



ACCCIM Malaysia's Business and Economic
Conditions Survey (M-BECS) Report
(2H 2020 and 1H 2021F)

**中总 2020 下半年及 2021 上半年预测
马来西亚商业和经济状况调查报告**

15 March 2021

Executive Summary of Key Findings

The Associated Chinese Chambers of Commerce and Industry of Malaysia's (ACCCIM) Malaysia's Business and Economic Conditions Survey (M-BECS) was conducted **from 16 November 2020 to 15 February 2021, covering the second half-year of 2020 (Jul-Dec 2020) and expectations for the first half-year of 2021 (Jan-Jun 2021)**, has received **696 responses**.

The **ACCCIM's M-BECS** is a good barometer to **gauge Malaysian business community's assessment and expectations about domestic business and economic conditions as well as their prospects**.

It covers questions to (a) Measure **expectations about the performance and prospects of economy and business**; (b) Identify **main factors affecting business performance**; and (c) Gauge the **implications of current issues and challenges faced by businesses**.

An Overview and Summary of Key Findings of the M-BECS:

The M-BECS results revealed that most businesses, which are still reeling from the prolonged disproportional impact of the COVID-19 pandemic in 2H 2020, **continued to tread cautiously about economic and business prospects in 2021**.

Most businesses remain wary about economic and conditions in 1H 2021 due to lingering scarring effects of the third wave of the COVID-19 and movement restrictions on activities since late 3Q 2020. While the movement restrictions are less restrictive, it is expected that the scarring effects to continue in 1Q 2021, in particular for the travel and tourism-related sectors.

Amid the embarking on national immunisation program starting in late February, which is key for economic recovery, most of respondents are **cautiously hopeful about economic recovery in 2021**. Only 23.0% of respondents are confident of economic recovery in 2021 (as against previous survey's which had 84.9% of respondents expected the recovery to take place by 2021); 38.7% of respondents have no confidence; and 38.3% are unsure of economic recovery.

1. Reflecting the prolonged impact of the pandemic, **business conditions remained challenging in 2H 2020, albeit having disproportional impact between sectors and size of business operations**. 44.0% of total respondents experienced worse business conditions in 2H 2020 though the percentage share reduced by 34.2 percentage points from 78.2% in 1H 2020. 26.9% of respondents experienced better business conditions in 2H 2020 while the balance 29.2% indicated "No change" in business conditions.
2. **A higher percentage share of respondents (47.3%)** indicated that the **economic conditions were worse-off in 2H 2020**; only 14.1% of respondents said "Better"; and 38.6% were "Neutral". The bleak business assessment was in tandem with continued healing of the economy, which saw GDP which declined further by 3.4% yoy in 4Q 2020, higher than -2.6% yoy in 3Q, reflecting the scarring effects of the third wave of virus and movement restrictions. Both consumer spending and business investment continued to decline in 4Q 2020 for three and four consecutive quarters respectively.

3. Amid the embarking on vaccination program, which covers three phases (Feb 2021 to Feb 2022), **20.3% of respondents anticipate better economic prospects in 2H 2021** compared to only 9.5% for 1H 2021. The percentage share of respondents expecting worse economic outlook in 2H 2021 (20.9%) was lower than that of 36.1% in 1H 2021.
4. Overall, the M-BECS's results revealed that **businesses tread cautiously about economic prospects in 2021**. 53.4% of respondents having a "Neutral" economic outlook in 2021 ("Better": 20.6%; "Worse": 26.0%).
5. With the on-going vaccination program helping to lift sentiment as well as economic and business activities returning to normalcy, **44.5% of respondents expecting better economic prospects for 2022**; only 9.2% forecasting "Worse" economic outlook while 46.3% having "Neutral" outlook. The National Immunisation Programme aims to achieve herd immunity of having at least 80% of Malaysia's population vaccinated by February 2022.
6. The survey results revealed that a **large number of respondents in medium enterprises (60.2% of them) and large enterprises (53.6%) forecast better economic prospects in 2022**. Less than half of the micro enterprises (39.8%) and small enterprises (41.2%) having optimistic view.
7. **Top five factors** that have impacted the performance of business in 2H 2020 are: (i) **Higher operating costs and cash flow problem** (as ranked by 48.3% of total respondents); (ii) **Declining business and consumer sentiment** (47.6%); (iii) **Political climate** (46.1%); (iv) **Lower domestic demand** (41.2%); and (v) **Unclear communication and inconsistent interpretation of SOP** (39.8%).
8. **Business operations** (production, sales and raw materials) were generally in line with the weak economic and business conditions.
 - (a) **Sales:** 53.5% of respondents experienced a decrease in overall sales volume in 2H 2020 with 21.3% reporting a decrease of more than 30% (17.9% for a decrease of 16%-30%; 14.2% for a decrease of 1%-15%). The sales prospects are expected to remain weak in 1H 2021 with 48.8% of respondents expecting a decline in sales volume.
 - (b) **Production:** 46.9% of respondents reported a decline in production level in 2H 2020 as the production capacity was restrained by weak market sentiment and low demand. The overall production level will be about the same in 1H 2021.
 - (c) **Raw materials:** More than 60% of respondents reported that both prices of local and imported raw materials have increased significantly in 2H 2020. 32.3% and 40.6% of respondents have experienced an increase of more than 10% in prices of local and imported raw materials respectively in 2H 2020. The costs of both local and imported raw materials are expected to remain elevated in 1H 2021.
9. Despite more than 50% of respondents indicated that they **have either maintained (43.1%) or reduced (14.2%) their capital expenditure in 2H 2020, a higher percentage share of respondents (42.7% vs. 31.6% projected in previous survey) has increased their capital expenditure in 2H 2020**.

10. The survey specifically gauges some scenarios impact on economic and business conditions during very critical period.

- (a) **38.7% of respondents have no confidence that the Malaysian economy could recover in 2021** while 38.3% are unsure and only 23.0% are confident of economic recovery.
- (b) **More than 50% of respondents in the tourism-related sectors would be unlikely to survive if the CMCO or EMCO is in place for more than 1-2 months.**
- (c) **If there is a renewed “Total Lockdown”, 19.0% of respondents are unable to cope with it and will most likely to cease operations, whereas 40.6% will be able to survive not more than six months** (16.4% for less than three months; 24.2% for 3-6 months).

11. Topical Issue 1: Reskilling and Upskilling of Manpower

- (a) There is growing importance of soft skills in the workplace. **56.2% of respondents indicated that hard skills are more important than soft skills for a person at entry-level.** The employers have placed **equal emphasis on both hard and soft skills for mid-level (non-managerial) position**, but **significantly emphasised on soft skills for more senior positions** (that is senior-managerial level). 77.3% of respondents preferred soft skills over hard skills in making hiring decision for senior level (managerial) and 74.3% for executive level.
- (b) **Lack of time and resources to develop reskilling and upskilling program** (as voted by 55.5% of respondents) and **finding the right training resources/programs** (46.8% of respondents) are top two barriers faced by companies to undertake human capital development.
- (c) **48.5% of respondents did not provide reskilling or upskilling program/course for their employees**, particularly among micro and small enterprises, mainly due to a **small number of employees** and have **limited or no budget for training cost.**
- (d) **30.4% of respondents include the number of reskilling or upskilling programs/courses attended as an employee’s Key Performance Indicator (KPI).** Such performance measurement will induce employees to participate in upskilling or reskilling program/course. Large enterprises have placed more emphasis on their employees’ reskilling or upskilling development.
- (e) **Top three skills** that needed for employees to reskill and upskill: (i) **Soft skills** (rated by 69.2% of respondents); (ii) **New technology adoption** (53.5%) and (iii) **Multi-tasking** (51.1%).
- (f) **More than 60% of respondents in the manufacturing (73.0%), finance and insurance (68.8%), real estate (61.8%) and ICT (60.0%) sectors have acknowledged that the upskilling/reskilling training has helped to increase company’s productivity and process efficiency.**

- (g) **56.1% of respondents** indicated that **automation and digitalization will lower demand for physical and manual skills in repeatable and predictable tasks.**

12. Topical Issue 2: Human Resources Development Fund (HRDF)

- (a) **Only 34.3% of respondents have registered with Pembangunan Sumber Manusia Berhad (PSMB), of which 65.4% of them have utilised the Human Resources Development Fund (HRDF) and 34.6% have never utilised the fund.** Effective 1 March 2021, more sectors are covered under the Act, including the agriculture and construction sectors.
- (b) In assessing the effectiveness of ten training schemes offered under HRDF, **a large number of respondents registered with PSMB (ranging between 30.3% and 50.3%, a simple average of 40.7%) are not aware of the listed training schemes,** while about 32.1%-51.0% (a simple average of 41.2%) have rated the listed training schemes as “totally effective/relevant” and “effective/relevant”, and the balance 13.7%-25.4% (a simple average of 18.1%) indicated that the listed training schemes are “totally ineffective/irrelevant” and “less effective/relevant”.
- (c) **PSMB needs to step up the awareness and promotion campaigns to outreach businesses who have registered with PSMB to utilise the training schemes.** Besides forging greater collaborations with business chambers and industry associations, PSMB also needs to review the effectiveness of training modules, training techniques as well as marketing and promotional approach.
- (d) It is disheartening to note that **62.8% of respondents are not aware any of the listed tax incentives for human capital development offered by the Government.** It’s not only about the lack of promotion and awareness by the Government but also on the business side to find out the tax incentives available for them to apply. Human capital development requires both public-private partnership and equal commitment.
- (e) **57.2% of respondents voted “Grant to encourage people attending online certification courses” as their top expectation.** A one-to-one matching training grant would help to increase the enrolment of employees in online certification courses so as to upgrade themselves to fit into current and future workplace. **A tripartite (Government-Academia-Industry) collaboration** is vital in generating a competitive and agile workforce for the future. The industry’s feedback must be taken into consideration so as to structure a quality internship/experiential learning program. The facilitators or trainers must be equipped with the latest knowledge and skill set (soft and hard skills).

调查报告摘要

中总 2020 年下半年（2020 年 7 月至 12 月）及 2021 上半年预测（2021 年 1 月至 7 月）马来西亚商业和经济状况调查报告，于 2020 年 11 月 16 日至 2021 年 2 月 15 日进行，共收到 696 份问卷回复。

中总的马来西亚商业和经济状况调查收集大马工商界对于本地商业和经济状况及前景的评估与期望，所得结果是一个很好的指标。

这项调查涵盖了以下问题：（a）衡量对经济和商业表现和前景的期望；（b）确定影响业务绩效的主要因素；（c）衡量企业当前所面临问题和挑战的影响。

问卷调查结果的概述和摘要如下：

马来西亚商业和经济状况调查报告显示，大多数企业仍受 2020 年下半年的新冠肺炎疫情长期和不同比例的影响，继续谨慎看待 2021 年的经济和商业前景。

由于第三波新冠肺炎疫情和自 2020 年第三季度对商业活动限制所引发的冲击效应，大多数企业仍对 2021 年上半年的经济状况保持警惕。尽管行动管制令不太严格，但该冲击效应预计将会在 2021 年第一季度延续，尤其是旅游相关行业。

2 月底开始启动的国家疫苗接种计划，将会是经济复苏的关键，大多数回复者对 2021 年的经济复苏保持谨慎和抱有希望的态度。只有 23.0% 的回复者对 2021 年的经济复苏有信心（此前的调查有 84.0% 的回复者预计 2021 年的经济将会复苏）；38.7% 的回复者没有信心，而 38.3% 的回复者不确定经济是否将能复苏。

1. 2020 年下半年的商业状况充满挑战，这反映了疫情所造成长期影响，尽管各领域和业务规模之间存在不同比例的影响。44.0% 回复者表示他们的业务状况在 2020 年下半年糟糕，相较于 2020 年上半年的 78.2%，下降了 34.2%。26.9% 的回复者于 2020 年下半年的商业状况有所改善，而剩余的 29.2% 回复者则表示商业状况“没有变化”。
2. 比较多的回复者（47.3%）表示，2020 年下半年的经济状况变得更差；只有 14.1% 的回复者表示更好，而持有中立态度的回复者则占了 38.6%。黯淡的商业评估与经济的持续复苏相一致，我国的国内生产总值在 2020 年第四季度，同比进一步下降 3.4%，高于第三季度的负 2.6%，这反映了第三波疫情和行动管制令所引发的冲击效应。在 2020 年第四季度，消费者支出和商业投资分别连续三个季度和四个季度持续下降。
3. 国家疫苗接种计划包含三个阶段（2021 年 2 月至 2022 年 2 月），20.3% 的回复者预计 2021 年下半年的经济前景将会更好，而预计 2021 年上半年经济前景会更好的只有 9.5%。预计 2021 年下半年经济前景会更差的回复者有 20.9%，低于认为 2021 年上半年的经济前景会更差的 36.1%。
4. 整体而言，马来西亚商业和经济状况调查报告显示，企业对 2021 年的经济前景保持谨慎的态度。53.4% 的回复者对 2021 年的经济前景保持“中立”态度（“更好：20.6%”和“更差”：26.0%）。

5. 随着国家疫苗接种计划正在进行，这将有助于提振人们的情绪，并使经济和商业活动恢复正常。**44.5%**的回复者预计**2022年的经济前景会更好**，只有**9.2%**的回复者认为经济前景会更糟，而**46.3%**的回复者保持“中立”态度。国家疫苗接种计划的目标是于**2022年2月**前，为马来西亚至少**80%**的人口接种疫苗，以实现群体免疫。
6. 调查结果显示，**中型企业（60.2%）和大型企业（53.6%）**的大部分回复者预计**2022年的经济前景会更好**。少于一半的微型企业（**39.8%**）和小型企业（**41.2%**）持有乐观看法。
7. 首**5**个影响2020年下半年的商业表现的主要因素为(i) **更高的运营成本和现金流问题**（占总回复者的**48.3%**）；(ii) **商家和消费者信心下降**（**47.6%**）；(iii) **政治因素**（**46.1%**）；(iv) **国内需求下降**（**41.2%**）；(v) **沟通不明确和标准作业程序的诠释不一致**（**39.8%**）。
8. **商业运作**（生产、销售和原材料）整体上与经济疲弱的商业状况相符。
 - (a) **销售**：2020年下半年，共有**53.5%**的回复者面对整体销量下降的情况，其中**21.3%**的回复者表示下降幅度超过**30%**（**17.9%**的回复者面对**16%至30%**的销量下降，而**14.2%**的回复者面对**1%至15%**的销量下降）。2021年上半年的销售前景预计将会维持疲软，有**48.8%**的回复者预计销量将会下降。
 - (b) **生产**：**46.9%**的回复者表示，由于市场情绪疲弱和需求低迷，2020年下半年的生产量有所下降。2021年上半年的整体生产量也将大致相同。
 - (c) **原料**：超过**60%**的回复者表示，2020年下半年本地和进口原料均大幅度上涨。分别有**32.3%**和**40.6%**的回复者于2020年下半年，面对本地和进口原料上涨超过**10%**的情况。本地和进口原料预计于2021年上半年，也将维持较高的价格水平。
9. 超过**50%**的回复者表示，他们在2020年上半年**保持了资本支出（43.1%）或减少了资本支出（14.2%）**。但相比于之前的调查预测，有**更高的百分比的回复者表示，他们在2020年上半年的资本支出是有所增加的（42.7%对比之前的31.6%调查预测）**。
10. 这项问卷调查特别评估了对于经济和商业状况在关键时期可能引发的一些情景或影响。
 - (a) **38.7%**的回复者对马来西亚经济能在**2021年复苏没有信心**，而**38.3%**的不确定，只有**23.0%**的回复者对经济复苏有信心。
 - (b) 如果有条件行动管制令（**CMCO**）或加强式行动管制令（**EMCO**）再度延长**1至2个月**，有超过**50%**的旅游相关行业回复者表示，将不太可能继续经营下去或倒闭。
 - (c) 如果再度颁布“全面封城”，则有**19.0%**的回复者表示无法应对，并且极有可能会停止运营，而**40.6%**的回复者表示公司维持生存的时间将不超过六个月（**16.4%**少于三个月；**3-6个月**为**24.2%**）。
11. **专题一：重新培训和提升人员的技能**
 - (a) 软技能于工作需求而言越来越重要。**56.2%**的回复者表示，对于初级人员而言，硬技能比软技能更为重要。雇主对于中级（非管理人员）职位的硬技能和软技能都给予了

