



MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS SECOND QUARTER 2017



Second Quarter, 2017

Business Performance Expectation



Business Performance in Second Quarter of 2017 is expected to **increase** as compared to the previous quarter.



Business expectation for upcoming six months are expected to be **improve** as compared to the last six months.

Jan-Mar 2017	Apr-Jun 2017
(Confidence Indicator)	



Jan-Jun 2017	Apr-Sep 2017
(Net Balance)	



Business Tendency Statistics obtained through the Business Tendency Survey that has been conducted quarterly. This Survey covers 465 main establishments in Malaysia for Industry, Construction, Wholesale & retail trade and Services sectors.

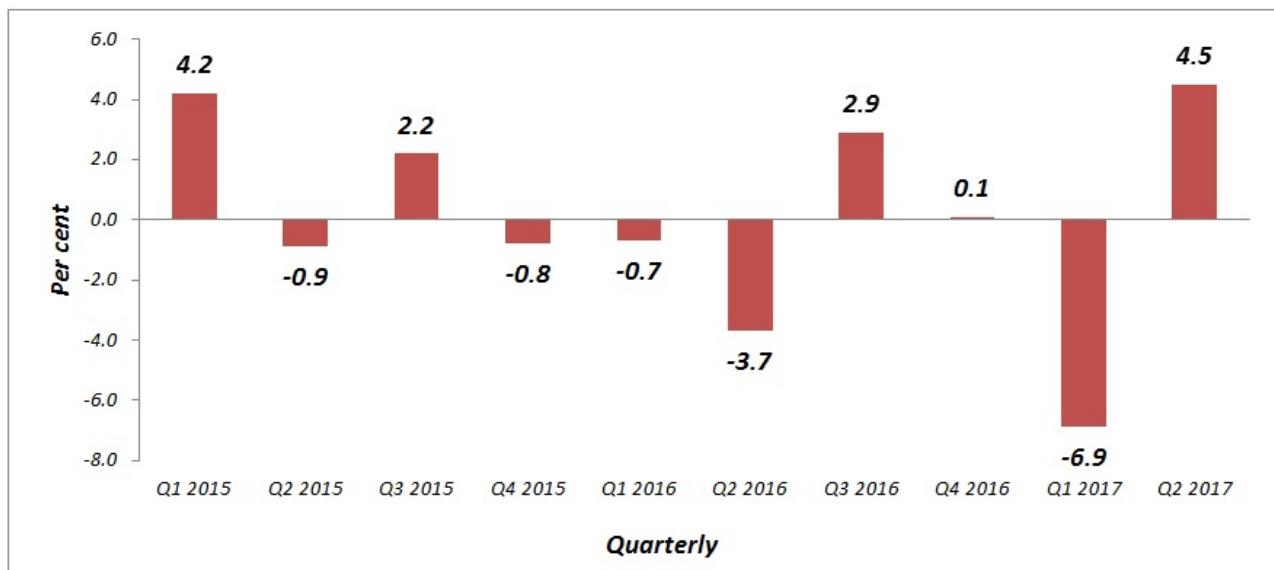
Source: Business Tendency Statistics, Second Quarter, 2017

FORECAST OF BUSINESS PERFORMANCE FOR THE SECOND QUARTER 2017

The business performance in the second quarter of 2017 is expected to increase as recorded by the confidence indicator of +4.5 per cent.

