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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS FOURTH QUARTER 2017

FORECAST OF BUSINESS PERFORMANCE FOR THE FOURTH QUARTER 2017

The business performance in the fourth quarter of 2017 is expected to increase as recorded by the confidence indicator of +14.0 per cent contributed by industry (+9.8%), construction (+22.8), wholesale & retail trade (+8.3%) and services (+23.6%) sectors.

Chart I: Quarterly Confidence Indicator, Malaysia, 2015-2017

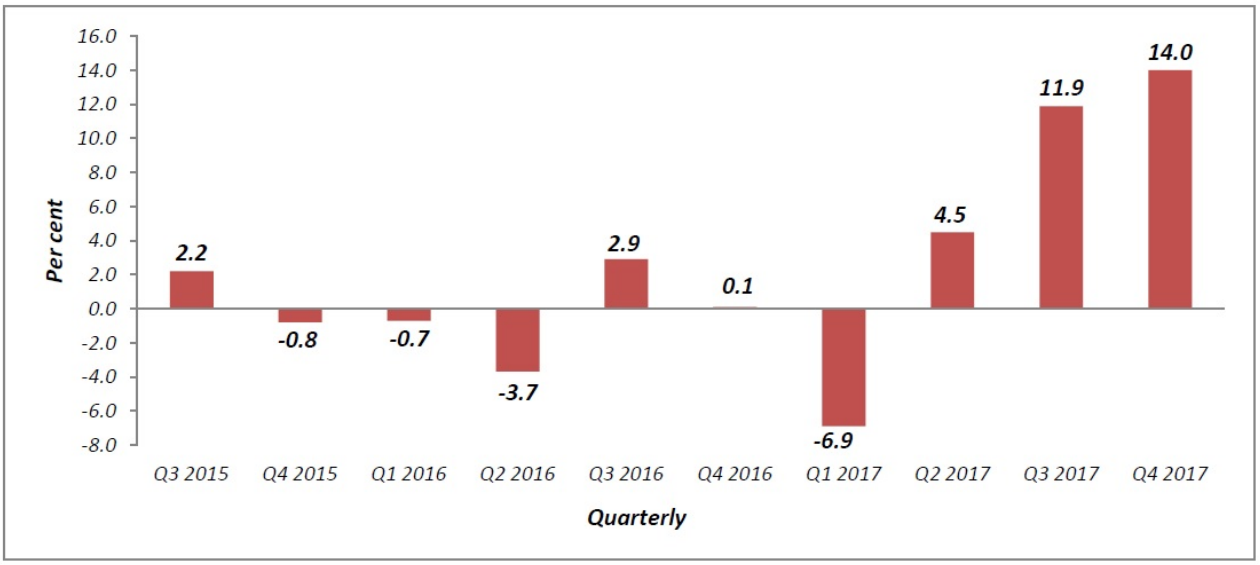
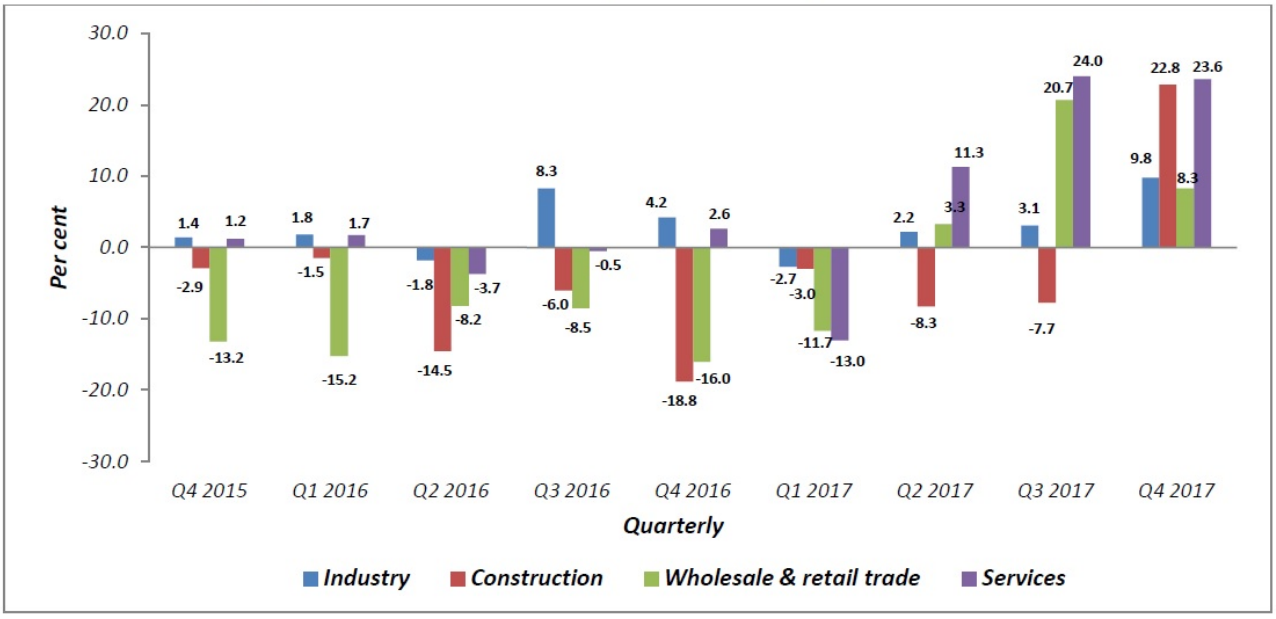