同等重视，但对更高的职位（即高级管理层职位）则高度重视软技能。77.3%的回复者在决定高层（即高级管理层）的聘用决策时优先于软技能而不是硬技能，而 74.3%的回复者对于行政级人员更偏向于软技能。

- (b) 缺乏时间和资源来制定重新培训和提升人员技能的计划（55.5%）和寻找合适的培训资源或计划（46.8%）是公司进行人力资源开发所面临的两大障碍。
- (c) 48.5%的回复者表示没有为其雇员提供重新培训或技能提升的计划或课程，特别是在微型和小型企业中，主要原因是雇员人数少且培训费预算有限或没有这类的预算。
- (d) 30.4%的回复者表示会将雇员参与重新培训或技能提升计划或课程的次数，作为雇员的关键绩效指标（KPI）评估。相关绩效评估将促使员工参加重新培训或技能提升计划或课程。大型企业更加重视员工的技能培训及提升。
- (e) 雇员需重新培训和提升的前三项技能：（i）软技能（占 69.2%）；（ii）采用新技术（53.5%）和（iii）处理多项任务的能力（51.1%）。
- (f) 在制造业（73.0%）、金融及保险（68.8%）、房地产（61.8%）及资讯及通讯科技（60.0%）领域，均有超过 60%的回复者表示，雇员的重新培训和技能提升有助于提升公司的生产力和流程效率。
- (g) 56.1%的回复者表示，自动化和数字化将降低对于体力和手工技能去处理重复和可预测的工作。

12. 专题 2：人力资源发展基金（HRDF）

- (a) 只有 34.3%的回复者表示已向人力资源发展有限公司（PSMB）注册，其中 65.4%的回复者使用了人力资源发展基金（HRDF），而 34.6%的回复者从未使用过该基金。自 2021 年 3 月 1 日起，该法令涵盖了更多行业，包括农业和建筑行业。
- (b) 在评估人力资源发展基金（HRDF）所提供的十项培训计划的有效性时，大部分在 PSMB 注册的回复者（介于 30.3%和 50.3%之间，平均值为 40.7%）并不知道所列的相关培训计划，而大约 32.1%-51.0%（平均值为 41.2%）将列出的培训计划评为“完全有效或相关”和“有效或相关”，其余的 13.7%-25.4%（平均值为 18.1%）则把列出的培训计划评价为“完全无效或不相关”和“不太有效或相关”的。
- (c) PSMB 需要加强宣传和推广活动，让已经在 PSMB 注册的商家能充分的参与相关的培训计划。除了与商会和行业协会加强合作之外，PSMB 还需要审查培训模块，培训技术以及市场营销和促销方法的有效性。
- (d) 令人遗憾的是，有 62.8%的回复者不知道政府通过人力资源发展基金所提供的任何税收优惠。商业领域也因为政府缺乏宣传下，也缺乏掌握相关可适用于他们的税收优惠政策资讯。人力资源的发展既需要公共与私人领域的通力合作与努力。

(e) **57.2%**的回复者对于“鼓励雇员参加在线认证课程”给与最高期望。一对一的匹配培训补助金，将有助于提升雇员参于在线上的认证课程，以自我提升来适应当前和将来的工作环境。**三方的合作（政府-学术界-工商界）**对于未来培养具有竞争力的劳动力至关重要。培训计划必须考虑业界的反馈，以构建高质量的实习或体验学习计划。主讲人或培训者必须具备掌握最新的知识和技能（软硬技能）。

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1. INTRODUCTION

1.1 Background

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)'s Bi-Annual Survey on Malaysia's Economic Situation, which was launched since 1992, is being recognized as an **important barometer to gauge Malaysian business community's assessment and expectations about domestic business and economic conditions as well as their prospects.**

Starting 1 January 2019, the survey was renamed as **Malaysia's Business and Economic Conditions Survey (M-BECS).**

This survey, covering **the second half-year (Jul-Dec) of 2020 (2H 2020) and expectations for the first half-year (Jan-Jun) of 2021 (1H 2021F),** encompasses the following scopes:

- i. **Economic and Business Performance and Outlook;**
- ii. **Factors Affecting Business Performance;** and
- iii. **Current Issues Confronting Businesses**

1.2 Significance of the Survey

This Survey intends to **complement as well as fill in the gap of existing surveys compiled by various private organizations,** namely the Malaysian Institute of Economic Research (MIER), the Federation of Malaysian Manufacturers (FMM), RAM Holdings Berhad, etc. The survey findings would also be used to supplement the primary data and statistics of the Department of Statistics Malaysia (DOSM) when gauging Malaysia's overall economic and business conditions.

As the Chinese business community plays an important contribution in Malaysia's overall economic and business development, **ACCCIM, being a major national organization representing Malaysian Chinese business community,** takes the initiative to **assist the Government in gauging the perspectives of business community about current economic and business conditions as well as their prospects.** It also attempts to obtain feedback and suggestions regarding the issues and problems faced as well as how they view the measures and initiatives implemented by the Government. This helps the Government to gauge the effectiveness of public policies implemented and hence, would consider to make the necessary adjustments for future policy formulation.

The survey results also **provide a basis or an input for ACCCIM to prepare memoranda concerning economic issues, including public policies impacting Malaysia's business community** for submission to the Government and relevant Ministries for their consideration. The report also serves as a source of reference for the Government, researchers, business community and investors in the formulation of public policy, business expansion and investment planning.

2. SURVEY METHODOLOGY

The survey period covering the **second half-year (Jul-Dec) of 2020 (2H 2020) and expectations for the first half-year (Jan-Jun) of 2021 (1H 2021F)** is to gather respondents' assessment of their business performance and economic outlook, including views about current issues and challenges faced by Malaysian business community. The survey questionnaire is divided into three sections as follows:

Section A: Business Background, which captures the profile of businesses – type of principal business activity and its size of business operations; share of total sales in domestic vs. overseas market; number of employees and the proportion of local vs. foreign workers to total employment.

Section B: Overall Assessment is divided into two sub-sections:

- (1) Identify what are the major factors affecting the business performance; and
- (2) Track the performance and outlook of economic and business conditions.

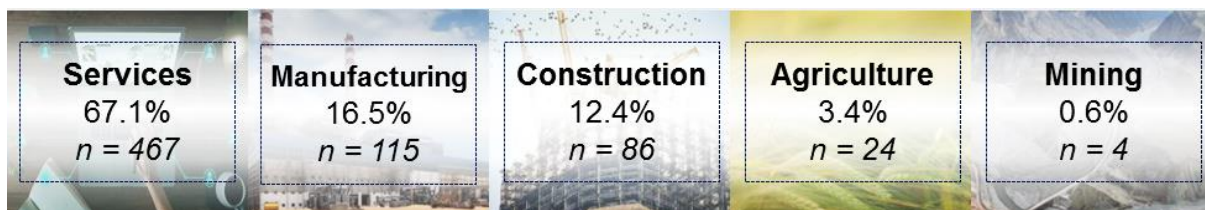
Section C: Current Issues, which focus on

- (1) **Reskilling and Upskilling of Manpower**; and
- (2) **Human Resources Development Fund (HRDF)**.

To obtain a more representative coverage, the questionnaires were distributed to direct and indirect memberships of ACCCIM Constituent Chambers, which comprise Malaysian Chinese companies, individuals and trade associations. As most of the prominent Chinese businessmen are committee/council members of ACCCIM either at the national or state levels; hence, their participation would enhance the representation of Chinese business community. The questionnaires were also outreached to Chinese businesses nationwide to solicit their feedback via SurveyMonkey and the distribution of hard copies.

A total of **696 active responses** were received from **16 November 2020 to 15 February 2021**, covering a broad-based of sectors and industries. The breakdown of respondents are as follows:¹

(i) By sector and industry (n=696 companies)



¹ Numbers may not add up to 100.0% due to rounding, which are also applied for the rest of the report.

(ii) By size of business operations²

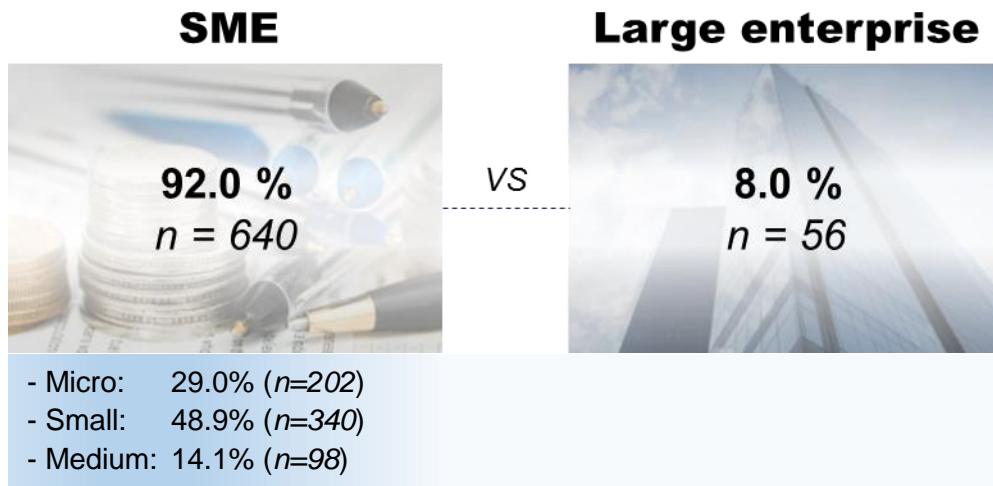


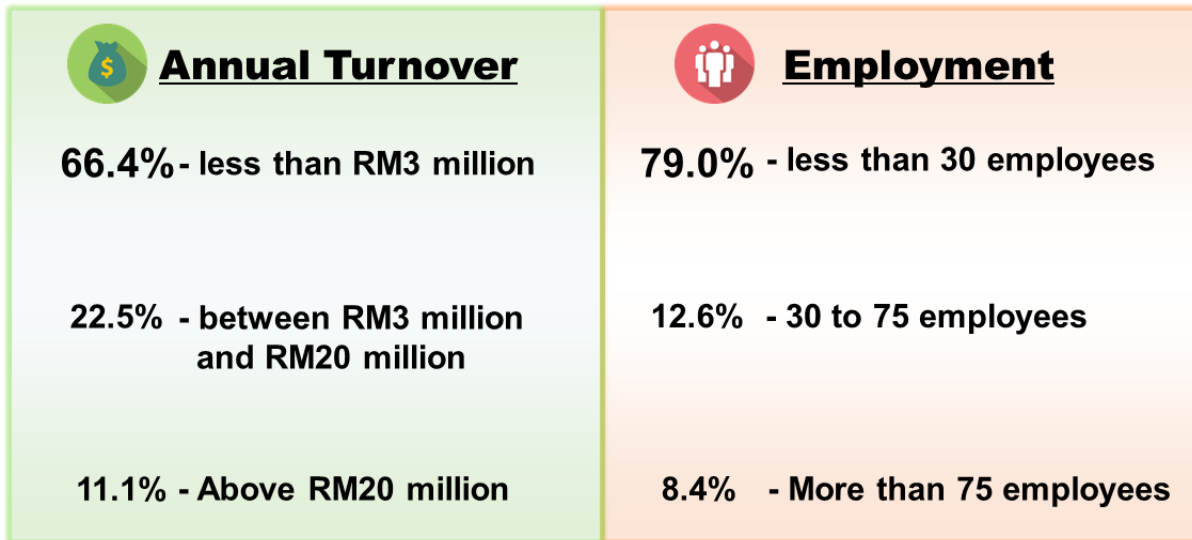
Table 1: Breakdown of respondents by sector/industry and size of business operations

Sector and industry	Percentage (%)	Large enterprises (%)	SMEs (%)
Services	67.1	5.8	94.2
Wholesale and retail trade	21.0	5.5	94.5
Professional and business services	15.7	0.9	99.1
Tourism, shopping, hotels, restaurants, recreation and entertainment (“tourism-related”)	10.3	5.6	94.4
Real estate	4.9	11.8	88.2
Finance and insurance	4.6	12.5	87.5
Information and communications technology (ICT)	4.3	6.7	93.3
Trading (imports and exports)	3.7	7.7	92.3
Transportation, forwarding and warehousing	2.6	11.1	88.9
Manufacturing	16.5	13.0	87.0
Construction	12.4	8.1	91.9
Agriculture, forestry and fishery	3.4	20.8	79.2
Mining and quarrying	0.6	50.0	50.0
Total (sample size, n)	100 (696)		

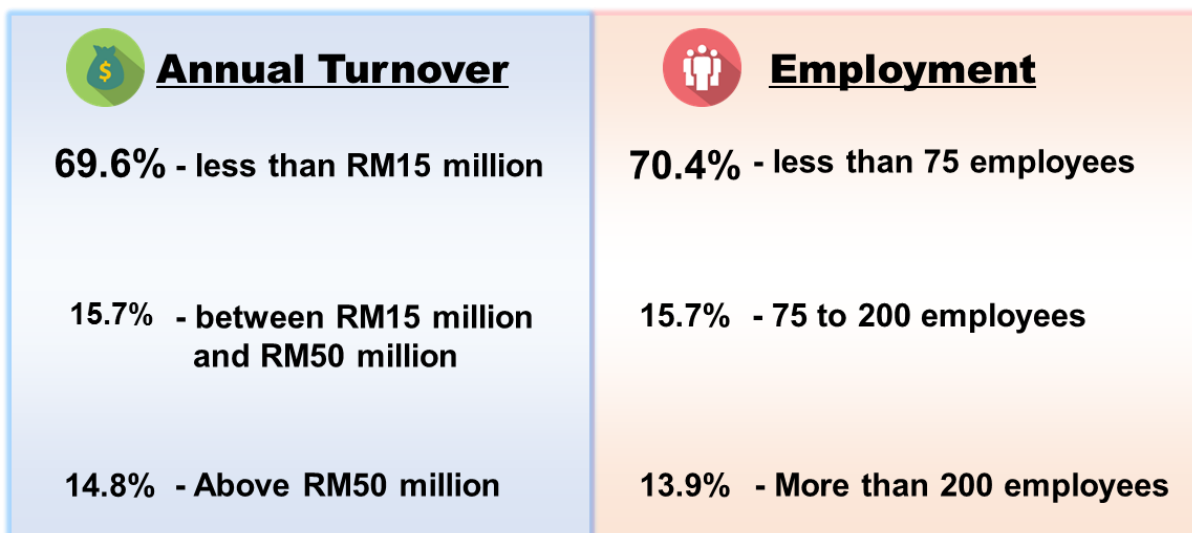
² A business will be deemed as an SME if it meets either one of the two specified qualifying criteria, namely sales turnover or full-time employees, whichever is lower basis, as endorsed by the National SME Development Council (NSDC) and published by SME Corporation Malaysia in 2013. For a detailed definition, please refer to Appendix 2.