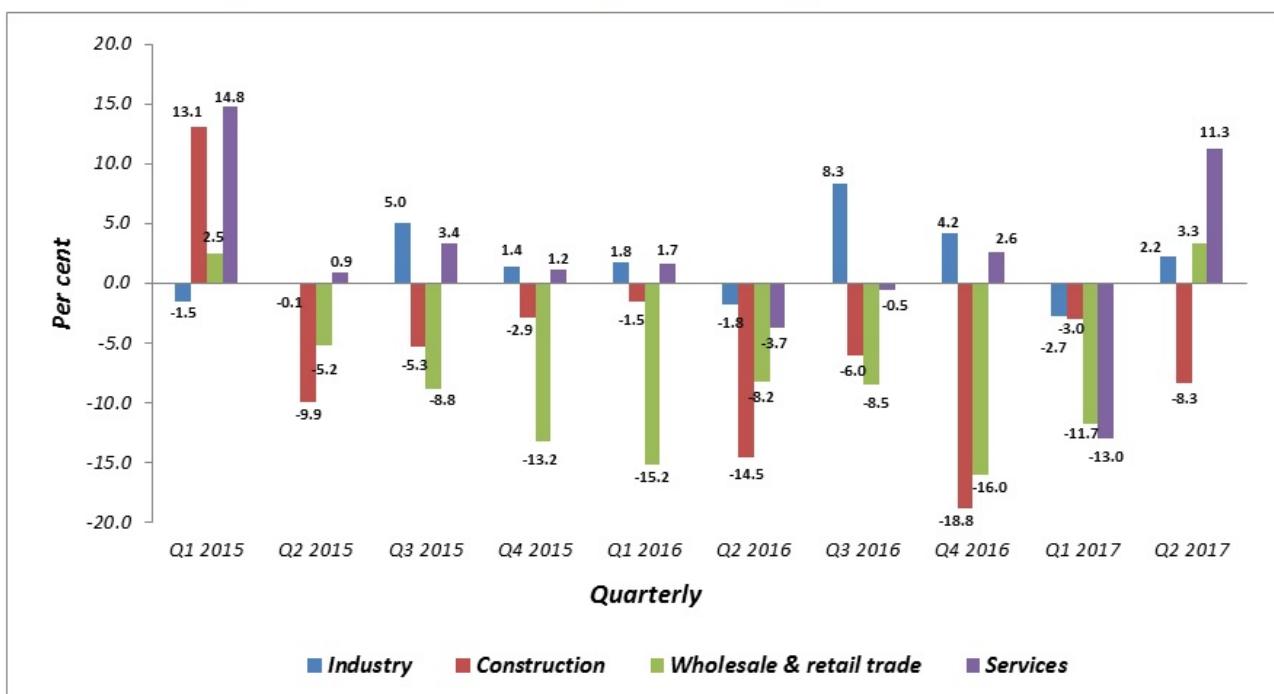
Confidence indicator is a short-term indicator which summarises the overall views of business situation in various sectors in Malaysia. The confidence indicator is computed as the average of the net balance for selected variables.

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



Respondents in industry, wholesale & retail trade and services sectors expect their business performances to increase in second quarter 2017 with confidence indicators of +2.2 per cent, +3.3 per cent and +11.3 per cent respectively. In contrast, respondents in construction sector expect their business performances to decrease (-8.3%) in the same period. (Chart II)

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



Forecast of Gross Revenue and Number of Employees

Forecast in the second quarter of 2017 showed 35.1 per cent of establishments covered in this survey expect an increase in gross revenue while 19.0 per cent of establishments foresee a decrease. Meanwhile, 45.9 per cent of establishments predict that the gross revenue will be unchanged.

The gross revenue in the second quarter of 2017 is expected to increase with a net balance of +16.1 per cent.

The difference between the percentages of establishments responded favourable and unfavourable response known as net balance.

In terms of number of employees, 20.3 per cent of establishments predict an increase while, 7.7 per cent of establishments predict a decrease in the second quarter of 2017. The magnitude of the positive net balance for the number of employees in the second quarter of 2017 is higher, i.e. +12.6 per cent compared to +2.7 per cent registered in the first quarter of 2017. (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	Q1	34.5	39.3	26.2	8.5	18.0	72.8	9.2	8.8
	Q2	34.6	37.9	27.4	7.2	18.8	69.4	11.8	6.9
	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

CURRENT SITUATION OF BUSINESS PERFORMANCE IN THE FIRST QUARTER 2017

The current situation of business performance in the first quarter 2017 is higher with an overall net balance of all sectors +8.2 per cent as compared to -10.3 per cent in the previous quarter. More than half of the establishments (57.1%) reported the current situation of their business to remain the same. Meanwhile, 25.5 per cent of establishments showed improvement in their business climate while, 17.4 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, 2014-2017

