

EMBARGO: Only to be published or disseminated at **12:00 hour, Wednesday, 24 May 2023**



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS



FORECAST OF BUSINESS PERFORMANCE FOR THE SECOND QUARTER 2023

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.

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.

Exhibit I: Quarterly Confidence Indicator by Sector, Malaysia, 2020-2023



Expectations of Gross Revenue and Number of Employees

With regards to gross revenue, 37.4 per cent of respondents predict an increment in their gross revenue for the second quarter of 2023 while 27.2 per cent anticipate a decrease, further led to a net balance of +10.3 per cent. Concurrently, 35.4 per cent of respondents expect their gross revenue to maintain as compared to the first quarter 2023.

Pertaining to employment trend, 67.7 per cent of the establishments plan to retain their manpower in the reference quarter. About 23.0 per cent of establishments intend to recruit more manpower, whilst only 9.3 per cent anticipate to reduce their manpower which induced to a net balance of +13.7 per cent.

Exhibit II: Expected of Net Balance Gross Revenue and Number of Employees, 2020-2023



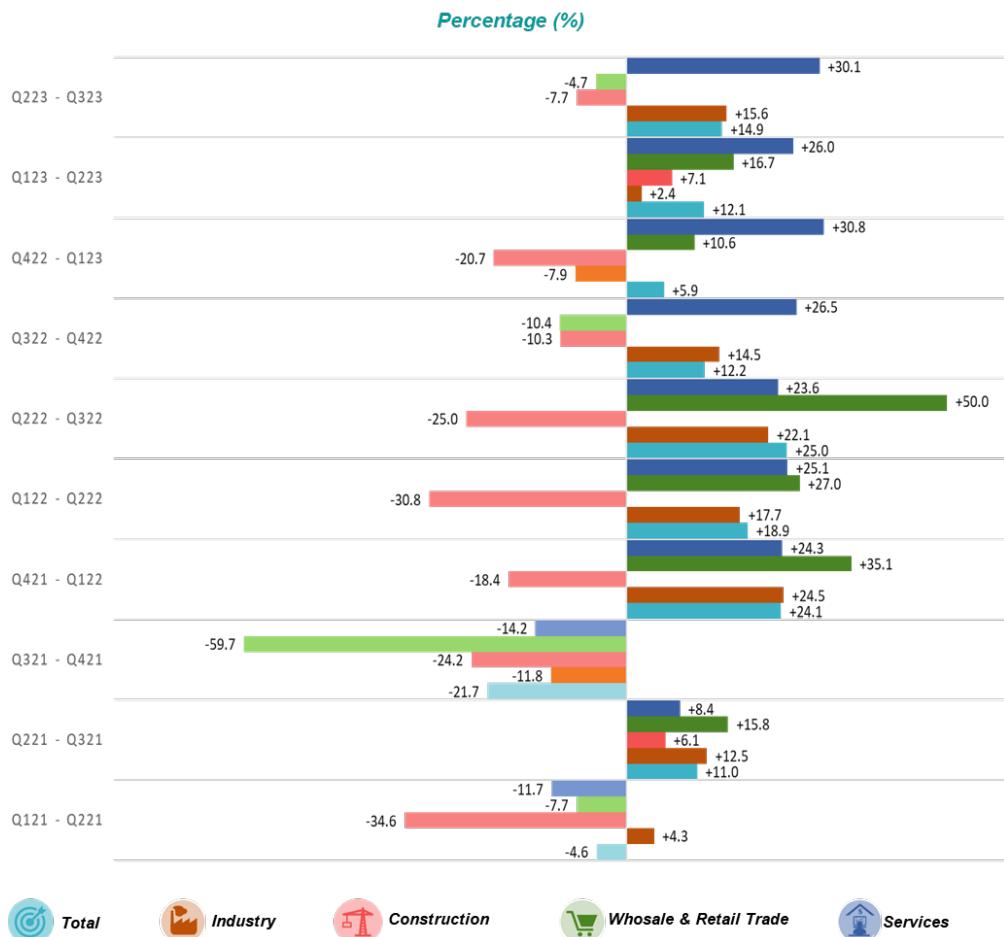
EXPECTATIONS OF BUSINESS PERFORMANCE IN APRIL TO SEPTEMBER 2023

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. 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.

Exhibit III: Net Balance of Business Performance Expectation for Upcoming Six Month by Sector, Malaysia, 2021-2023



Released by:

DEPARTMENT OF STATISTICS MALAYSIA
24th May 2023

Contact person:

Baharudin Mohamad
Public Relation Officer
Strategic Communication and International Division
Department of Statistics Malaysia
Tel : +603-8090 4681
Fax : +603-8888 9248
Email : baharudin[at]dosm.gov.my