(iii) By annual turnover and employment³

For Broad Services sector (n=467):

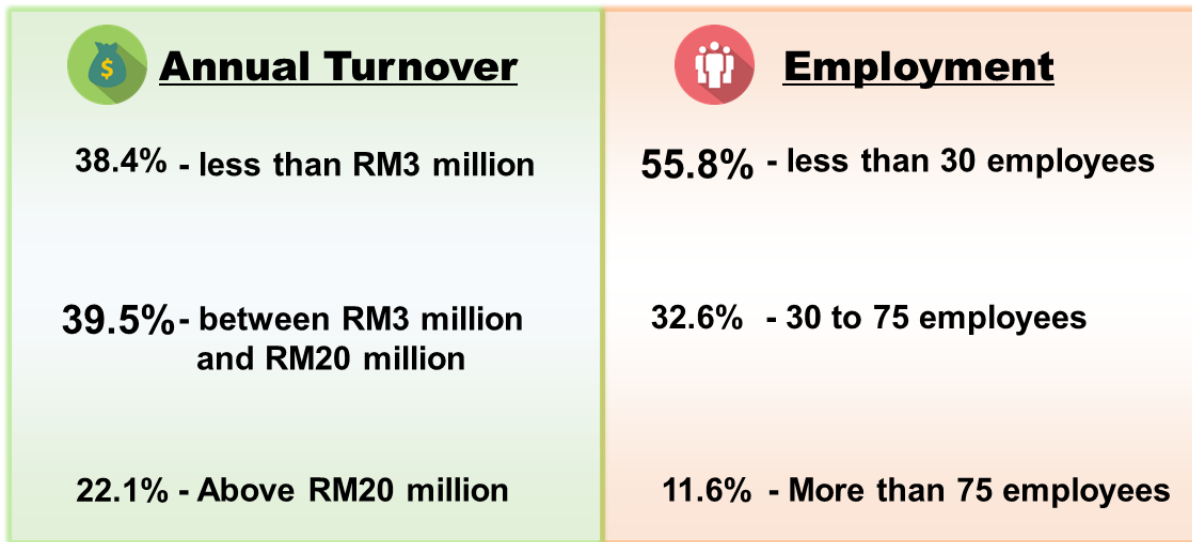


For manufacturing sector (n = 115):

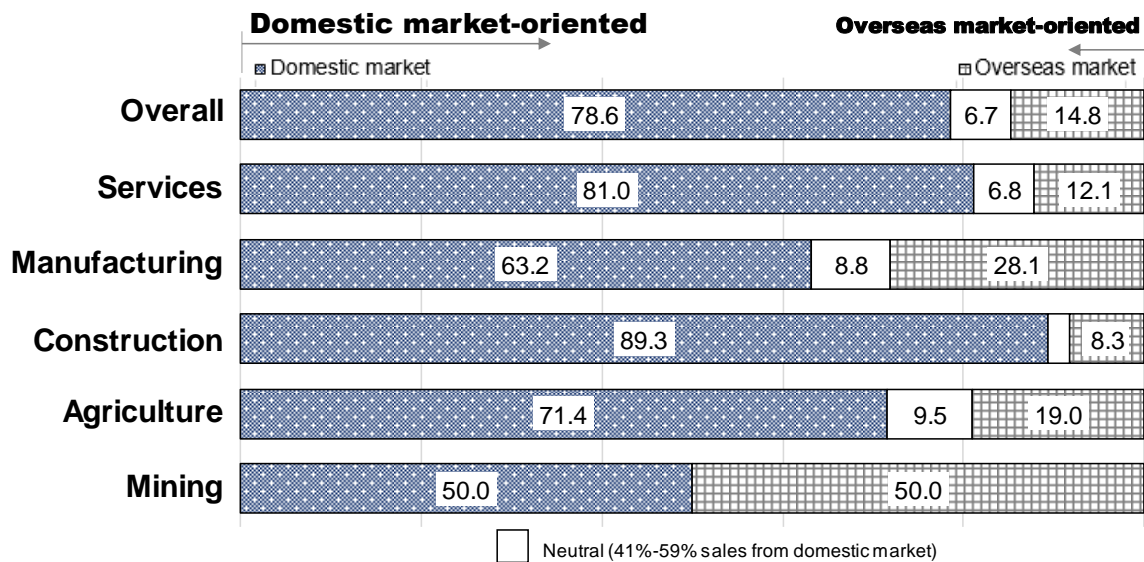


³ Agriculture and mining sectors are omitted due to a low number of respondents.

For Construction sector (n=86):

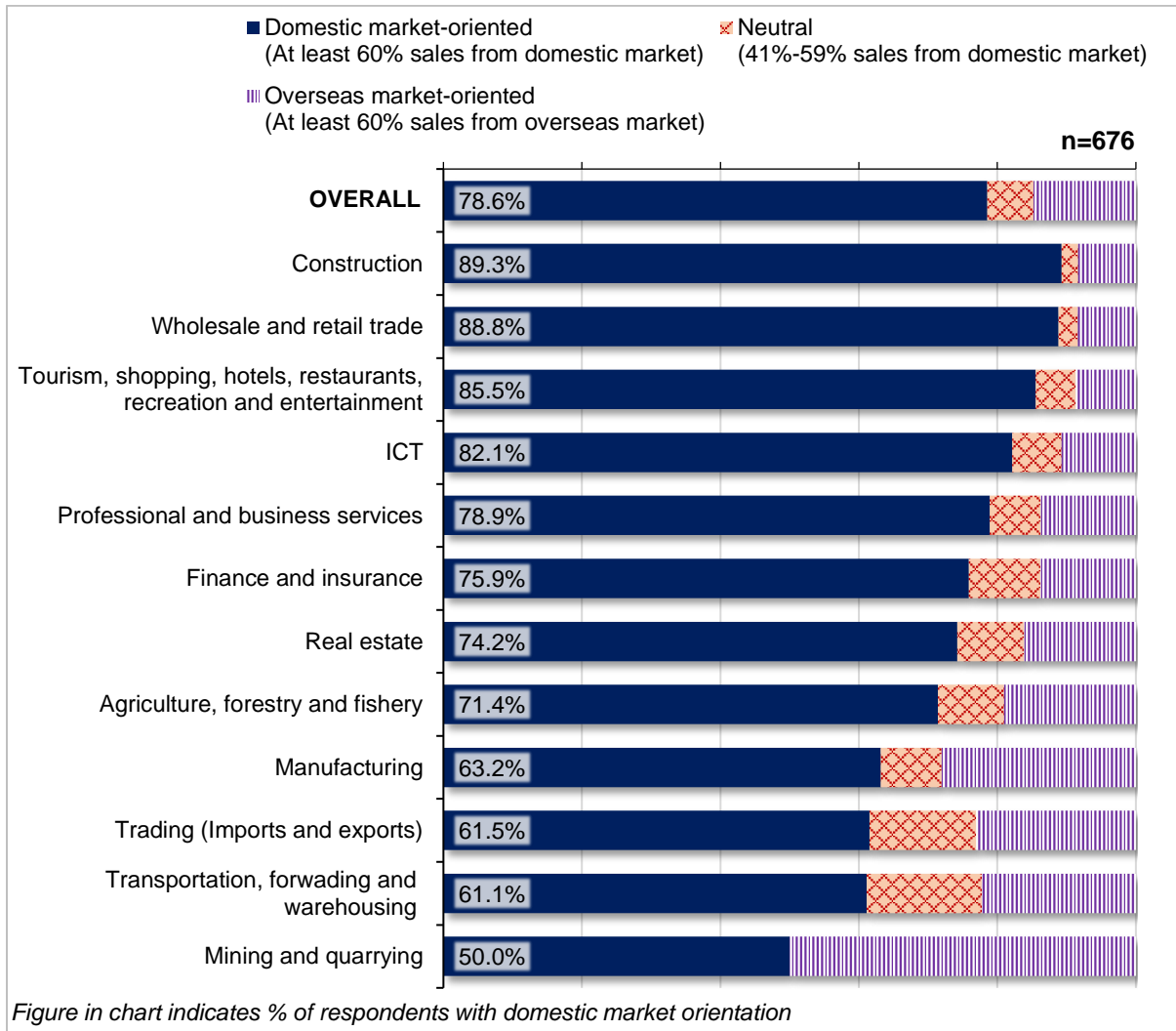


(iv) By sales orientation (domestic market-oriented vs. overseas market-oriented)



Note: Domestic market-oriented indicates at least 60% of total sales are generated from domestic market; overseas market-oriented indicates at least 60% of sales generated from overseas market.

Figure 1: Breakdown of respondents by sales orientation



3. SENTIMENT TRACKER

3.1 Business Assessment in 2H 2020

- During the survey period **16 November 2020 – 15 February 2021**, the resurgence of a third wave of the COVID-19 since late September 2020, which got worsened in early January 2021 has compelled the re-implementation of Conditional Movement Control Order (CMCO) and Movement Control Order (MCO 2.0) in states according to the level of virus infections. However, this time round, the scope of restrictions was less strict compared to previous MCO/CMCO. Interstate travel ban remains in place.
- **In tandem with the prolonged impact of the pandemic, business conditions remained challenging in 2H 2020, albeit having disproportional impact between sectors and size of business operations. 44.0% of respondents experienced worse business conditions in 2H 2020** though the percentage share reduced by 34.2 percentage points from 78.2% in 1H 2020. **26.9% of respondents indicated better business conditions in 2H 2020** while the balance 29.2% indicating “No change” in business conditions.
- Amongst the **sectors⁴ having more than 50% of respondents indicated “Worse” business conditions** were **tourism, shopping, hotels, restaurants, recreation and entertainment (“tourism-related”) (75.0%) and real estate (52.9%)**. This is not surprising as tourism sector will be the “first-in, last-out” industry to recover post the COVID-19 pandemic until Malaysia reopens its borders to international travellers. Amid the historic low mortgage rates, buyers’ sentiment still cautious on concerns about the income and job security.
- **More micro enterprises (52.5% of them)** experienced worse business conditions compared to that of small enterprises (45.0%); medium enterprises (31.6%); and large enterprises (28.6%). In contrary, **53.6% of large enterprises reported better business conditions in 2H 2020** compared to only 24.5% for SMEs.

⁴ Only accounted for sectors with sample size of at least 30, which is also applied for the rest of the report

Figure 2: Malaysia's business conditions in 2010-2H 2020

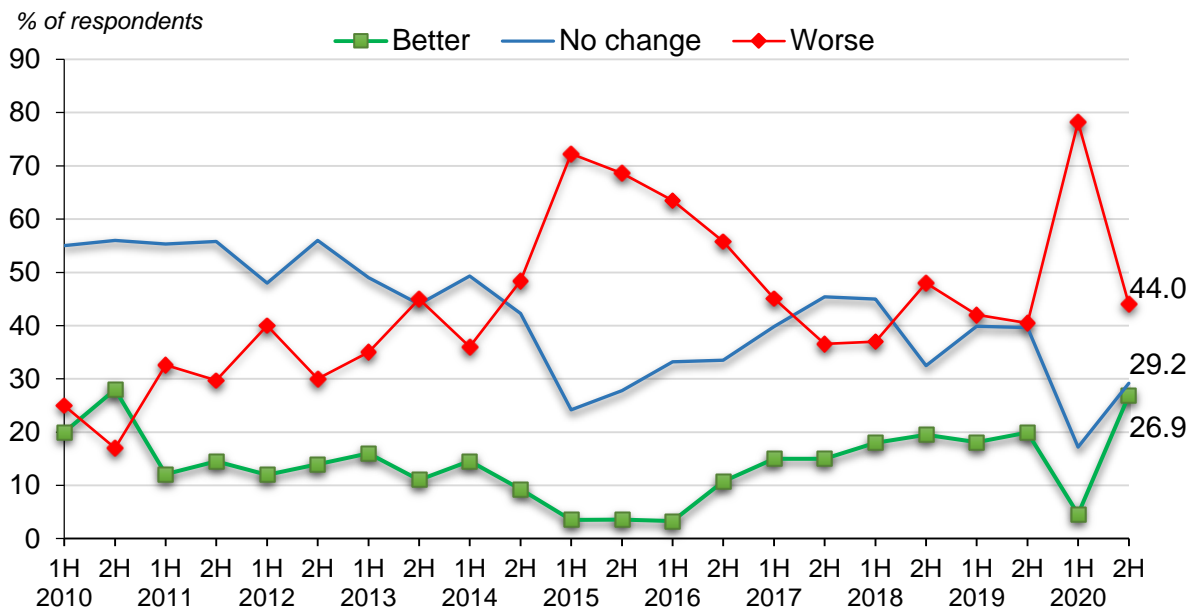
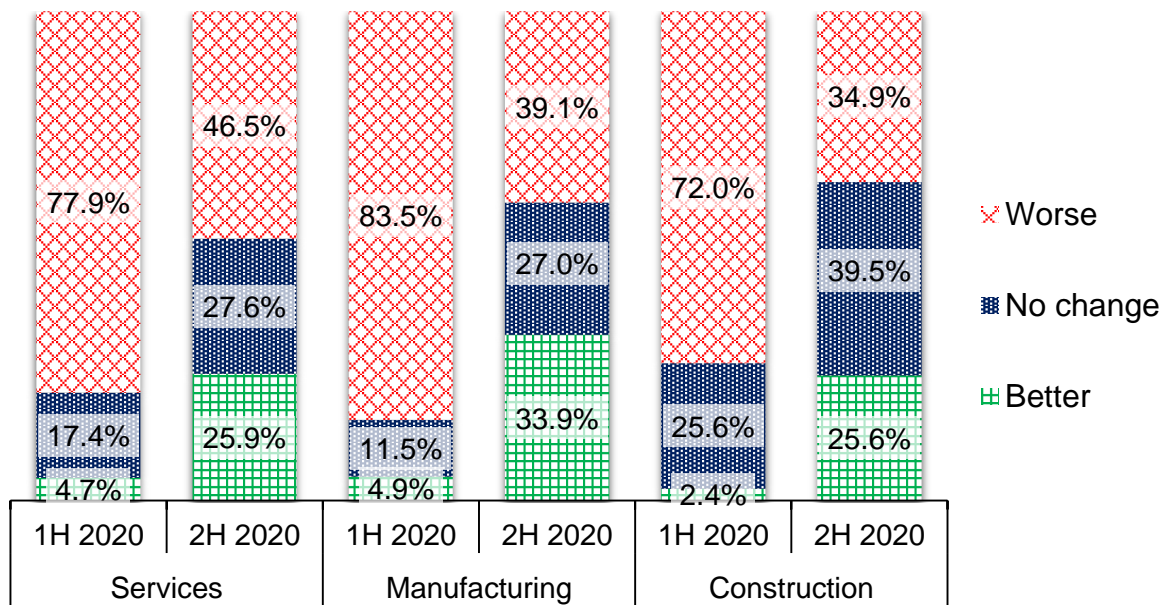


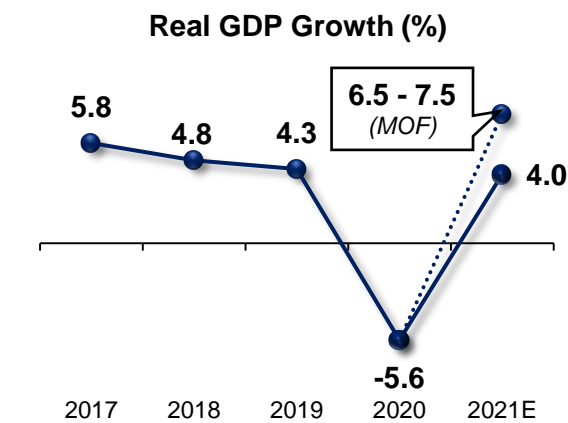
Figure 3: Business conditions in 2H 2020 compared to 1H 2020 by sector



3.2 Economic Conditions and Prospects

- **A higher percentage of respondents (47.3%) indicated that the economic conditions were worse-off in 2H 2020;** only 14.1% of respondents reporting “Better”; and 38.6% were “Neutral”. The weak business assessment was in tandem with the GDP, which declined further by 3.4% yoy in 4Q 2020, higher than -2.6% yoy in 3Q, reflecting the scarring effects of the third wave of virus and movement restrictions. Consumer spending continued to contract for three consecutive quarters (3Q 2020: -2.1%; 4Q 2020: -3.4%) and private investment also declined for four quarters in a row (3Q 2020: -9.3%; 4Q 2020: -7.0%).
- **Businesses tread cautiously about economic prospects in 2021. 53.4% of respondents** having a “Neutral” economic outlook in 2021 (“Better”: 20.6%; “Worse”: 26.0%).
- Amid the embarking on vaccination program starting in February 2021, the respondents **anticipate better economic prospects in 2H 2021** (“Better”: 20.3%; “Worse”: 20.9%) compared to 1H 2021 (“Better”: 9.5%; “Worse”: 36.1%).
- With the on-going vaccination program helping to lift sentiment as well as economic and business activities returning to normalcy, **44.5% of respondents are expecting better economic prospects for 2022;** only **9.2% forecasting “Worse” economic outlook** while 46.3% voted for “Neutral”. The National Immunisation Programme aims to achieve herd immunity of having at least 80% of Malaysia’s population vaccinated by February 2022.
- The survey results revealed that a large number of respondents in **medium enterprises (60.2% of them) and large enterprises (53.6%) forecast better economic prospects in 2022.** Less than half of the micro enterprises (39.8%) and small enterprises (41.2%) have optimistic view.

