

Malaysia's Business and Economic Conditions Survey (M-BECS) 2H 2018 – 1H 2019F



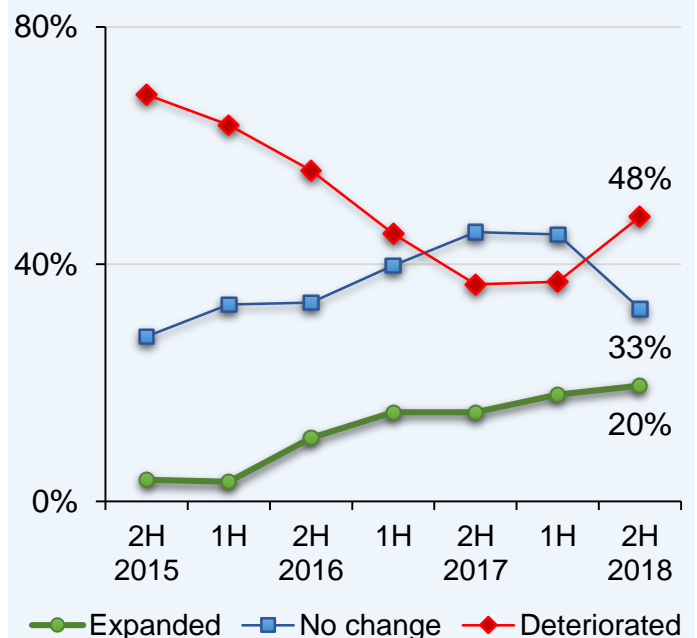
M-BECS

- ACCCIM's Survey on Malaysia's Economic Situation was launched since 1992
- Starting 1 January 2019, the survey was renamed as **Malaysia's Business and Economic Conditions Survey (M-BECS)**, covering the following scopes:
 - Economic and Business Performance and Outlook;**
 - Factors Affecting Business Performance;** and
 - Current Issues Confronting Businesses**

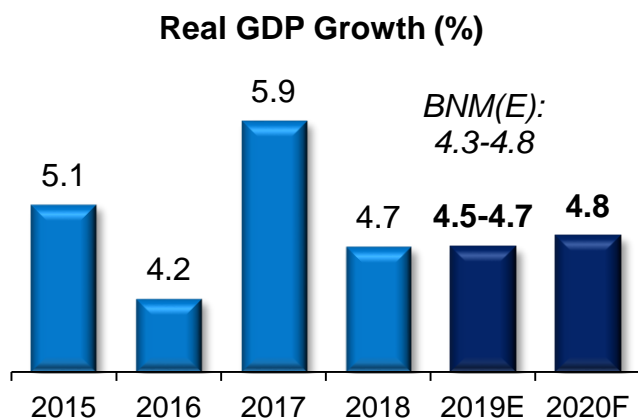
Significance of the Survey

1. To assist the Government in gauging **Chinese business community's assessment and expectations**
2. To obtain **feedback and suggestions** regarding the issues and problems faced
3. To provide **feedback** on the implementation of government's **measures and initiatives**
4. To provide a **basis for ACCCIM to prepare memoranda and policy proposals** for submission to the Government and relevant Ministries
5. To serve as a **source of reference** for business community and investors in business expansion and investment planning

Business conditions have DETERIORATED in 2H 2018

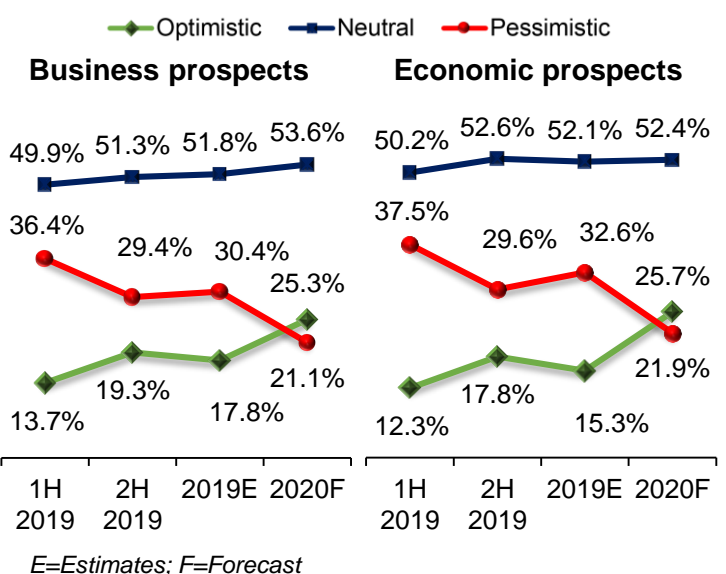


Domestic demand will continue to support growth



Source: Department of Statistics Malaysia (DOSM); SERC's estimates; Bank Negara Malaysia (BNM)'s estimates

Cautious optimism about the business and economy over the medium-term



Business Pulse Diagnosis

Top FIVE factors affecting business performance



Domestic competition
(49.7%)



