in the cycle as they occur.

Business Cycle Clock is a visualisation tool provided to convey information about the cyclical situation in different phases of economic activity which visualised using a clock-type graph.

The effective data dissemination means that statistical agencies should fully identify the potential data users community, effectively request their requirements and after that react expeditiously by giving the clients opportune and reasonable factual information that address those issues as close as could be expected under the circumstances.

3. METHODOLOGY

3.1 Trend estimation and cyclical extraction

**Hodrick-Prescott (HP) filter** to estimate the long-term trend of the selected MBCC components according to the selected MBCC components.

3.2 The estimation of x-coordinate and y-coordinate

3.3 The estimation of Risk Zone
4. THE DEVELOPMENT OF INTERACTIVE MBCC

MALAYSIA BUSINESS CYCLE CLOCK

https://www.dosm.gov.my/v1/index.php?r=column/cthree&menu_id=QTc5Y2V3KzdGaEtHSUhKb2psK0M2UT09

Highlight – the finding of the current Malaysian Economic Indicators.

Auto play – Time series data for January 1995 until to date.

Slider – Time series data for January 1995 until to date.

MBCC descriptions.

Display of Composite Leading and Coincident components.

Display of Composite Leading and Coincident.
4. THE DEVELOPMENT OF INTERACTIVE MBCC (cont’d)

4.1. Hits performance MBCC

Launched officially on 5th December 2019

MBCC hits- 3,816 hits

Publication hits - 2,286 hits.

April 2020

4.2. Challenges and strategies in MBCC

Determination of the theme and design of interactive data visualization.

Limited expertise.

Limited availability of infrastructure.
5. CONCLUSION

DOSM has taken one step ahead to develop an interactive channel to disseminate its statistics and to strengthen the statistics service delivery.

The interactive application which will help users in searching ‘live’ data will enhance DOSM’s service delivery system.

Thus, DOSM be able to provide the ability in fulfilling a variety of statistics that are required by the users on daily and real time basis.
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Thank you.

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