Chart II: Quarterly Confidence Indicator by Sector, Malaysia, 2015-2017



FORECAST OF GROSS REVENUE AND NUMBER OF EMPLOYEES

Forecast in the fourth quarter of 2017 showed 42.4 per cent of establishments covered in this survey expect an increase in gross revenue while, 8.1 per cent of establishments foresee a decrease. Meanwhile, 49.5 per cent of establishments predict that the gross revenue will be unchanged. The gross revenue in the fourth quarter of 2017 is expected to increase with a net balance of +34.2 per cent.

In terms of number of employees, 28.2 per cent of establishments predict an increase while, 7.1 per cent of establishments predict a decrease in the fourth quarter of 2017. The magnitude of the positive net

balance for the number of employees in the fourth quarter of 2017 is +21.2 per cent. (Table 1)

Table 1: Expected of Net Balance Gross Revenue and Number of Employees, 2015-2017

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2015	Q3	35.2	43.4	21.4	13.9	18.0	74.3	7.7	10.3
	Q4	29.5	45.5	25.0	4.5	15.9	72.2	11.9	4.0
2016	Q1	29.9	39.6	30.5	-0.7	17.5	72.1	10.4	7.1
	Q2	33.3	44.9	21.9	11.4	16.0	72.2	11.8	4.2
	Q3	31.7	48.2	20.1	11.6	24.0	66.8	9.1	14.9
	Q4	29.0	49.3	21.7	7.3	21.9	68.0	10.1	11.8
2017	Q1	24.0	44.8	31.2	-7.2	16.3	70.0	13.7	2.7
	Q2	35.1	45.9	19.0	16.1	20.3	72.0	7.7	12.6
	Q3	33.9	53.7	12.4	21.5	25.6	70.4	4.0	21.6
	Q4	42.4	49.5	8.1	34.2	28.2	64.7	7.1	21.2

CURRENT SITUATION OF BUSINESS PERFORMANCE IN THE THIRD QUARTER 2017

The current situation of business performance in the third quarter 2017 is better with an overall net balance of all sectors +23.1 per cent as compared to +22.5 per cent in the previous quarter. More than half of the establishments (56.1%) reported the current situation of their business to remain the same. Meanwhile, 33.5 per cent of establishments showed improvement in their business climate while, 10.4 per cent of establishments showed less favourable conditions. (Chart III & Table 2).