Figure 4: Malaysia’s economic growth



Source: DOSM; MOF; SERC estimates

Figure 5: Respondents’ views about the economy

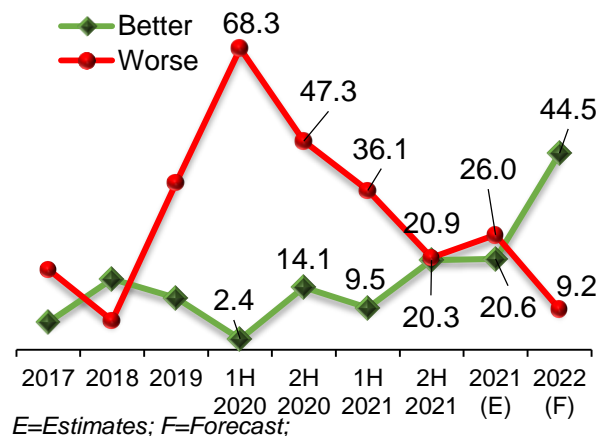


Figure 6: Economic prospects in 2020E-2022F by major sectors

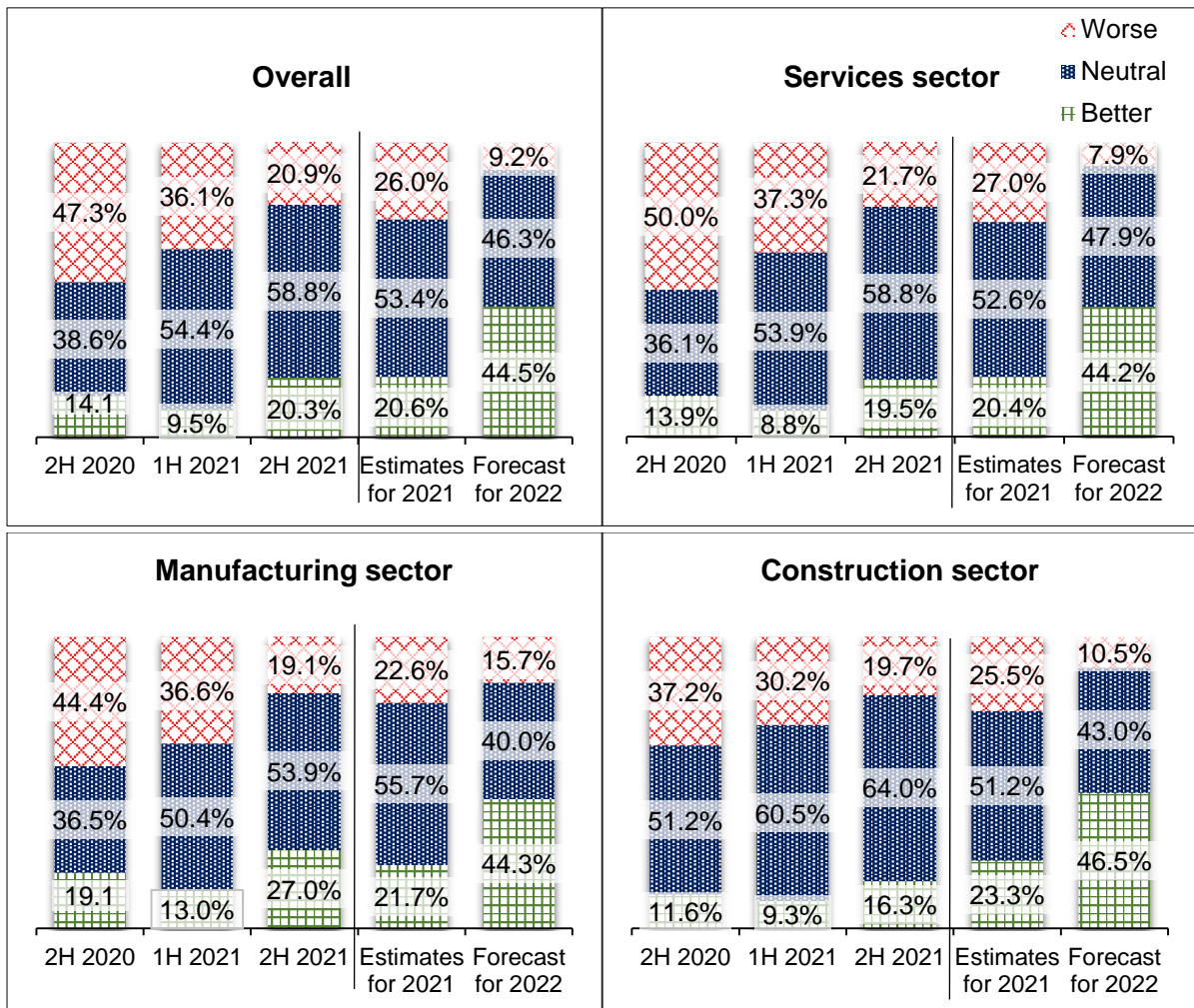


Table 2: Comparison of economic prospects between “M-BECS 2H 2020 and 1H 2021F” and “M-BECS 1H 2020 and 2H 2020F”

Overall									
	2H2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	2.4	14.1	▲	10.1	9.5	▼	13.7	20.6	▲
Neutral	28.7	38.6	▲	59.8	54.4	▼	61.7	53.4	▼
Worse	68.9	47.3	▼	30.2	36.1	▲	24.5	26.0	▲
Services sector									
	2H2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	2.4	13.9	▲	10.3	8.8	▼	14.6	20.4	▲
Neutral	28.3	36.1	▲	60.7	53.9	▼	61.2	52.6	▼
Worse	69.3	50.0	▼	29.0	37.3	▲	24.2	27.0	▲
Manufacturing sector									
	2H2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	1.7	19.1	▲	11.0	13.0	▲	13.7	21.7	▲
Neutral	29.3	36.5	▲	58.0	50.4	▼	61.0	55.7	▼
Worse	69.1	44.4	▼	30.9	36.6	▲	25.3	22.6	▼
Construction sector									
	2H2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	3.8	11.6	▲	8.5	9.3	▲	10.0	23.3	▲
Neutral	33.8	51.2	▲	56.1	60.5	▲	62.5	51.2	▼
Worse	62.5	37.2	▼	35.4	30.2	▼	27.5	25.5	▼

Act. = Actual; *Est.* = Estimates; *Est.(R)* = Revised estimates; *For.* = Forecast

3.3 Business Conditions and Prospects

- **A mixed view about business conditions in 2H 2020. 44.1% of respondents experienced worse business conditions in 2H 2020 while 40.4% cited “Neutral”.** 15.5% of respondents reported better business conditions in 2H 2020 (3.0% in 1H 2020), which has increased by 12.7 percentage points from 2.8% forecasted in previous survey, thanks to reopening of more economic activities in 2H 2020.
- **A large percentage of respondents maintained a “Neutral” view on business conditions in 1H 2021 (54.7%) and 2H 2021 (57.2%).** The acceleration of vaccination program holds the key to sustain strong consumer and business sentiment ahead, and paving the way for the normalcy of activities.
- **For the full year of 2021, 56.2% of respondents are cautiously about their business prospects,** with 21.3% indicating “Better” and 22.6% “Worse” business conditions respectively. With the on-going vaccination program, the sustainability of business recovery is critically hinging on a restoration of business confidence (to restart capital spending) and consumer sentiment (for pent-up demand).
- **Going into 2022,** the survey results revealed that **higher number of respondents (40.9%) are expecting better business prospects in 2022** (21.3% in 2021), mainly in the following sectors: ICT (56.7%); real estate (50.0%); professional and business services (43.1%); and construction (43.0%). By size of business operations, more than half of respondents (53.1%) in medium enterprises expect better business prospects in 2022 compared to micro enterprises (36.6%), small enterprises (39.7%) and large enterprises (42.9%)

Figure 7: Business prospects in 2021E-2022F by major sectors

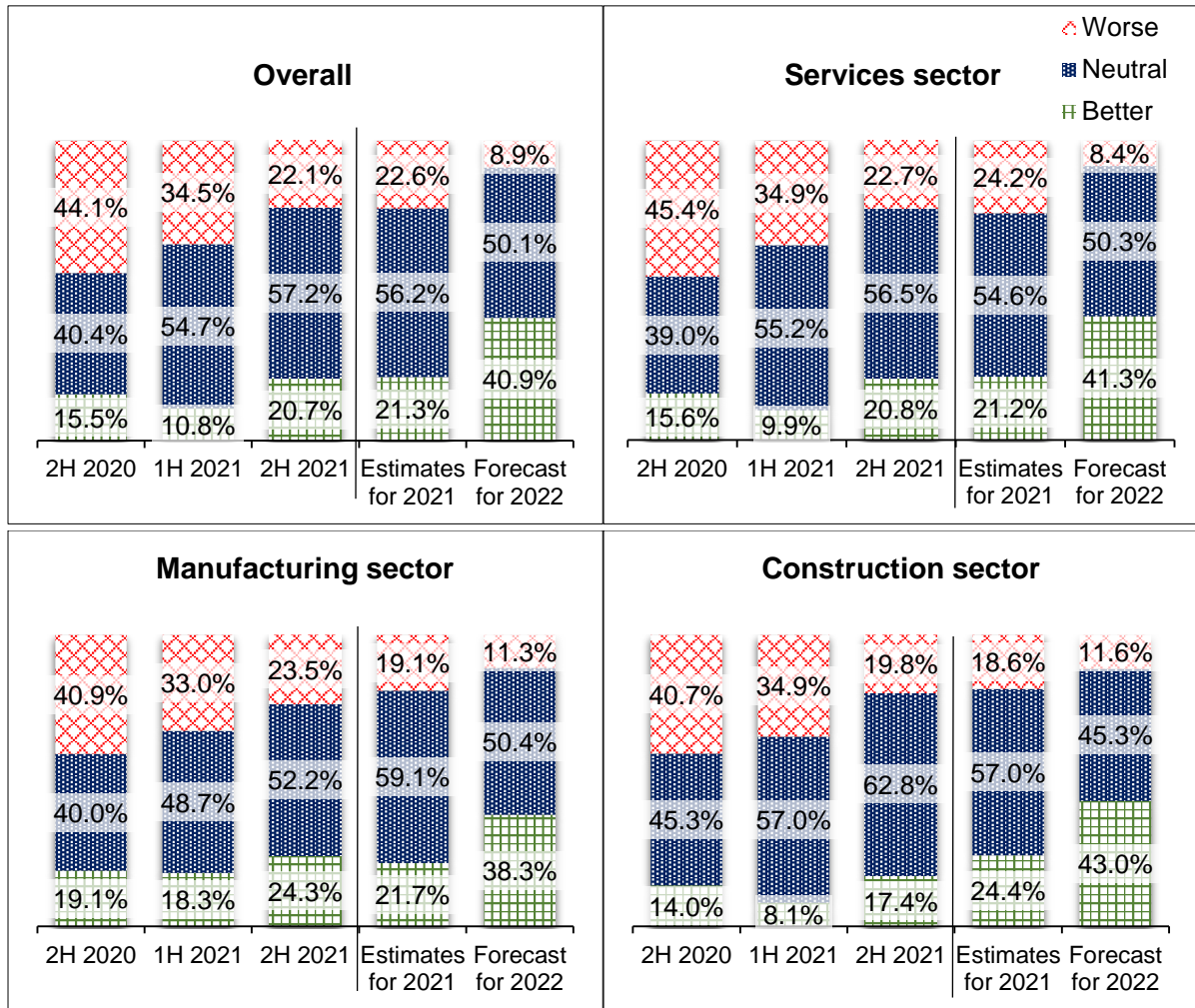


Table 3: Comparison of business prospects between “M-BECS 2H 2020 and 1H 2021F” and “M-BECS 1H 2020 and 2H 2020F”

Overall									
	2H 2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	2.8	15.5	▲	9.9	10.8	▲	13.1	21.3	▲
Neutral	32.9	40.4	▲	59.9	54.7	▼	63.7	56.2	▼
Worse	64.3	44.1	▼	30.2	34.5	▲	23.1	22.6	▼
Services sector									
	2H 2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	2.6	15.6	▲	10.3	9.9	▼	12.6	21.2	▲
Neutral	34.3	39.0	▲	59.7	55.2	▼	64.4	54.6	▼
Worse	63.1	45.4	▼	30.0	34.9	▲	23.1	24.2	▲
Manufacturing sector									
	2H 2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	2.2	19.1	▲	11.0	18.3	▲	14.8	21.7	▲
Neutral	29.7	40.0	▲	59.9	48.7	▼	60.4	59.1	▼
Worse	68.1	40.9	▼	29.1	33.0	▲	24.7	19.1	▼
Construction sector									
	2H 2020			1H 2021			2021		
	<i>Est.</i> %	<i>Act.</i> %	<i>Changes</i>	<i>Est.</i> %	<i>Est.(R)</i> %	<i>Changes</i>	<i>For.</i> %	<i>Est.</i> %	<i>Changes</i>
Better	5.0	14.0	▲	7.3	8.1	▲	16.3	24.4	▲
Neutral	33.8	45.3	▲	56.1	57.0	▲	60.0	57.0	▼
Worse	61.3	40.7	▼	36.6	34.9	▼	23.8	18.6	▼

Act. = Actual; *Est.* = Estimates; *Est.(R)*= Revised estimates; *For.* = Forecast

4. BUSINESS PULSE DIAGNOSIS

4.1 Major Factors Affecting Business Performance

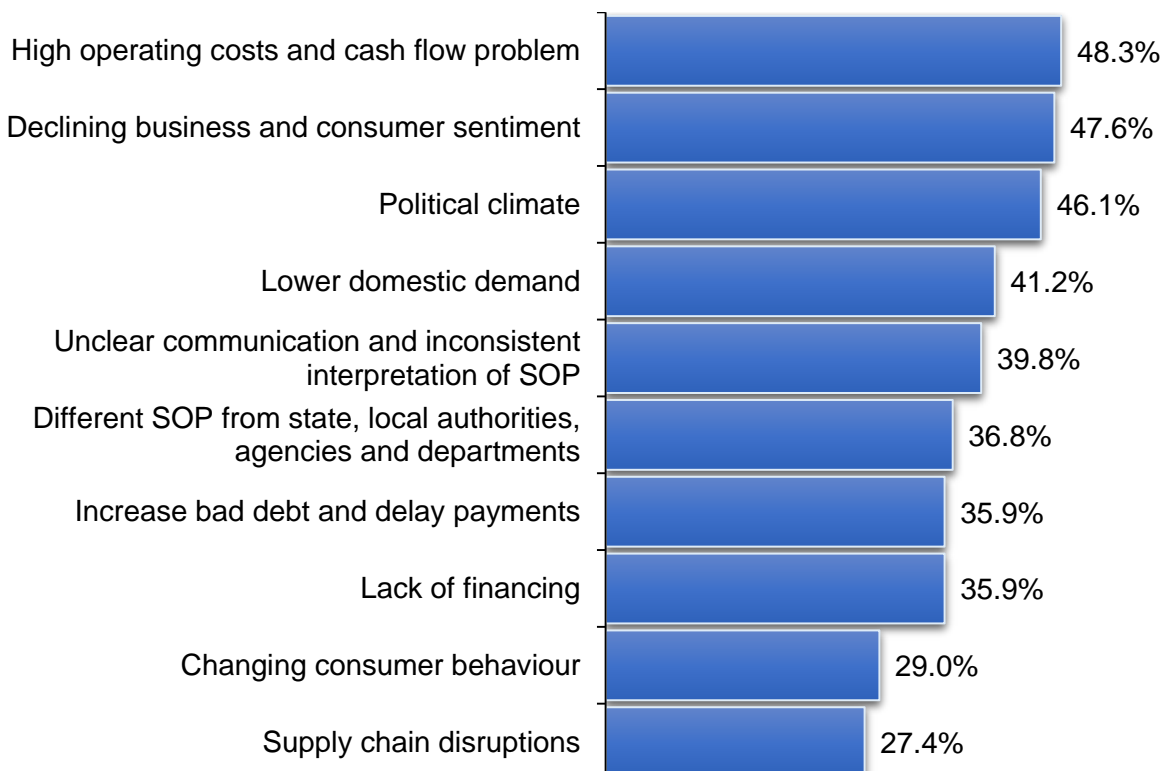
In this section, respondents were asked to list **at least three** out of 14 external and domestic factors⁵ that **adversely affected their business performance in 2H 2020**.

Top five factors that have impacted business operations and domestic business environment are:

- (I) **Higher operating costs and cash flow problem** (48.3%)
- (II) **Declining business and consumer sentiment** (47.6%)
- (III) **Political climate** (46.1%)
- (IV) **Lower domestic demand** (41.2%)
- (V) **Unclear communication and inconsistent interpretation of SOP** (39.8%)

Other significant factors cited by the respondents were “**Different SOP from state, local authorities, agencies and departments**” (36.8%), “**Increase bad debt and delay payments**” (35.9%), “**Lack of financing**” (35.9%), “**Changing consumer behaviour**” (29.0%) and “**Supply chain disruptions**” (27.4%).

