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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS FIRST QUARTER 2020



FORECAST OF BUSINESS PERFORMANCE FOR THE FIRST QUARTER 2020

Businesses are predicting slower business performance in the first quarter of 2020. The confidence indicator further declines to -2.1 per cent as compared to -0.5 per cent in the previous quarter.

Industry, Construction and Wholesale & Retail Trade sectors expect their business performance to be less favourable in the first quarter of 2020. The Construction sector remains as the most negative with the confidence indicator registered -13.8 per cent in the first quarter of 2020 as compared to -8.1 per cent in the previous quarter. The confidence indicator for Wholesale & Retail Trade sector further decline to -5.3 per cent in the reference quarter. Besides that, Industry sector also predicted discouraging performance with a confidence indicator of -1.5 per cent as against -2.2 per cent recorded in the fourth quarter of 2019.

Whereas, the Services sector expects their business performance remains optimistic albeit at a slower pace with a smaller confidence indicator of +1.0 per cent as against +5.9 per cent in the previous quarter.



Expectations of Gross Revenue and Number of Employees

In terms of gross revenue, 24.0 per cent of the respondents expect their gross revenue to increase for the first quarter of 2020 whilst 32.1 per cent anticipate reduction. The difference has led to a net balance of -8.1 per cent. Concurrently, 43.9 per cent of respondents foresee their gross revenue remain the same.

The recruitment trends are predicted to remain positive in the first quarter of 2020 with a net balance of +2.1 per cent, increased as against +0.9 per cent recorded in the previous quarter. The net balance is driven by the 9.4 per cent of the establishments intend to add their workforce, while 7.3 per cent of the establishments expect reduction of their work force in the first quarter of 2020.



EXPECTATIONS OF BUSINESS PERFORMANCE IN JANUARY TILL JUNE 2020

Businesses remain optimistic towards their business performance for the period of January till June 2020 with a smaller total net balance of +1.1 per cent as compared to +6.4 per cent in the previous quarter. All sectors expect positive business performance except for Wholesale & Retail Trade sector. Industry and Services sector expect positive performance although smaller with +1.9 per cent and +2.4 per cent respectively.

On the other hand, the Wholesale & Retail Trade sector continues to expect their business performance to decline with a net balance of -2.9 per cent. While, Construction sector expects their business performance unchanged with a net balance of 0.0 per cent.



Released By:

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