Chart III: Quarterly Net Balance of Current Situation Overall of All Sectors, Malaysia, 2015-2017

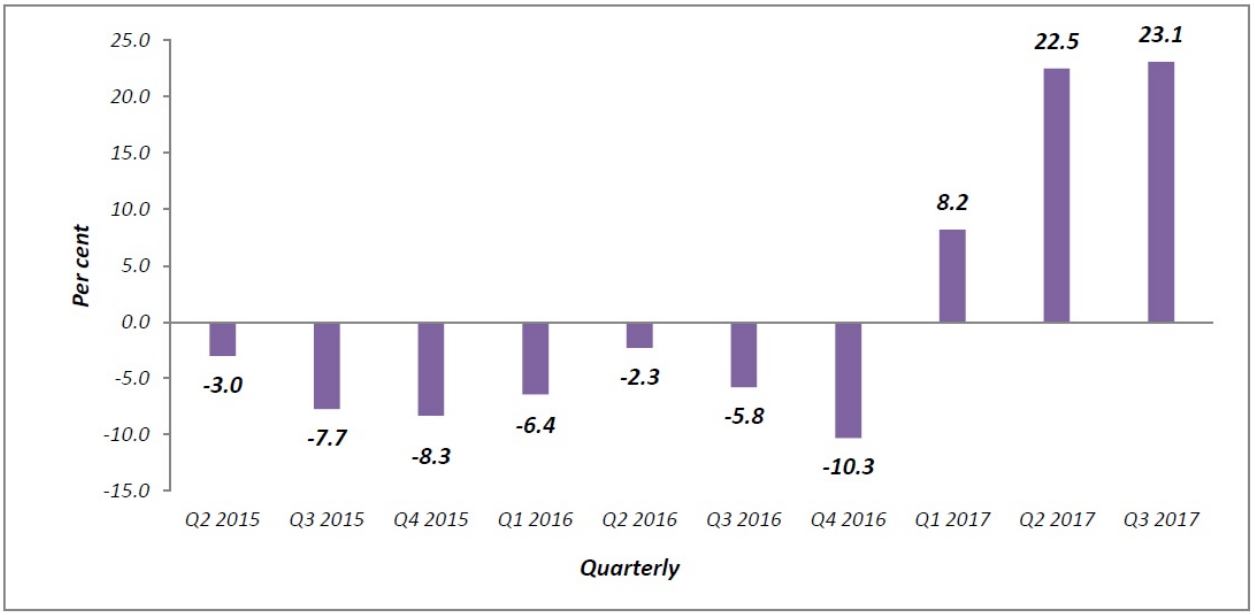


Table 2: Net Balance of Current Situation for Business Performance, 2015-2017

Period		Up (%)	Same (%)	Down (%)	Net Balance (%)
2015	Q2	17.7	61.0	21.4	-3.0
	Q3	14.2	63.9	21.9	-7.7
	Q4	14.7	62.2	23.1	-8.3
2016	Q1	15.3	63.0	21.7	-6.4
	Q2	19.4	59.0	21.6	-2.3
	Q3	16.5	61.2	22.3	-5.8
	Q4	12.7	64.3	23.0	-10.3
2017	Q1	25.5	57.1	17.4	8.2
	Q2	33.6	55.3	11.1	22.5
	Q3	33.5	56.1	10.4	23.1

GROSS REVENUE AND NUMBER OF EMPLOYEES

In the third quarter of 2017, the establishments reported that their gross revenue increased with a net balance of +33.0 per cent. The establishments which reported increases in their business gross revenue were 43.8 per cent. In contrast, 9.8 per cent of establishments reported a decline. Meanwhile, 46.4 per cent of establishments have stated their business gross revenue remained the same.

