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MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS, SECOND QUARTER 2024



FORECAST OF BUSINESS PERFORMANCE FOR THE SECOND QUARTER 2024

Businesses are expecting favorable surrounding in the second quarter of 2024 backed by a marginal positive confidence indicator of +0.7 per cent as compared to +4.2 per cent in the previous quarter (Exhibit I).



The Industry sector continues to be optimistic about business performance, with a confidence indicator of +5.3 per cent for the corresponding quarter, compared to +0.6 per cent in the first quarter of 2024. The improved outlook in the Industry sector is influenced by three sub-sectors: Mining, Manufacturing, and Electricity & Water, which predict encouraging business conditions in the reference quarter. However, the Construction, Wholesale & Retail Trade, and Services sectors foresee challenging business conditions in the second quarter of 2024. Business confidence in the Construction sector weaken, with the confidence indicator recording -14.8 per cent in the reference quarter. Meanwhile, the Wholesale & Retail Trade and Services sectors turned pessimistic in the same quarter. Respondents within the Wholesale & Retail Trade sector expect a less favourable business outlook, with a confidence indicator of -4.1 per cent in the second quarter of 2024, compared to +4.7 per cent in the last quarter. The Services sector also foresees a less desirable business situation in the second quarter of 2024, with a confidence indicator of -0.9 per cent, compared to +8.6 per cent previously (Exhibit II).



Expectations of Gross Revenue and Number of Employees

A total of 32.6 per cent of respondents expect their gross revenue to rise in the second quarter of 2024, while 25.5 per cent expect it to drop, resulting in a net balance of +7.0 per cent. Also, 41.9 per cent of respondents predict a standstill in their gross revenue. In terms of employment, 74.9 per cent of businesses are expecting to retain their staff throughout the second quarter of 2024. Approximately 17.6 per cent of respondents anticipate to hire more, while 7.6 per cent expect to reduce their personnel, resulting in a net balance of +10.0 per cent for the reference quarter (Exhibit III).



EXPECTATIONS OF BUSINESS PERFORMANCE IN APRIL TO SEPTEMBER 2024

Looking into the future, the business outlook for the period from April to September 2024 remains lively, with a net balance of +14.9 per cent, compared to +10.0 per cent recorded previously. All sectors register positively, except the Wholesale & Retail Trade sector. Sentiments in the Industry sector show a brighter business outlook, with a net balance of +19.0 per cent, up from 0 per cent recorded previously. For the next six months, the Services sector anticipates a positive business environment, with a net balance of +9.5 per cent from +24.0 per cent in the first quarter of 2024. The Construction sector also foresees an optimistic business prospect, with a net balance of +3.7 per cent for the coming period. The Wholesale & Retail Trade sector expects a challenging business outlook for the following six months, with a net balance of -1.5 per cent, compared to +15.1 percent previously. Nevertheless, the Wholesale Trade sub-sector

maintains a positive trajectory, recording +2.2 per cent, compared to +17.0 per cent previously (Exhibit IV).



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