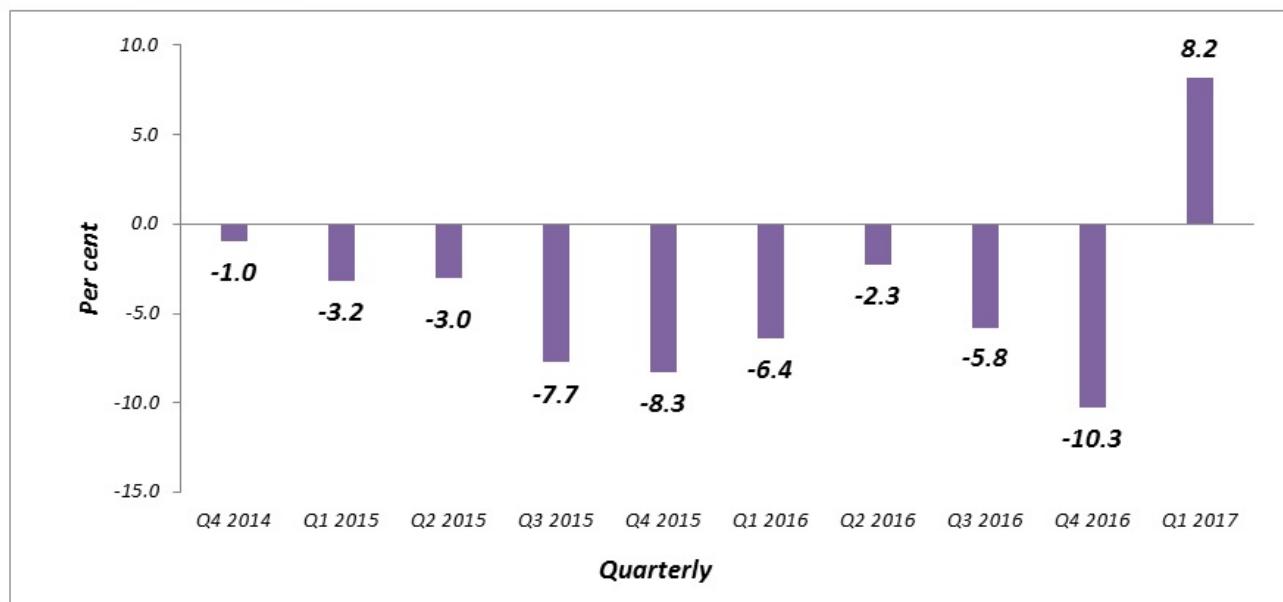


Table 2: Net Balance of Current Situation for Business Performance, 2014-2017

Period		Up (%)	Same (%)	Down (%)	Net Balance (%)
2014	Q4	17.3	64.5	18.3	-1.0
2015	Q1	17.2	62.5	20.3	-3.2
	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

Gross Revenue and Number of Employees

In the first quarter of 2017, the establishments reported that their gross revenue increased with a net balance of +18.2 per cent. The establishments which reported increases in their business gross revenue were 40.8 per cent. In contrast, 22.6 per cent of establishments reported a decline. Meanwhile, 36.6 per cent of establishments have stated their business gross revenue remained the same.

In terms of number of employees, 23.0 per cent of establishments indicated an increase in employment, while 12.3 per cent of establishments reported a decrease. Meanwhile, 64.7 per cent of establishments remained the same. Overall, a net balance of +10.7 per cent for the number of employees were recorded in the first quarter of 2017 as compared to -4.3 per cent in the previous quarter.

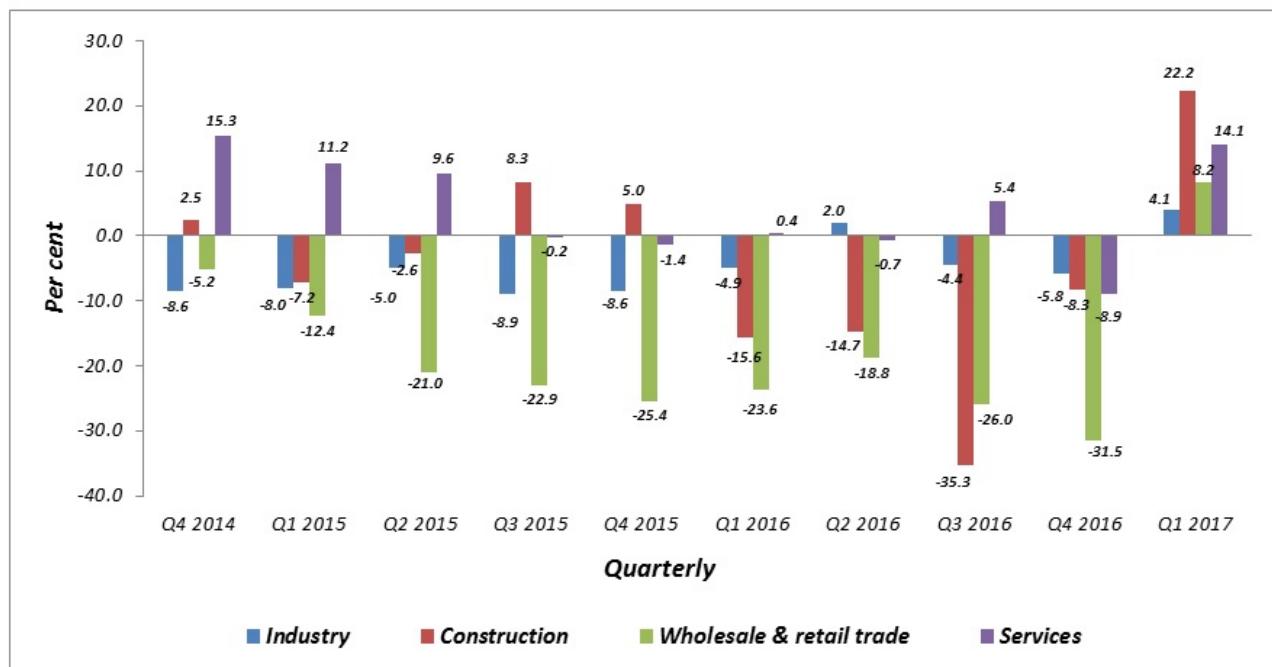
Table 3: Net Balance of Current Situation for Gross Revenue and Number of Employees, 2014-2017

