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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

MEDIA STATEMENT
BUSINESS TENDENCY STATISTICS
SECOND QUARTER 2023

Business expectation for second quarter 2023 slowing down with confidence indicator recording negative 3.1 per cent

PUTRAJAYA, MAY 24, 2023 – The Department of Statistics Malaysia today released ***Business Tendency Statistics for the Second Quarter 2023***. This publication presents expectations on business performance for the upcoming quarter and six months ahead. The statistics are based on the Business Tendency Survey which is conducted on a quarterly basis.

According to the Department of Statistics Malaysia, “Business sentiments for the near term turned pessimistic as the confidence indicator decreased to -3.1 per cent in the second quarter of 2023 from +3.6 per cent in the last quarter **(Exhibit I)**”. This expectation is in line with global economic slowdown amid persistent challenges including inflationary pressures.

Three sectors namely Construction, Wholesale & Retail Trade and Industry anticipate challenging business conditions in the second quarter 2023. The business confidence for Construction sector remained in a negative trajectory with confidence indicator recorded -26.9 per cent in the reference quarter. Meanwhile, Wholesale & Retail Trade and Industry sectors turned pessimistic in the same quarter. Respondents within the

Wholesale & Retail Trade sector expects a less favourable business outlook with a confidence indicator of -10.2 per cent in the second quarter 2023 as against +4.0 per cent in the last quarter, where both of the sub-sectors posted discouraging perceptions. Industry sector also foresees a less favourable business situation in the second quarter 2023 as the confidence indicator recorded -2.1 per cent from +1.1 per cent previously. However, Services sector continues to be optimistic about the business performance with confidence indicator of +3.9 per cent for corresponding quarter as compared to +11.4 per cent in the first quarter of 2023.

In the next six months namely April to September 2023, business outlook remained positive with a net balance of +14.9 per cent from +12.1 per cent recorded previously (**Exhibit II**). Services sector showed the most optimistic sector, registering an improved net balance of +30.1 per cent as against +28.0 per cent for the first half of 2023. All sub-sectors under Services sector foresee favourable business conditions in the next six months. Concurrently, Industry sector recorded a brighter net balance with +15.6 per cent in the forthcoming six months compared to +2.4 per cent recorded previously. Conversely, the Construction sector anticipates less favourable business situation for the six months ahead, ending September 2023, with a net balance of -7.7 per cent from +7.1 per cent previously. Similarly, sentiments within Wholesale & Retail Trade sector turned pessimistic with a net balance of -4.7 per cent as compared to +16.7 per cent recorded for the period of January until June 2023.

The Department of Statistics Malaysia (DOSM) is conducting the Economic Census in 2023. DOSM greatly appreciates the cooperation of respondents in providing information and ensuring the success of this census. Please visit www.dosm.gov.my for more information.

DOSM has launched OpenDOSM NextGen as a medium that provides a catalogue of data and visualisation to facilitate users in analysing various data. OpenDOSM NextGen is an open source data sharing platform and accessible through <https://open.dosm.gov.my> portal.

Please be informed that the Government of Malaysia has declared National Statistics

Day (MyStats Day) on October 20 each year. MyStats Day theme is “Connecting the World with Data We Can Trust”.

Released by:

DEPARTMENT OF STATISTICS MALAYSIA

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Exhibit I: Quarterly Confidence Indicator, Malaysia, 2018 - 2023**Exhibit II: Net Balance of Business Performance Expectation for Upcoming Six Months, Malaysia, 2019 – 2023**