Figure 8: Top 10 factors affecting business performance



⁵ Due to the extraordinary impact caused by COVID-19 and MCO, the list of factors is revamped to reflect current situation.

Table 4: Top five factors affecting business performance by selected sectors*

		High operating costs and cash flow problem	Declining business and consumer sentiment	Political climate	Lower domestic demand	Unclear communication and inconsistent interpretation of SOP	Shortage of raw materials	Lack of financing	Increase bad debt and delay payment	Different SOP from state, local authorities, agencies and departments
Wholesale and retail trade	Votes, %	50.7	51.4	48.0		39.0		38.4		
	Ranking	2	1	3		4		5		
Manufacturing	Votes, %	62.6		42.6	43.5	40.9	38.3			
	Ranking	1		3	2	4	5			
Professional and business services	Votes, %		58.7	48.6		46.8		41.3	48.6	
	Ranking		1	2		4		5	2	
Construction	Votes, %	58.1		52.3					54.7	46.5
	Ranking	1		3					2	4

* According to highest sample size

Note:

Availability of skilled labour ranked 5th factor for construction sector

For other sectors, please refer to Appendix 3

(I) High operating costs and cash flow problem

3Cs (Cost, Credit, Cash flow) were rated by 74.4% respondents as their top concern under the prolonged impact of the pandemic, which has caused different magnitude of demand retrenchment and supply disruptions as well as movement restrictions. **48.3% of respondents indicated that high operating costs and cash flow problem had dampened their business performance in 2H 2020**, higher than 44.1% in previous survey.

In terms of cash flow conditions, **80.7% of respondents indicated that their current cash flow level is unable to cover business operations/productions, raw materials/inventory and manpower for more than six months**. 53.7% of respondents cited "Poor" cash flow conditions in 2H 2020 compared to 1H 2020, and **the conditions are expected to be slightly worse in 1H 2021** as 54.2% of respondents rated "Poor" compared to 2H 2020.

Businesses welcome the cash flow relief programmes, such as Wage Subsidy Programme (WSP), Special PRIHATIN Grant as well as various financing schemes.

- 65.3% of respondents have acknowledged that WSP has improved their cash flow conditions** and hence, **76.6% of respondents hope that the WSP would be continued in 2021**. ACCCIM has proposed that **to extend the targeted wage subsidy for all sectors by another three months** given still trying business conditions.⁶
- The reduction of foreign workers levy, which has lapsed in December 2020, had helped to ease operating cash flow of many companies, especially SMEs. It is proposed that **to**

⁶ Under WSP 3.0, employers in retail and tourism sector who met the conditions will receive a three-month wage subsidy of RM600 per month per employee (six months for new applicants), whereas employers in all other sectors will receive a one-month wage subsidy with conditions met.

continue reduce foreign workers levy by 25% for all companies with work permits that will expire in 2021.

- c) **To allow payment of balance of tax for YA 2020 and 2021 in monthly instalments, particularly for SMEs.**

(II) Declining business and consumer sentiment

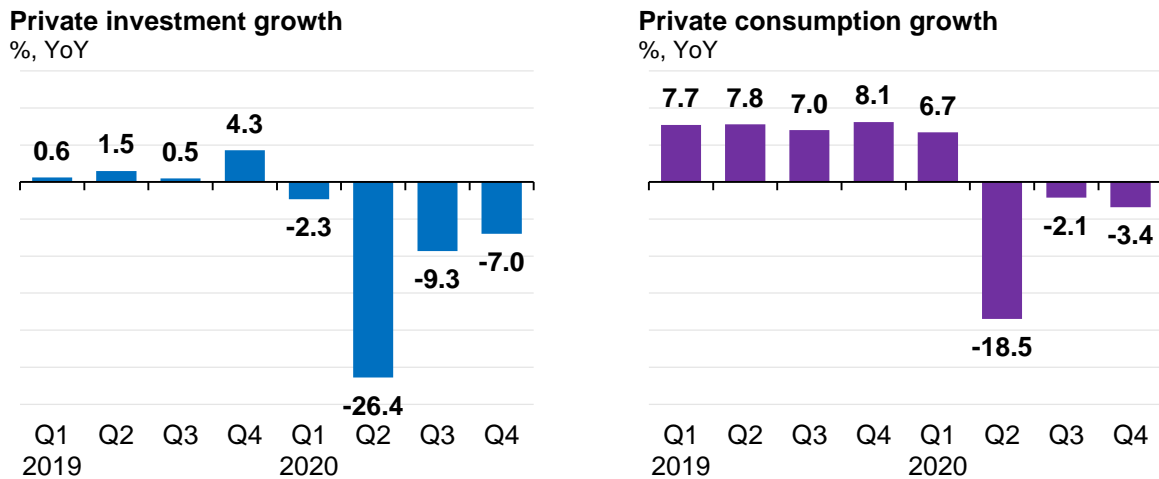
47.6% of respondents cited declining business and consumer sentiment have affected their business performance in 2H 2020, higher than 44.0% surveyed previously.

While MIER's Business Conditions Index (BCI) showed a big leap in business confidence above the optimism threshold, it must be noted the survey was conducted during the loosened CMCO period and interstate travel was allowed. Nonetheless, private investment continued to contract in 4Q 2020 for the fourth consecutive quarter. This is corroborated with the DOSM's Business Tendency Survey, which indicated that **businesses remained pessimistic across all sectors in 4Q 2020, with expectations of some improvements.**

Following the rapid rising number of infection cases since the outbreak of the third wave of COVID-19 in late 3Q 2020, MIER's Consumer Sentiments Index (CSI) has shown persistent pessimism in consumer sentiment. Consumer spending contracted further by 3.4% yoy in 4Q 2020, higher than -2.1% in 3Q. The footfall in the shopping mall and retail outlets as well as restaurants have slowed. Accordingly, the survey results showed that 51.4% and 58.3% of respondents in wholesale and retail trade industry as well as tourism-related sector have rated this factor as restraining their business performance. The pandemic hit these sectors the hardest.

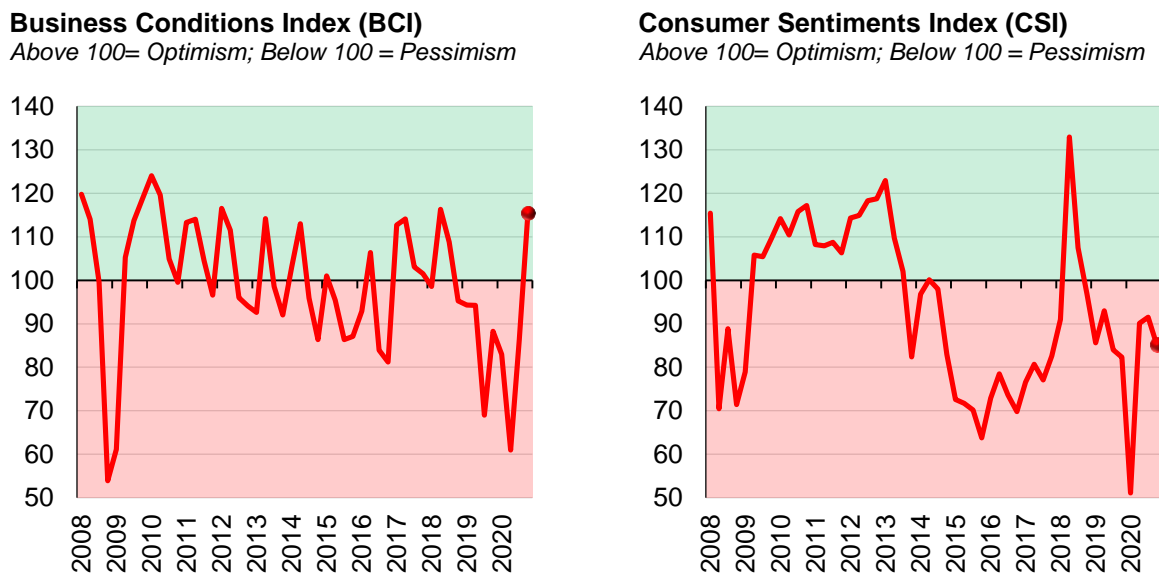
The latest DOSM's Business Tendency Survey showed that **businesses have turned more cautious going into 1Q 2021** given the re-imposition of nationwide MCO/CMCO though the impact is much lesser compared to MCO 1.0 between mid-March and early May 2020. A sustained turnaround in both business and consumer sentiments hinges on the accelerated containment of the virus spread and vaccination program, improved domestic economic outlook, clear policy narrative and easing investors' concerns about domestic political situation.

Figure 9: Private investment and consumption growths



Source: Department of Statistics, Malaysia (DOSM)

Figure 10: MIER’s Business Conditions Index (BCI) and Consumer Sentiments Index (CSI)



Source: Malaysian Institute of Economic Research (MIER)

(III) Political climate

Lingering uncertainty about domestic political condition has certainly weighed on overall business and investor sentiments as indicated by **46.1% of respondents**.

Since the 14th General Election and an abrupt change in Federal Government in 2020, Malaysia has been marred by political leadership uncertainty, constant political bickering and the bouts of political tension. Investors are concerned that these developments would distract the policy makers’ focus on fighting the COVID-19 pandemic and reviving the economy.

Political stability is key to macroeconomic stability and growth amid the prolonged lingering impact of the COVID-19 pandemic. We must always have good sense and strong political

must prevail to reset our national development agenda. Having a stable political condition will enhance the confidence of both domestic and foreign investors in terms of where the country is heading. The uncertainties associated with an unstable political environment may reduce investment and the pace of economic development.

(IV) Lower domestic demand

Weak consumer sentiment, still-high unemployment rate (4.9% at end-January 2021) and continued high number of loss of employment (Employment Insurance System (EIS) reported 15,669 employees have lost employment in Jan- 3 March 2021; 107,024 employees in 2020 and 40,084 employees in 2019), reduced income as well as lower or no salary increment have a knock-on impact on domestic demand. The survey results indicated that **41.2% of respondents voted “lower domestic demand” as fourth most impacting factor restraining their business performance.**

In 2H 2020, 58.3% of respondents reported a decrease in domestic sales volume, particularly in the tourism-related sectors (67.3%) as well as wholesale and retail trade industry (63.5%). Lowering domestic demand remains a concern in 1H 2021 as reflected by 51.5% of respondents expecting decrease in domestic sales volume in 1H 2021.

Some short-term domestic demand boosting measures, such as continued cash payment, EPF withdrawal, targeted loan repayment assistance, and car sales tax exemption are expected to spur consumer spending.

While the vaccination program helps to lift sentiment and release pent-up demand, **stable income growth and job security would underpin a sustained turnaround in consumer spending.** It must be noted that some of the cash assistance and cash flow relief measures are one-off and will eventually wear off.

(V) Unclear communication and inconsistent implementation of SOP

39.8% of respondents reported that unclear communication and inconsistency of Standard Operating Procedure (SOP) interpretations as well as the enforcement of the SOP have caused confusion and anxiety, adding unreasonable burdens on businesses.

It is hoped that the Government has adequate consultations with all stakeholders when formulating the SOP at various stages of movement restrictions. More importantly, the uniformity and standardisation of regulations between the Federal, states and local authorities are vital to provide certainty to businesses. There were cases of “additional” SOP imposed by local councils. Businesses may not able to keep up with the frequent changes in SOP, resulting in being slapped with unnecessary penalty. The enforcement agencies should have some leniency in the handling of unintentional violations by applying educational approach instead of overly strict enforcement.

4.2 Exclusive Business Assessment

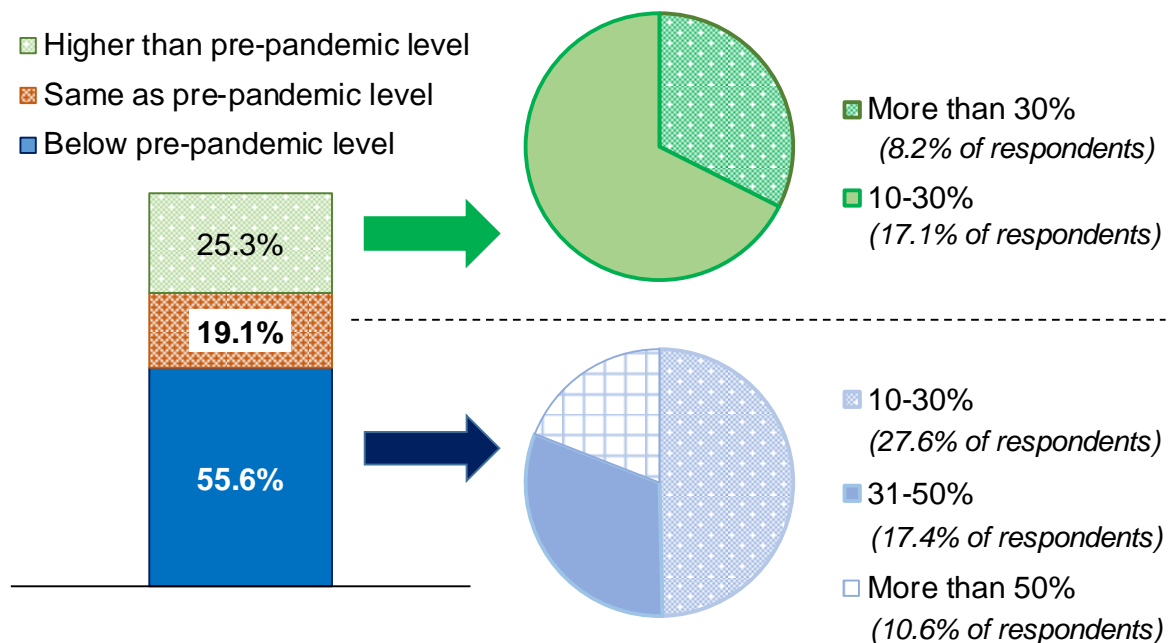
In order to assess the impact of the prolonged pandemic on business conditions during this very critical period, ACCCIM’s M-BECS has put forth some additional questions to gauge the scenario impacts of a renewed “Total Lockdown” or prolonged CMCO/EMCO, specific business conditions, recovery expectations as well as the issues pertaining to government’s assistance programs.

(a) Business sales recovery relative to pre-pandemic level

44.4% of respondents indicated that their **business sales have either recovered higher or returned to pre-pandemic level**: 25.3% of businesses have regained higher sales than pre-pandemic level while 19.1% of respondents have recouped the same level of sales.

However, **55.6% of respondents reported that their business sales were still below pre-pandemic level**: 27.6% were 10%-30% below pre-pandemic level; 17.4% were 31%-50% below pre-pandemic level; and 10.6% were more than 50% below pre-pandemic level.

Figure 11: Business sales against pre-pandemic level



(b) Expectations for economic recovery in 2021

38.7% of respondents have no confidence that the Malaysian economy would recover in 2021 while 38.3% are unsure and only 23.0% are confident of economic recovery. Compared to the average 38.7% of having “No confidence”, the tourism-related sectors (45.8%), professional and business services (41.3%) as well as wholesale and retail industry (39.3%) have higher votes of “No confidence” of economic recovery in 2021.

38.7% of respondents indicated that they can absorb the impact for more than 1-2 months under the re-implementation of CMCO and EMCO while 34.2% of respondents “Unable to survive”, leaving 27.1% of respondents are unsure during this highly uncertain

period. By sector, more than 50% of respondents in tourism-related sectors would be unlikely to survive if the CMCO or EMCO is implemented for more than 1-2 months.

Figure 12: Businesses' level of confidence on economic recovery in 2021

Are you confident of economic recovery in 2021?