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2014	Q4	30.2	38.3	31.5	-1.3	18.9	66.3	14.8	4.1
2015	Q1	31.0	37.3	31.6	-0.6	17.4	64.4	18.2	-0.8
	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

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 first quarter 2017 with a net balance of +4.1 per cent, +22.2 per cent, +8.2 per cent and +14.1 per cent respectively.

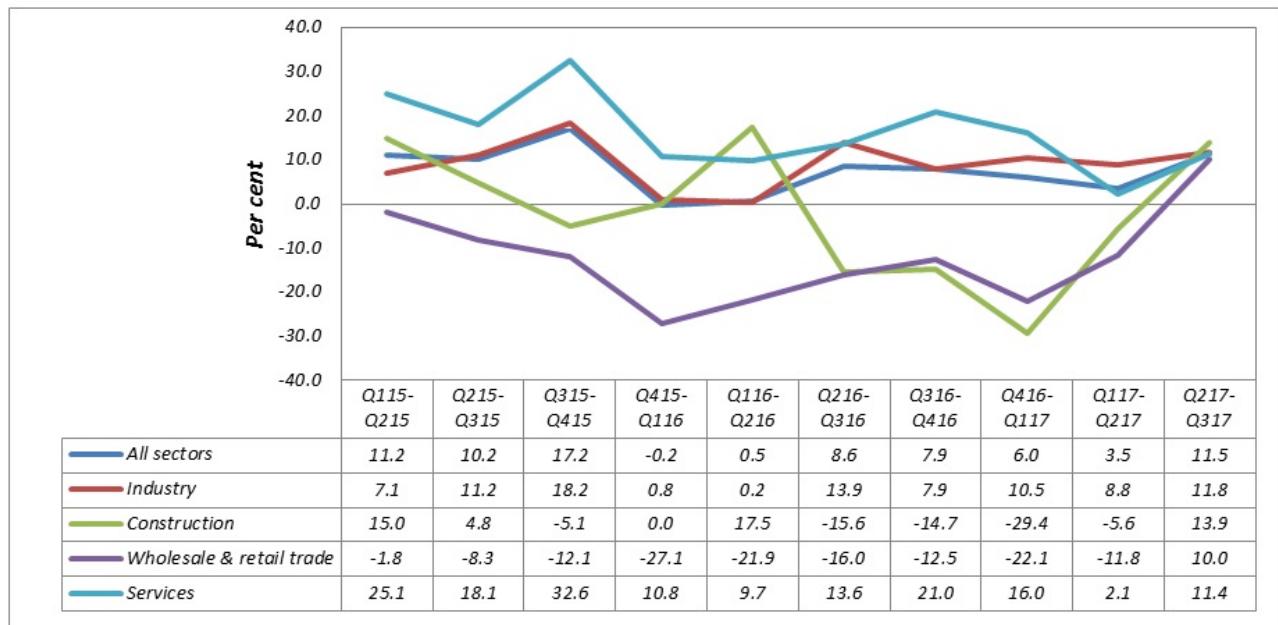
Chart IV: Quarterly Net Balance of Current Situation by Sector, Malaysia, 2014-2017



EXPECTATIONS OF BUSINESS PERFORMANCE APRIL-SEPTEMBER 2017

The business performance in April to September 2017 is expected to increase with a net balance of +11.5 per cent. All sectors, i.e. industry, construction, wholesale & retail trade and services are expected to increase with the net balance of +11.8 per cent, +13.9 per cent, +10.0 per cent and +11.4 per cent respectively.

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



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