In terms of number of employees, 29.2 per cent of establishments indicated an increase in employment, while 11.2 per cent of establishments reported a decrease. Meanwhile, 59.6 per cent of establishments remained the same. Overall, a net balance of +18.0 per cent for the number of employees were recorded in the third quarter of 2017.

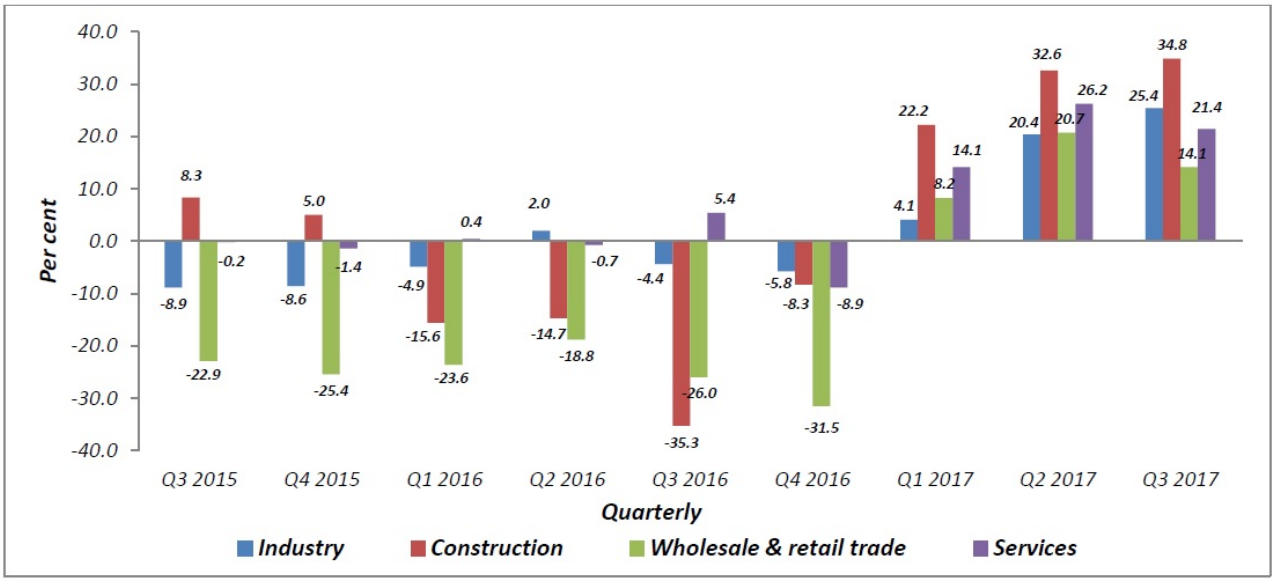
Table 3: Net Balance of Current Situation for Gross Revenue and Number of Employees, 2015-2017

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2015	Q2	32.9	36.2	30.9	2.0	20.3	63.2	16.5	3.8
	Q3	29.6	37.2	33.2	-3.6	17.4	63.7	18.9	-1.4
	Q4	32.4	36.7	30.9	1.5	19.1	63.9	17.0	2.0
2016	Q1	20.9	36.5	42.6	-21.7	19.4	61.6	19.0	0.3
	Q2	32.3	40.3	27.5	4.8	18.2	65.2	16.6	1.6
	Q3	28.4	39.7	31.9	-3.5	18.9	59.9	21.2	-2.3
	Q4	31.8	33.0	35.2	-3.4	17.6	60.5	21.9	-4.3
2017	Q1	40.8	36.6	22.6	18.2	23.0	64.7	12.3	10.7
	Q2	47.9	36.2	15.9	32.0	27.3	63.4	9.3	17.9
	Q3	43.8	46.4	9.8	33.0	29.2	59.6	11.2	18.0

NET BALANCE OF CURRENT SITUATION BY SECTOR

The current business situation for all sectors of industry, construction, wholesale & retail trade and services increased in the third quarter 2017 with a net balance of +25.4 per cent, +34.8 per cent, +14.1 per cent and +21.4 per cent respectively.