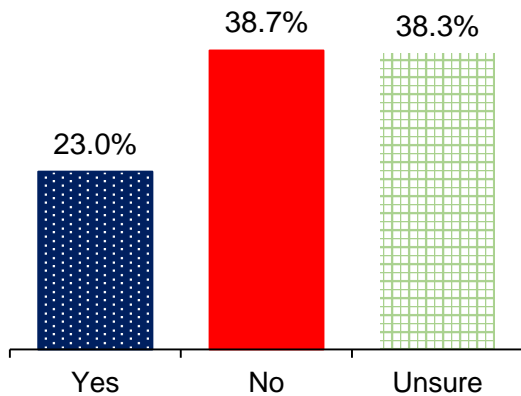
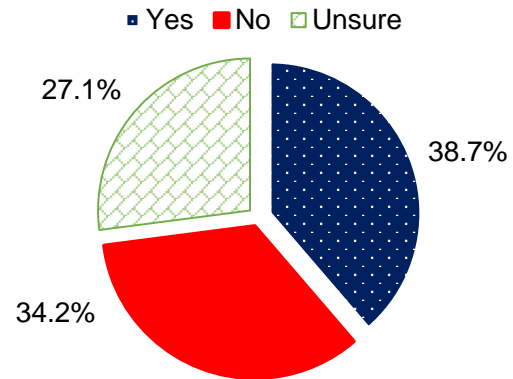


Figure 13: Business impact assessment if the CMCO and EMCO are re-implemented for more than 1-2 months

Can your business absorb the impact of the Conditional MCO (CMCO) and Enhanced MCO (EMCO) for more than 1-2 months?



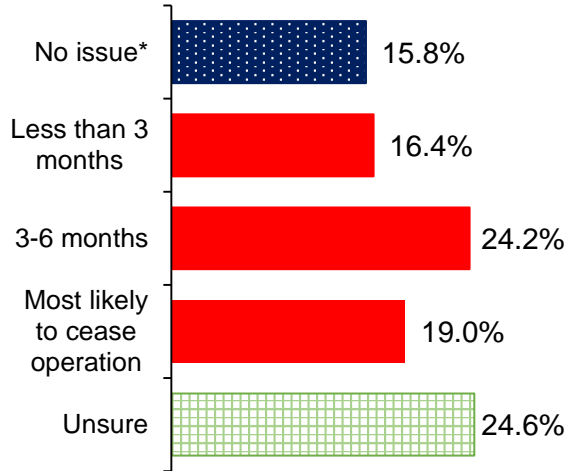
If there is a renewed “Total Lockdown”, the survey results indicated that:

- (a) **19.0% of respondents are unable to cope with it and would most likely to cease operations;**
- (b) **40.6% would be able to survive not more than six months** (16.4% for less than three months; 24.2% for 3-6 months); and
- (c) **Only 15.8% of respondents still can manage to survive more than six months** while 24.6% of respondents are unsure. **As the tourism-related sectors have struggled for last one year, 43.3% of respondents indicated that they are most likely to close down permanently.**

Almost three quarters of respondents still concerned about 3Cs (Cash flow, Cost and Credit). Only 4.2% of respondents have no issue with 3Cs while 21.4% of respondents said that 3Cs are still manageable.

Figure 14: Business survival period if there is a “Total Lockdown”

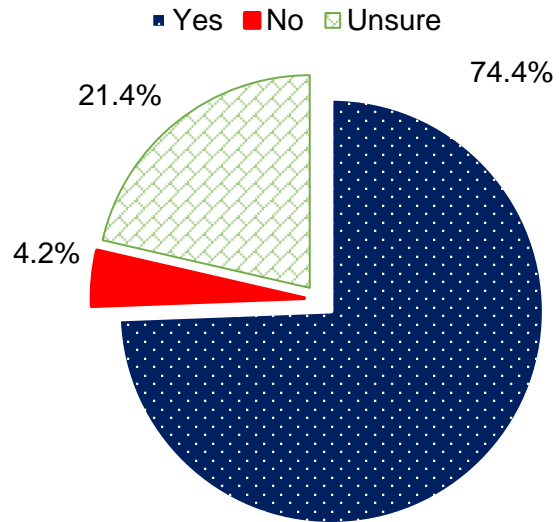
How long can your business survive IF there is a “Total Lockdown”?



Note: *Respondents who rated “still can manage” + respondents who rated “survive more than 6 months”

Figure 15: Businesses concerned about 3Cs (Cash flow, Cost and Credit)

Are you still concerned about 3Cs (Cash flow, Cost and Credit)?

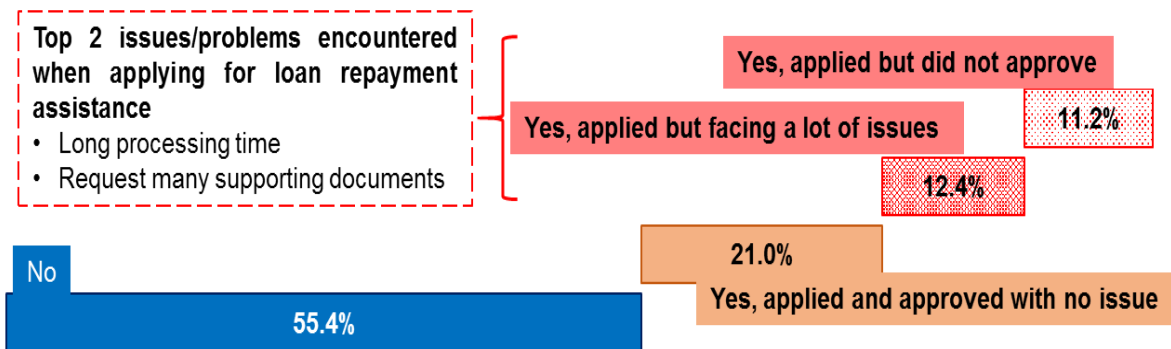


(c) Government’s assistance programs

With regard to the **Targeted Repayment Assistance (TRA) program** offered by financial institutions, **55.4% of respondents have not applied for it and 44.6% of respondents have applied for the TRA**, of which 21.0% of respondents got the approval and the remaining 23.6% indicated that their applications were rejected (11.2% of respondents) or facing a lot of issues (12.4%) when applying TRA. Top two issues/problems faced when applying TRA are “**long processing time**” (voted by 44.5% of respondents) and “**request many supporting documents**” (41.5%).

Figure 16: Applications and issues concerning Targeted Repayment Assistance (TRA)

Does your company apply for loan repayment assistance?

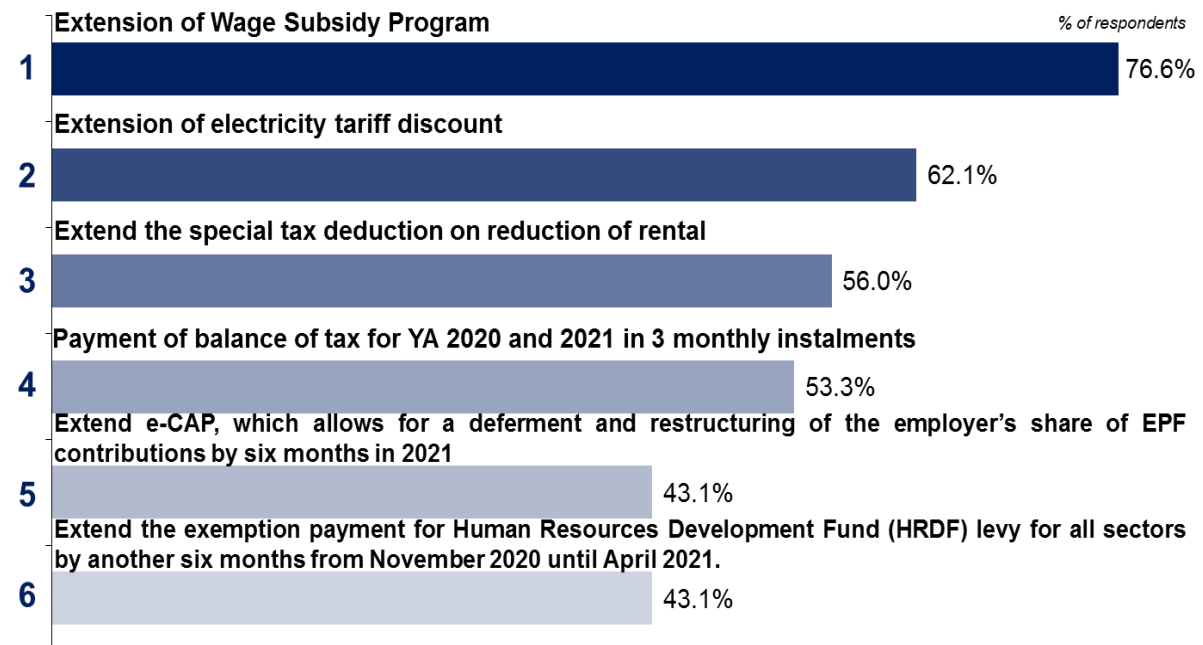


The respondents have proposed that to consider the following measures to assist businesses in 2021:

- (a) **The extension of Wage Subsidy Programme (WSP) was ranked by 76.6% of respondents as the most needed financial assistance.** Given the prolonged pandemic impact and still unfavourable business conditions, the extension of WSP is a welcome relief to businesses still reeling from the pandemic. Singapore has extended its Jobs Support Scheme (JSS) for selected sectors, such as tourism-related sectors and retail businesses until September 2021.
- (b) Businesses welcome the selected financial assistance measures, such as Prihatin Special Grant (GKP) PERMAI, the expansion and extension of rental deduction, three-month exemption of levy contribution to Human Resources Development Fund (HRDF) and continuation of Targeted Repayment Assistance (TRA). Other form of assistances on their wish list are electricity tariff discount, payment of balance of tax for YA 2020 and 2021 in monthly instalments as well as the extension of e-CAP facility.

On 1 March 2021, Prime Minister of Malaysia has revealed in an interview that the Government will announce an additional strategy in mid-March to help the economy recover from the adverse impact of the COVID-19 pandemic, which would complement previously announced economic stimulus packages.

Figure 17: What more the Government should assist the businesses in 2021?



4.3 Business Assessment in 2H 2020 and 1H 2021F

Business conditions

- **Business conditions have improved slightly in 2H 2020** with the percentage share of “poor business conditions” in 2H 2020 declined to 50.9% when compared to 73.3% forecasted in previous survey. The percentage of “Satisfactory” business conditions increased to 37.7% (from 24.3% previously) and “Good” business conditions improved to 11.4% (from 2.4%).
- **For 1H 2021, 52.2% of respondents still expecting poor business conditions**, followed by 38.0% for “satisfactory business conditions” and 9.8% for “good business conditions”. The re-implementation of MCO 2.0 and CMCO would result in some scarring effects on output and revenue for businesses, albeit not as severe as MCO 1.0. Amongst the sectors that foresee poorer business conditions are tourism-related sectors (69.6%) and real estate (58.1%).

Working capital outlook

1. Cash flows conditions:

- **More than half of respondents (53.7%) cited that their cash flow conditions remained poor in 2H 2020.** 40.2% and 6.1% of respondents reported “Satisfactory” cash flow condition and “Good” cash flow condition respectively. Critical cash flow conditions were felt by tourism-related sectors (69.6% of respondents).
- **43.3% of respondents have experienced a very tight cash flow problems and unable to cover business operations/productions, raw materials/inventory, manpower cost for 3 months** while 37.4% can only last for 3-6 months, leaving 19.3% can last for more than 6 months.
- **More than half of micro-enterprises (52.1%) do not have sufficient cash flow to pay their operating expenses for 3 months.** About 30.9% of large corporations indicated that their cash flow position is sufficient to cover more than six months of operating expenses compared to 18.3% for SMEs (26.8% for medium-sized enterprises; 18.0% for small enterprises; and 14.6% for micro enterprises)
- **65.3% of respondents indicated that Wage Subsidy Program (WSP) has helped businesses to ease cash flow** with 29.3% experienced an improvement in cash flow condition of less than 10%, 24.4% saw improvement of 10%-25%; and 11.6% of respondents have cash flow improvement more than 25%. 72.3% of small enterprises have acknowledged that WSP has significantly eased their cash flow problem compared to large enterprises (58.2%). 50.0% of micro enterprises have experienced easing cash flow problem via WSP as 30.2% of them did not apply for WSP.
- **For 1H 2021, 54.2% of respondents remain pessimistic about their cash flow conditions.** Tourism-related sectors (60.9%), real estate sector (58.1%) as well as wholesale and retail trade industry (57.3%) are among the top three sectors expecting tougher cash flow conditions compared to other sectors.

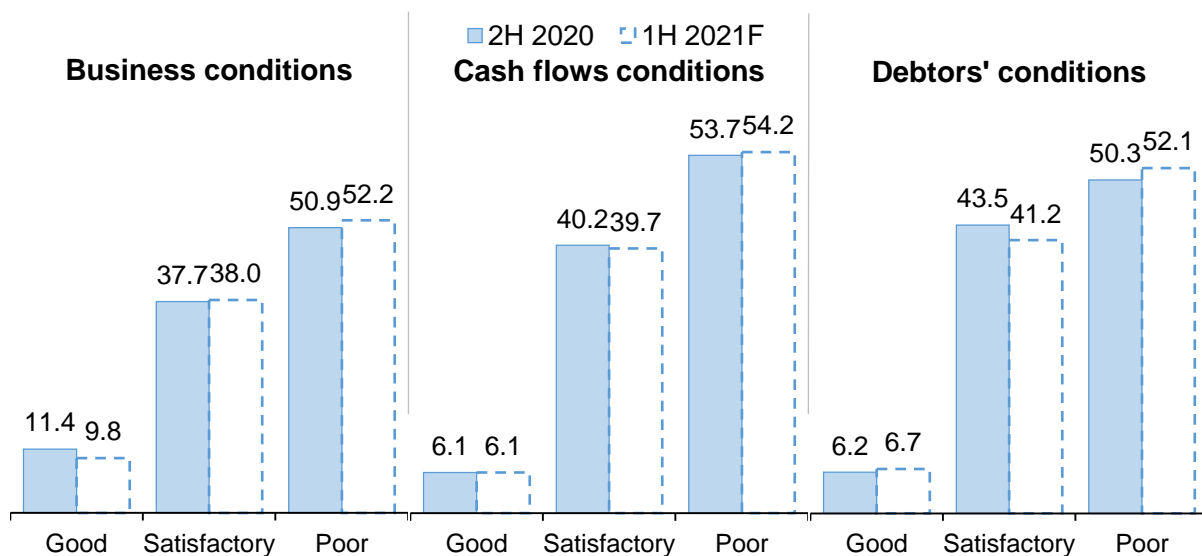
2. Debtors' conditions:

- **50.3% of respondents indicated poor debtors' conditions in 2H 2020**, particularly among tourism-related sectors (63.8%) and construction sector (54.8%). Nevertheless, the percentage share of respondents experiencing poor debtors' conditions has improved from 68.6% in 1H 2020.
- **Going into 1H 2021, a slightly higher number of respondents (52.1% vs. 50.3% in 2H 2020) expect poor debtors' conditions** with lesser respondents anticipate debtors' conditions to be "Satisfactory" (41.2% vs. 43.5% in 1H 2020) but a small uptick for good debtors' conditions (6.7% vs. 6.2% in 1H 2020). Amongst the sectors cited poor debtors' conditions are real estate (71.0%), construction (64.3%) and tourism-related sectors (58.0%).

Capacity utilization level

- About half of the respondents (50.3%) highlighted that their plants/factory are operating below 50% capacity in 2H 2020, followed by 28.2% operating between 50% and 75% capacity and 21.5% operating above 75% capacity.
- **For 1H 2021, there is still a large number of respondents (46.2%) forecast that their capacity utilisation rate will stay below 50%**. 27.5% of respondents expect to operate between 50% and 75% capacity and the remaining 26.3% anticipate their capacity utilisation rate can reach beyond 75%.

