

**EMBARGO:** Only to be published or disseminated at **12:00 hour, Tuesday, 29 August 2023**



MINISTRY OF ECONOMY  
DEPARTMENT OF STATISTICS MALAYSIA

---

BUSINESS TENDENCY STATISTICS

---



## **FORECAST OF BUSINESS PERFORMANCE FOR THE THIRD QUARTER 2023**

Businesses foresee an improving business situation for the third quarter 2023 with positive confidence indicator of 0.7 per cent as compared to -3.1 per cent in the second quarter 2023.

In the third quarter 2023, positive business expectation is bolstered by the Services and Industry sectors. Services sector continues optimistic about the business outlook with confidence indicator of +6.1 per cent as compared to +3.9 per cent in the previous quarter. Simultaneously, sentiments within Industry sector upturn to positive trajectory by posting +1.3 per cent as against -2.1 per cent in the second quarter 2023. The better perception in the Industry sector is backed by two sub-sectors, namely Agriculture and Mining, both of which anticipate favourable business conditions in the reference quarter.

On the other hand, Construction sector persistently anticipates negative business condition with confidence indicator of -26.9 per cent in the third quarter 2023. Likewise, Wholesale & Retail Trade sector remains pessimistic with an improved confidence indicator of -1.5 per cent in the reference quarter from -10.2 per cent in the second quarter of 2023.

### **Exhibit I: Quarterly Confidence Indicator by Sector, Malaysia, 2020**



#### **Expectations of Gross Revenue and Number of Employees**

Overall, a net balance of +19.2 per cent signifies that businesses anticipate an increase in their gross revenue. Among these, 39.0 per cent of establishments predict higher gross revenue for the third quarter, while 19.8 per cent hold a contrary view. Concurrently, 41.2 per cent of establishments predict no change in their gross revenue.

In terms of employment, a majority of establishments (73.4%) anticipate to retain their employees for the third quarter 2023. About 17.6 per cent of respondents expect to hire more, whereas only 9.0 per cent intend to reduce their headcount which induced to a net balance of +8.5 per cent for the reference quarter.

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



#### **EXPECTATIONS OF BUSINESS PERFORMANCE IN JULY TO DECEMBER 2023**

Looking at the business sentiment for six months ahead ending December 2023, businesses remain upbeat, albeit at a lower net balance of +13.9 per cent from +14.9 per cent recorded previously. Positive outlook is underpinned across all sectors, indicating an improved business conditions in the forecasted period. The Services sector anticipates favourable business situation in the forthcoming six months with a net balance of +27.0 per cent as against +30.1 per cent recorded for the period of April until September 2023. Similarly, Industry sector expects better business situation with a net balance of +9.7 per cent compared to +15.6 per cent.

Moreover, the Wholesale & Retail Trade and Construction sectors turned optimistic on the business situation for the second half of 2023. Sentiment within Wholesale & Retail Trade sector increased with

*net balance +7.2 per cent aided by better outlook in the Wholesale Trade sub-sector. Construction sector also foresees positive business condition with a net balance +2.6 per cent compared to -7.7 per cent recorded previously.*



**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

**Copyright ©2026 Department of Statistics Malaysia Official Portal. All Rights Reserved.**