Lower domestic demand
(41.5%)



Ringgit's fluctuations
(27.9%)

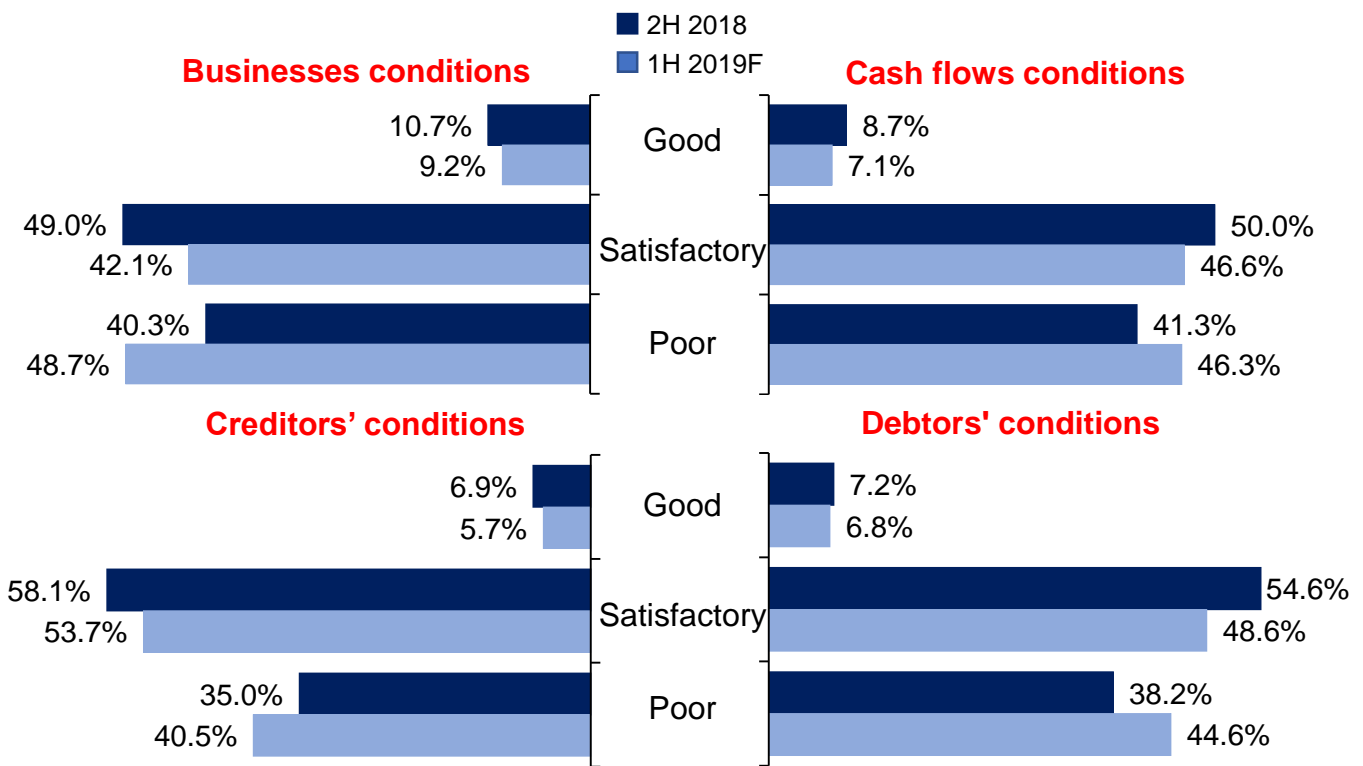


Increase in prices of raw materials
(25.8%)