Figure 18: Business, cash flows, and debtors' conditions in 2H 2020 and 1H 2021F



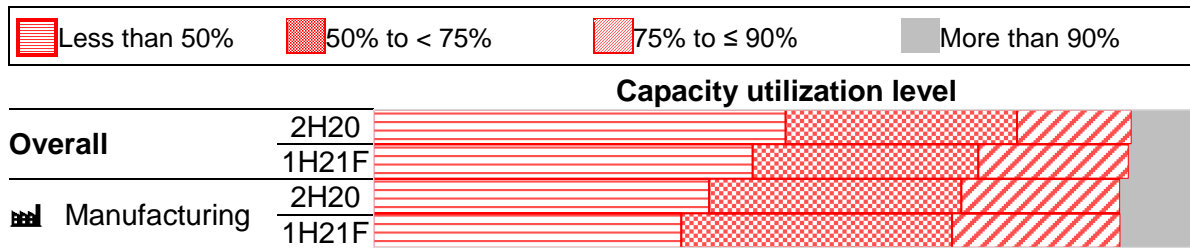
F=Forecast

Figure 19: Business, cash flows and debtors' conditions by selected sectors*

		Good		Poor		Satisfactory		Conditions in terms of:	
		Business		Cash flows		Debtors			
Overall	2H20	37.7	50.9	40.2	53.7	43.5	50.3		
	1H21F	38.0	52.2	39.7	54.2	41.2	52.1		
Manufacturing	2H20	40.4	43.9	45.6	48.2	45.6	48.2		
	1H21F	40.7	49.6	40.7	53.1	46.0	46.9		
Wholesale and retail trade	2H20	36.4	52.4	38.5	54.5	45.5	47.6		
	1H21F	34.5	54.9	35.0	57.3	40.1	51.4		
Professional and business services	2H20	41.3	49.5	44.0	50.5	49.5	48.6		
	1H21F	41.3	48.6	45.9	47.7	50.5	45.0		
Construction	2H20	47.6	40.5	36.9	57.1	39.3	54.8		
	1H21F	41.7	47.6	38.1	57.1	31.0	64.3		

Note: Bold number indicates highest percentage share
 2H20=2H 2020; 1H21=1H 2021; F=Forecast; * According to the highest sample size

Figure 20: Capacity utilization level in 2H 2020 and 1H 2021F for overall and manufacturing sector



4.3.1 Sales Turnover

Slowly on the mend

Overall sales volume

- 53.5% of respondents experienced a decrease in overall sales volume in 2H 2020 with 21.3% registering a decrease of more than 30% (17.9% for a decrease of 16%-30%; 14.2% for a decrease of 1%-15%). However, the survey findings revealed that **lesser respondents experienced a decrease in overall sales in 2H 2020 compared to 65.8% in 1H 2020**.
- As the pandemic still largely restricted to tourism activities, 68.1% of respondents in tourism-related sectors suffered a **significant decrease in overall sales volume in 2H 2020**, with 49.3% of them indicating a sale volume drop of more than 30%.
- **For 1H 2021, overall sales prospects remain poor** (48.8% of respondents expect a decrease in sales vs 20.9% of respondents expect an increase in sales) given the re-imposition of MCO/CMCO starting in January 2021.

Domestic market

- Private consumption contracted by 2.7% yoy in 2H 2020 (-2.1% in 3Q 2020 and -3.4% in 4Q 2020), indicating lower demand in 2H 2020. Similarly, **58.3% of respondents reported a decrease in domestic sales volume in 2H 2020**, of which 24.8% have experienced a decrease of more than 30% (17.6% for a decrease of 1%-15%; 16.0% for a decrease of 16%-30%). Meanwhile, 21.3% of respondents reported an increase in domestic sales volume while 20.3% of respondents indicated their sales volume were largely unchanged.
- **Domestic sales prospects are expected to remain weak in 1H 2021** given the sharp escalation of daily new COVID-19 cases during the survey period as well as the re-implementation of MCO and CMCO starting in January 2021. Consequently, 21.4% of respondents expect a decrease in sales volume by 1%-15%, followed by a decrease of more than 30% (17.3% of respondents) and a decrease of 16%-30% (12.8%).
- **For price level, a higher number of respondents did not adjust their price level in 2H 2020 and will maintain the same price level in 1H 2021** (44.5% in 1H 2021 vs. 40.7% in 2H 2020). During this challenging period, about one-third of respondents (30.8%) expect to sell their products at cheaper prices to sustain their market share in 1H 2021 while 24.7% of respondents will increase prices, mainly by 1%-15% in the same period.

Overseas market

- In tandem with a weak global demand amid still rising infection cases in major advanced economies, 49.1% of respondents reported a decrease in foreign sales volume in 2H 2020 with 24.5% reporting decreases of more than 30% (16.5% had experienced a decrease of 1%-15%; 8.0% for a decrease of 16%-30%).
- **Businesses remain cautious about their foreign sales prospects in 1H 2021**, with 41.7% of respondents expecting foreign sales volume to decrease while 31.9% of respondents indicating a flat growth.

Figure 21: Overall sales volume growth in 2H 2020 and 1H 2021F by selected sectors

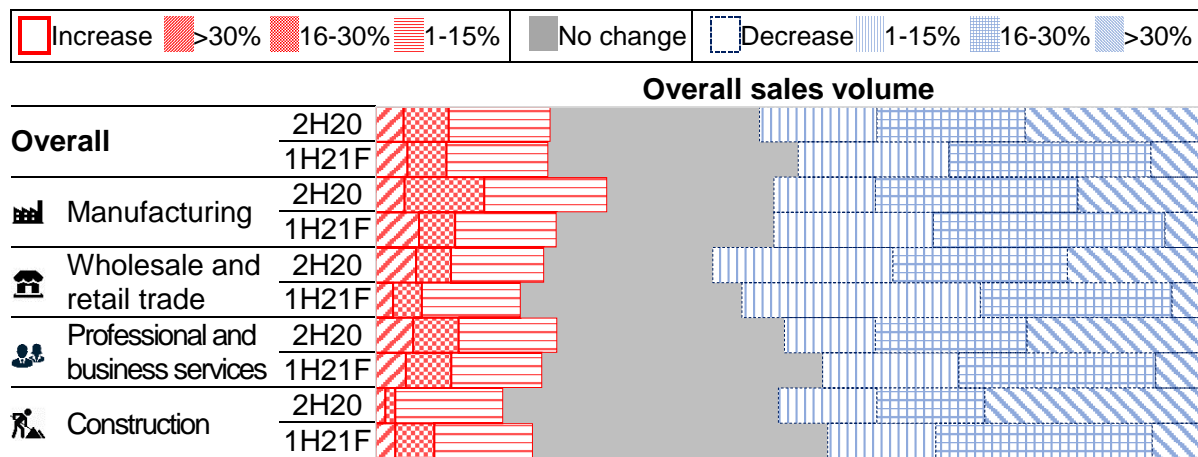
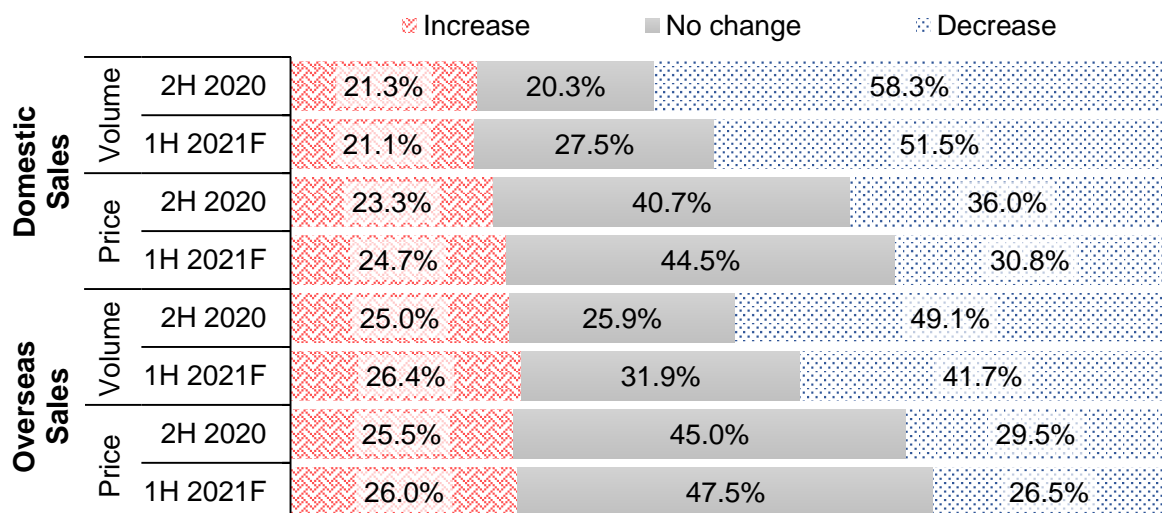
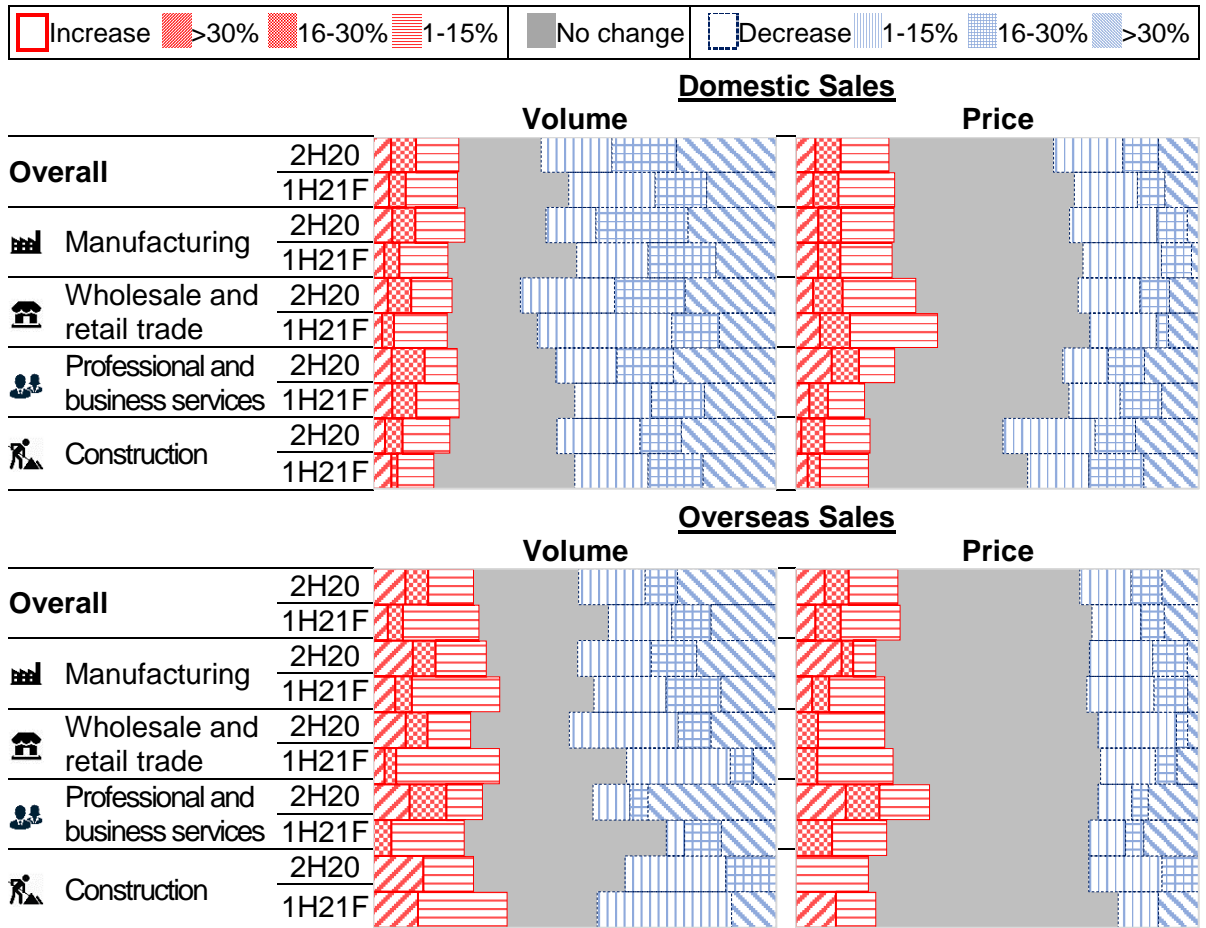


Figure 22: Domestic and overseas sales (volume and price) in 2H 2020 and 1H 2021F



F = Forecast

Figure 23: Domestic and overseas sales (volume and price) in 2H 2020 and 1H 2021F by selected sectors

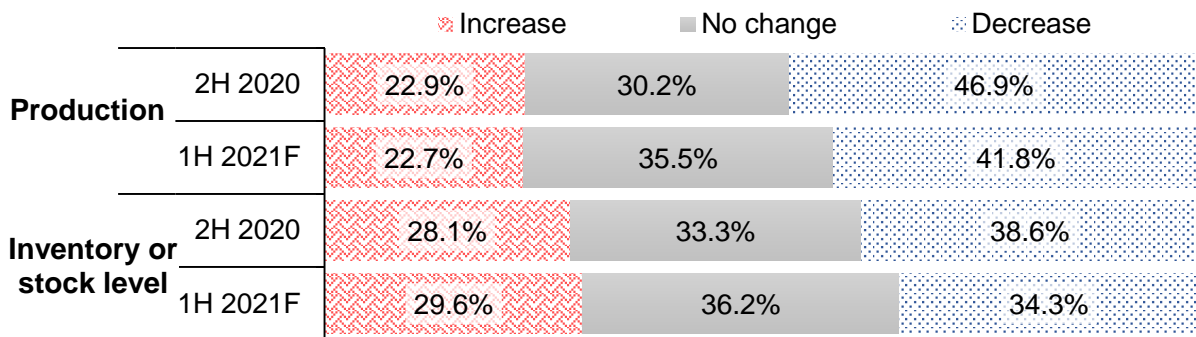


4.3.2 Production and Inventory Level

Lower production capacity due to weak market sentiment and lower demand

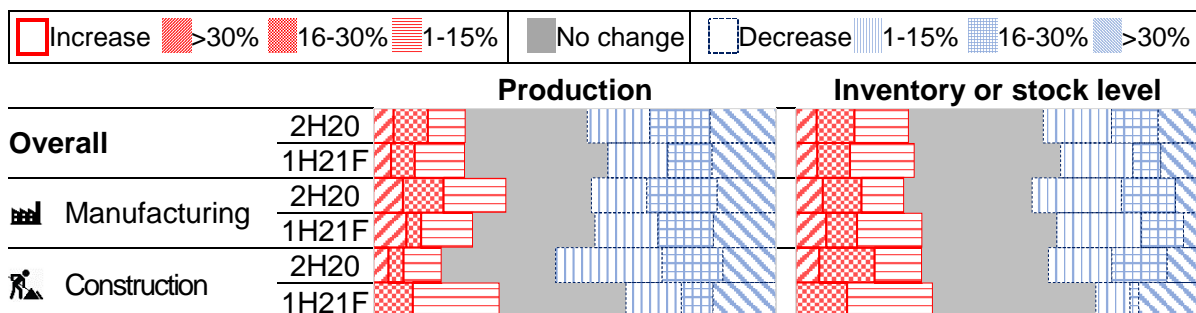
- In tandem with lower domestic demand due to weak consumer sentiment and spending, **46.9% of respondents reported a decline of production level in 2H 2020.**
- In the construction sector, more than 50% of respondents suffered a drop in production, of which 26.4% registering a drop of 1%-15%. The main reasons were foreign workers shortage to carry out the construction projects amid the strict compliance of SOPs and the presence of construction sites' virus clusters have hurdled the progress of construction projects.
- Demand and production capacity will continue to be restricted by the requirement of SOP and social distancing. Hence, the inventory or stock level is expected to remain unchanged (voted by 36.2% of respondents) or continue to decline (34.3%) in 1H 2021.