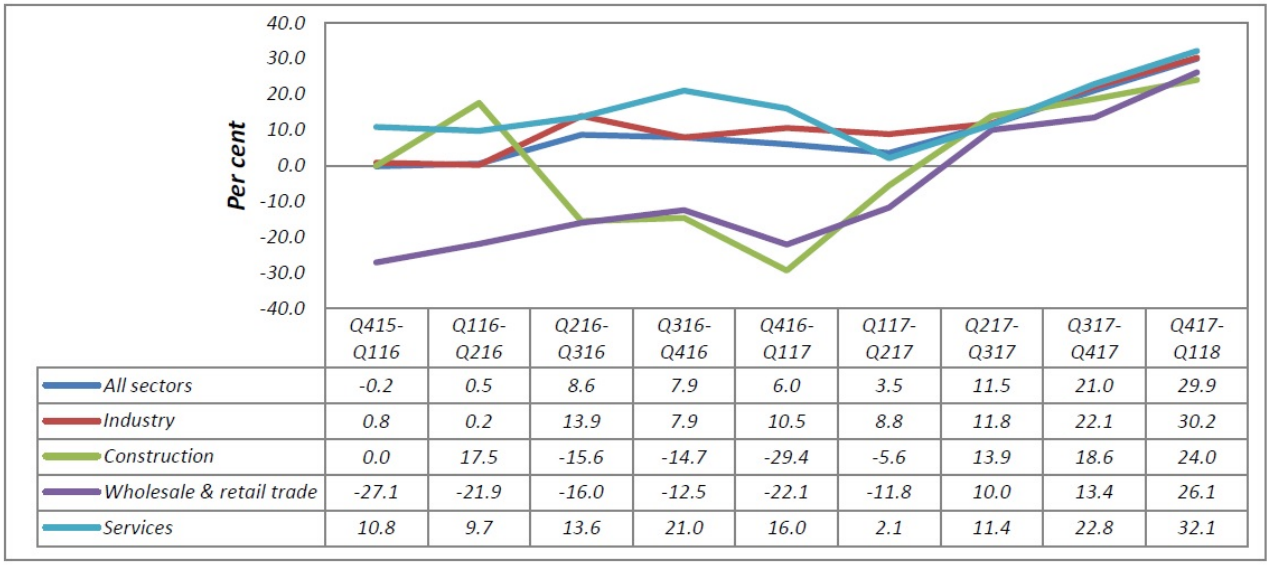
Chart IV: Quarterly Net Balance of Current Situation by Sector, Malaysia, 2015-2017



EXPECTATIONS OF BUSINESS PERFORMANCE OCTOBER 2017-MARCH 2018

The business performance in October 2017 to March 2018 is expected to increase with a net balance of +29.9 per cent. All sectors, i.e. industry, construction, wholesale & retail trade and services are expected to increase with the net balance of +30.2 per cent, +23.9 per cent, +26.1 per cent and +32.1 per cent respectively.

Chart V: Net Balance of Business Performance Expectation for Upcoming Six Month by Sector, Malaysia, 2015-2017



	Q415-Q116	Q116-Q216	Q216-Q316	Q316-Q416	Q416-Q117	Q117-Q217	Q217-Q317	Q317-Q417	Q417-Q118
All sectors	-0.2	0.5	8.6	7.9	6.0	3.5	11.5	21.0	29.9
Industry	0.8	0.2	13.9	7.9	10.5	8.8	11.8	22.1	30.2
Construction	0.0	17.5	-15.6	-14.7	-29.4	-5.6	13.9	18.6	24.0
Wholesale & retail trade	-27.1	-21.9	-16.0	-12.5	-22.1	-11.8	10.0	13.4	26.1
Services	10.8	9.7	13.6	21.0	16.0	2.1	11.4	22.8	32.1

Released By:

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