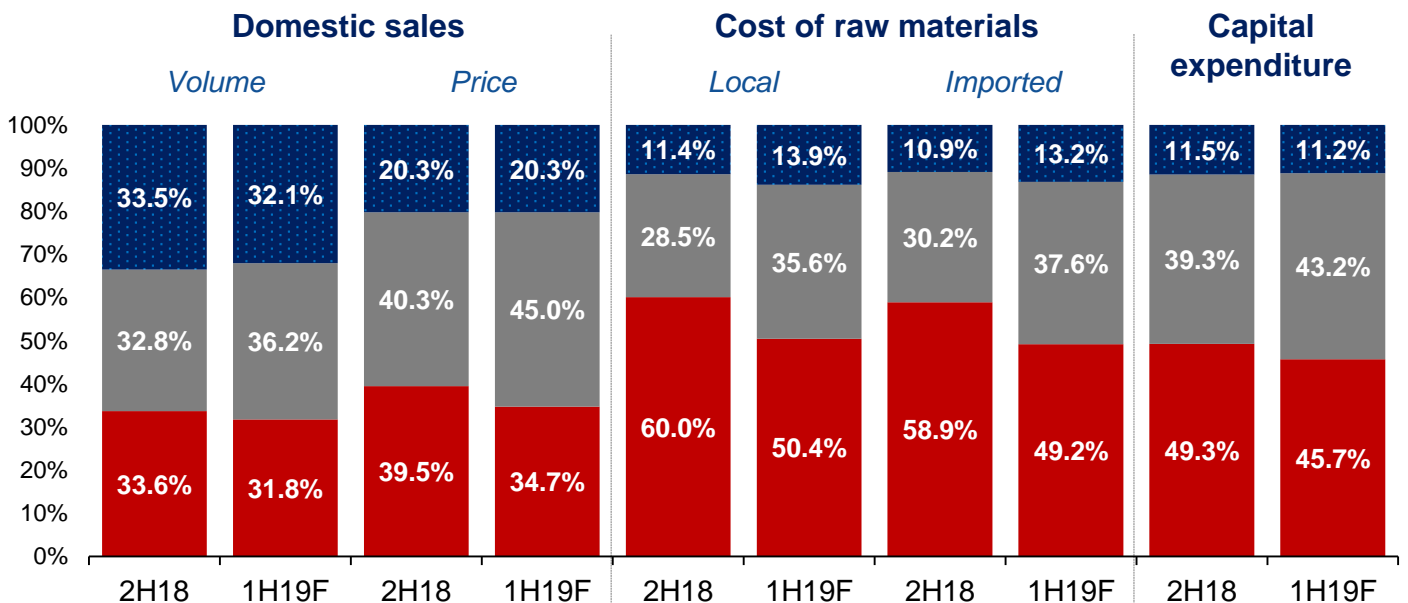


Government policies
(25.1%)

Business Assessment

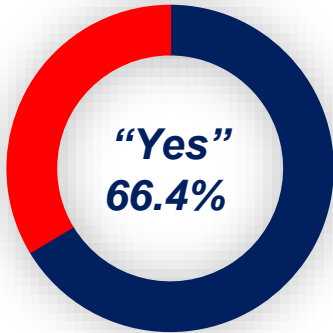


■ Increase
 ■ No change
 ■ Decrease



Reintroduction of SST

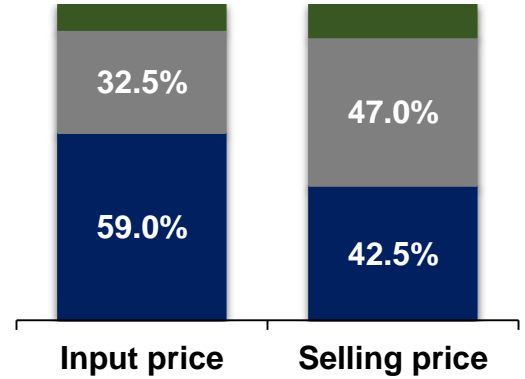
Does the transitional implementation of SST go smoothly?



52% indicated that SST has **no impact** while **41.5%** stated **adverse impact** and mostly in manufacturing and construction sectors

Businesses PARTIALLY ABSORBED increased costs after SST implementation

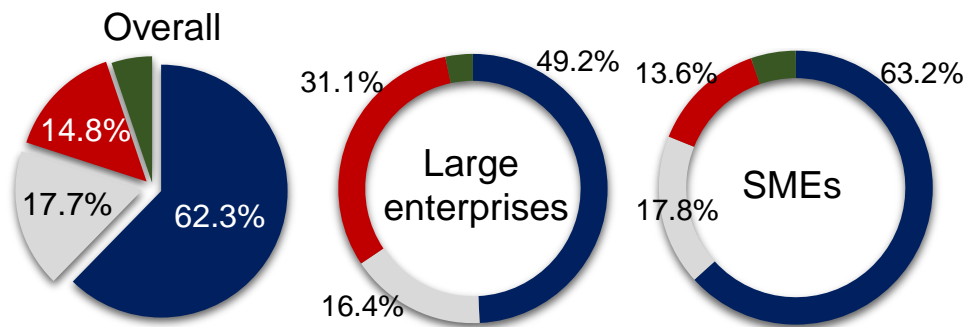
■ Increase ■ No Change ■ Decrease



SMEs in most other sectors* prefer SST over GST

* Except manufacturing sector and trading companies

GST and Income Tax Refunds



% utilisation for capital investment or spending*
 ■ 1-10% ■ 11-20% ■ 21-30% ■ >30%

The US-China's trade war

Impact on supply chain



Impact on sales

- 24.0% experienced **adverse impact**
- 23.1% stated "No impact, but **foresee adverse impact** in the near future"

% respondents proposed the following mitigating measures:

- Reduce import duties on raw materials (37.8%)
- Assist in exploring new export markets (27.1%)

Adoption of E-commerce



The **SMEs challenges** are:

- Lack of knowledge and skills (28.7%)
- Reliability of telecommunications infrastructure (20.8%)
- New technology investment incurred high cost (17.1%)



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ACKNOWLEDGMENT

*We are exceptionally grateful for the generous support provided by
17 Constituent Members and their valued members*



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For more information, please access www.acccim.org.my

This survey is collaborated with:



www.acccimserc.com