Figure 24: Production and inventory or stock level in 2H 2020 and 1H 2021F



F=Forecast

Figure 25: Production and inventory or stock level in 2H 2020 and 1H 2021F by selected sectors

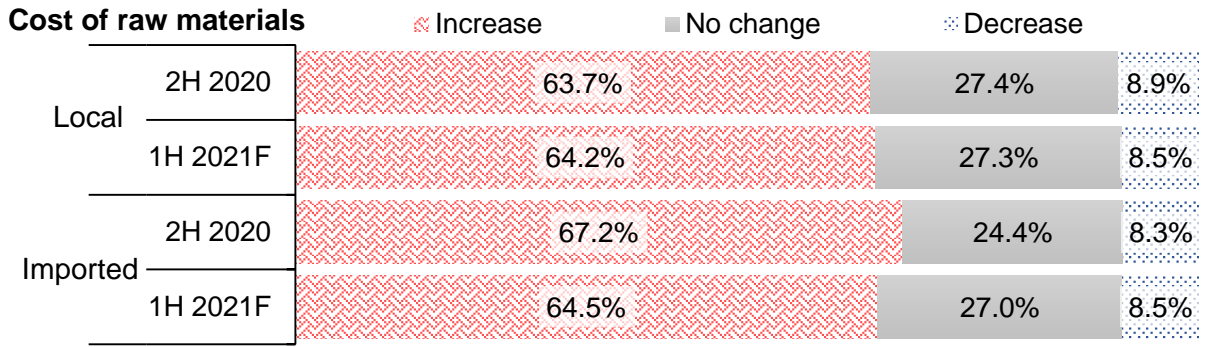


4.3.3 Cost of Raw Materials

Shortage of raw materials fuel increased cost of production

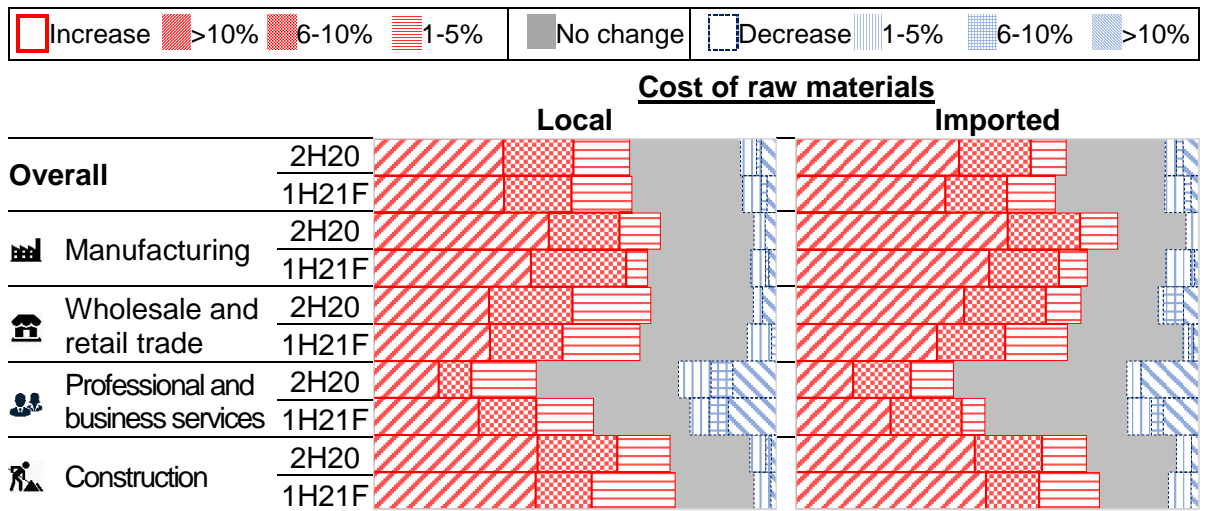
- Overall, **more than 60% of respondents reported that both prices of local and imported raw materials have increased significantly in 2H 2020.** It is 10.9%-15.9% higher than respondents' forecast of an increase in the prices of local raw materials (LRW) as well as imported raw materials (IRW) in 2H 2020 in previous survey.
- **32.3% and 40.6% of respondents have experienced an increase of more than 10% in prices of local and imported raw materials respectively in 2H 2020.** By sector, the **construction sector, manufacturing sector and wholesale and retail trade sector were significantly impacted by the increase in prices of raw materials, particularly imported raw materials.**
- The disruption in global supply chain and production due to various containment measures have led to a large-scale of supply shortage around the globe. According to the World Bank, energy prices have shot up by 169.8% in February 2021 compared to April 2020, and non-energy (excluding precious metals) prices also increased by 37.0% in the corresponding period. By sub-category, food prices have gone up by 33.4%, raw materials such as timber and rubber rose by 18.9% while metals and minerals increased by 62.5%.
- The increasing cost of imported component parts also translated into higher prices for local raw materials. In addition, the shortage of containers in international shipping also contributed to delays in delivery, which added pressure to the supply of inputs.
- **In 1H 2021, the cost of both local and imported raw materials is expected to remain elevated, as indicated by more than 60% of respondents.** A majority of them foresee that the price level will continue to rise by more than 10%. Given the high rising cost of inputs, particularly imported raw materials, businesses will be forced to pass through increased cost of production onto end-consumers. In this regard, ACCCIM proposes that the Government to consider lower import duties and sales tax to help stabilise the overall price level.

Figure 26: Cost of raw materials in 2H 2020 and 1H 2021F



F=Forecast

Figure 27: Cost of raw materials in 2H 2020 and 1H 2021F by selected sectors

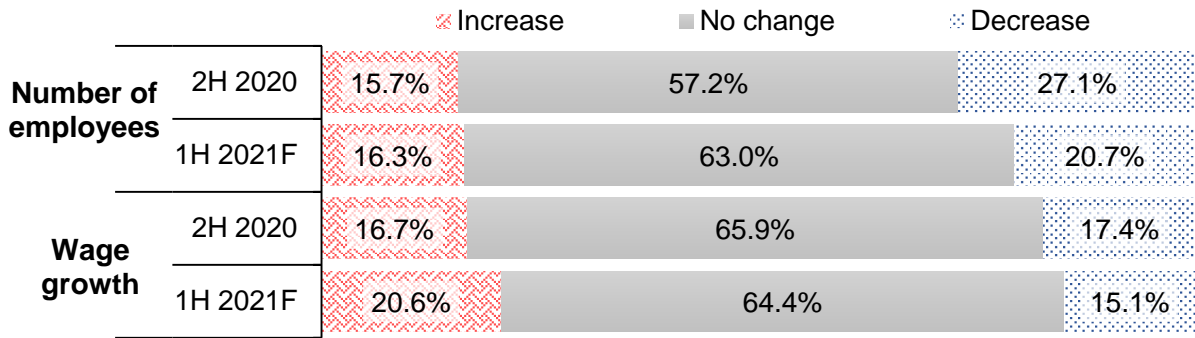


4.3.4 Manpower

Job market remains challenging

- Although almost all economic sectors are allowed to operate under CMCO/RMCO, businesses still incurring high operating cost and facing cash flow problem in 2H 2020 as sales volume is gradually on the mend for some businesses, that is below the pre-pandemic level (as indicated by 55.6% of respondents) while fixed operating expenses still running as usual. Businesses have resorted to either downsize their workforce or restructure the payroll in order to keep the business staying afloat.
- **More than 80% of respondents have chosen to either maintain the current employment pool (57.2%) or layoff some of their employees (27.1%) in 2H 2020.** While 65.9% of respondents indicated that no change in salary adjustment, 17.4% of respondents have re-negotiated with their employees for a lower salary increment.
- According to the Employment Insurance System (EIS)'s loss of employment (LOE) data, 107,024 employees have lost their employment in 2020, 167.0% higher than 40,084 retrenchments in 2019. The unemployment rate ticked higher to 4.9% in January 2021 (4.8% in November and December 2020) on the re-implementation of CMCO starting in October 2020, after easing off to 4.6% in September from a record high of 5.3% in May. Unemployed persons remained elevated at around 782,500 persons compared to around 520,000 persons before the pandemic.
- **Moving into 2021, job market would continue to become challenging on both supply and demand sides.** While certain industries are slowly recovering and looking to hire workers, especially those that hired foreign workers, some industries are forced to lay-off more staffs due to the prolonged pandemic impact. According to the EIS data, 15,669 employees were retrenched in 1 January 2021 to 3 March 2021.
- The survey results revealed that **20.7% of respondents will cut some headcounts in 1H 2021**, 16.3% of respondents will recruit and 63.0% of respondents will maintain the current workforce.
- **Wage growth is expected to remain moderate in 1H 2021 as 64.4% of respondents will maintain their employees' current salary level** while 15.1% will implement a salary cut. Only 20.6% of respondents will increase pay, mainly by 1%-5%.
- The Government has provided hiring incentives under PenjanaKerjaya 2.0 to encourage employment. However, the mismatch between skills and salary expectations is still an unresolved structural issue.

Figure 28: Number of employees and wage growth in 2H 2020 and 1H 2021F



F=Forecast

Figure 29: Number of employees and wage growth in 2H 2020 and 1H 2021F by selected sectors

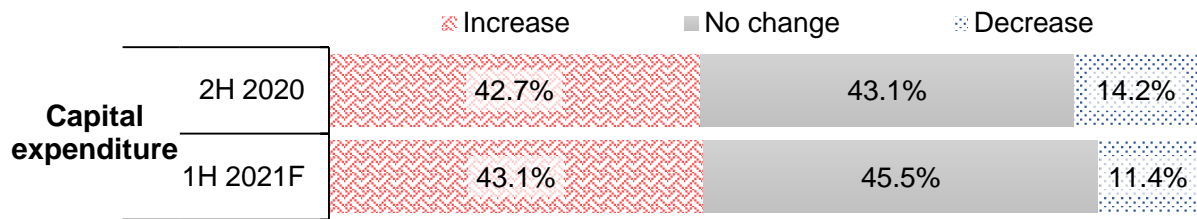


4.3.5 Capital Expenditure

Capital spending prospects are gradually recovering

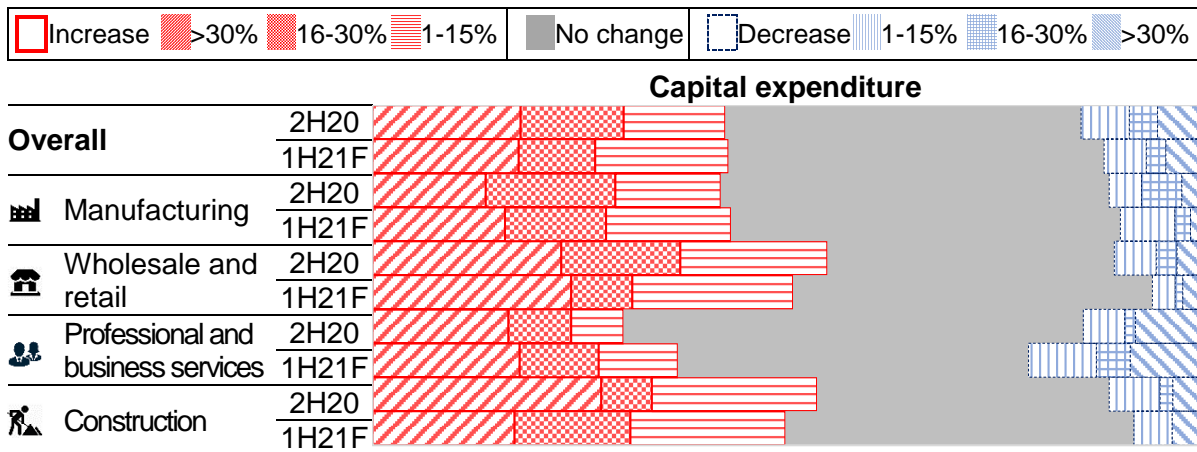
- Despite more than 50% of respondents indicated that they have either remained unchanged (43.1%) or reduced (14.2%) their capital expenditure in 2H 2020, a higher percentage share of respondents (42.7% vs. 31.6% projected in previous survey) has increased their capital expenditure in 2H 2020.
- The percentage share of respondents reporting increased capital expenditure has improved compared to merely 33.7% in 1H 2020, but still yet to normalise to 49.3%-58.8% during 2H 2018 to 2H 2019. This in line with private investment, which had contracted by 15.2% yoy in 1H 2020 and -8.3% in 2H 2020.
- In 1H 2021, overall capital investment prospects remain unchanged, as investors continued to adopt a wait-and-see approach, pending more certainty in business and economic recovery prospects in 1H 2021 amid the on-going vaccination program. While nearly half of respondents (45.5% vs. 43.1% in 2H 2020) will maintain their capital expenditure, about the same percentage of respondents (43.1% vs. 42.7% in 2H 2020) will increase their capital spending.
- Hence, the Government must take **proactive actions to revive Domestic Direct Investment (DDI) as a catalyst of economic growth in 2021**. In this regard, ACCCIM proposes the following measures:
 1. **An upfront pre-announcement of a progressive reduction in corporate tax rate to 20%** from 24% currently over three years starting with 2022 Budget.
 2. **A flat corporate tax rate for SMEs at 15% for SMEs** that meet the national SMEs definition.
 3. **Review of Reinvestment Allowance (RA)**. To extend RA by another five years to 20 years from 15 years currently OR An automatic extension of Special RA by another five years for all sectors that have exhausted either RA or Special RA. The current Special RA provided in PENJANA scheme will expire in YA 2022.
 4. **Raise the RM50,000 cap on double tax deduction on R&D expenditure.**
 5. **For Accelerated Capital Allowance (ACA) for automation equipment**, it is proposed that to standardise and increase the amount of qualifying expenditure for Category 1 (rubber, plastic, wood and textile products) and Category 2 (industries other than Category 1) to RM10 million from RM4 million and RM2 million respectively.
 6. **More preferential investment measures** such as concessionary tax rates and capital allowance be given to encourage high quality investment in strategic industries.

Figure 30: Capital expenditure in 2H 2020 and 1H 2021F



F=Forecast

Figure 31: Capital expenditure in 2H 2020 and 1H 2021F by selected sectors



5. CURRENT ISSUE

The COVID-19 pandemic has drastically changed our ways of living and working as well as doing business, bringing a new normal environment to individuals and businesses. Remote working, flexible working hours, and reliance on digital technologies have become increasingly common practices in many workplaces and marketplace. This trend of increased digitalisation will accelerate post the COVID-19 environment.

According to the Hays' report titled "Uncovering the DNA of the Future Workplace in Asia", **more than 90% of Malaysian respondents have perceived that upskilling is important for them, particularly in the areas of digital and remote working-related skills.**

The report indicated that upskilling or human capital development opportunities have become important after the COVID-19 pandemic, 89% of respondents prioritise digital skill development, followed by reskilling (83%) and e-learning opportunities (78%).

Currently, only half of the employers in Malaysia offer avenues for e-learning, whereas there are only a few offer avenues for digital skill development (29%) and reskilling (24%) remote orientation (28%) and remote leadership training (16%). This shows a lag in the remote mindset of employees and employers.

Hence, the survey's questions are structured to find out **whether Malaysian employers are aware of the importance of reskilling and upskilling of their employees as well as the issues and challenges faced in human capital development.**

In this survey, we gauge the respondents' feedback and opinions on two prominent issues, i.e. (a) **Reskilling and Upskilling of Manpower**; and (b) **Human Resources Development Fund (HRDF).**

5.1 Reskilling and Upskilling of Manpower

5.1.1 General Perception

Q1: When making hiring decision, which skills are the most important for a person to have?

Q2: Why did you see the need to upskill or reskill your employee?

Q3: Please state barriers to reskilling and upskilling of employees.

The survey results revealed that **56.2% of respondents are more inclined to hire people with hard skills over soft skills for entry level. For mid-level (non-managerial), respondents are keen to place equal emphasis on both hard skills (48.3%) and soft skills (51.7%).** However, **most employers have placed lesser emphasis on hard skills but significantly emphasised on soft skills when making a hiring decision on senior positions.** 77.3% of respondents indicated that soft skills are more important for senior-level (managerial) and 74.3% for executive level.

By sector, respondents in the manufacturing and construction sectors preferred hard skills over soft skills for entry level and mid-level (non-managerial) as employers require certain technical skills specific to each of these industries. For managerial level (senior level

and executive level), nearly all the sectors preferred soft skills over hard skills as the leadership quality and communication skills are much more important at this level.

Upskilling or reskilling enables employees to acquire new skill set at the same time enhances their abilities within the same job profile. In addition, this allows employees to increase productivity and remain competitive and agile in the workplace, which contributes to business continuity by having the right talent in the right place.

More than half of the employers have indicated the need to upskill or reskill their employees are (i) **To increase productivity** (voted by 67.1% of respondents); and (ii) **To prepare workforce for the future to handle new technologies** (57.9%). Overall, only 3.4% of respondents do not see the need for skill set enhancement.

By sector, the manufacturing sector (80.9% of respondents), ICT (73.3%) and professional business services sector (71.6%) have garnered the highest votes in acknowledging the need to upskill or reskill their employees in order to increase productivity.

As businesses need to adopt new technologies in the future to keep pace with the fast-evolving world of technology, **more than half of respondents in nearly all sectors have acknowledged the need to upskill and reskill their employees to prepare them for the future on new technologies.** The ICT sector recorded a higher percentage of respondents (70%) that they need to upskill or reskill their employee for the above-mentioned reason.

This report cited **two main barriers to reskill and upskill employees**, namely:

A. Lack of time and resources to develop it (voted by 55.5% of respondents)

55.5% of respondents indicated that the main barriers that restricted them to reskill and upskill their employees are the **lack of time and resources**. These barriers are prevalent among SMEs (55.6%) and large corporations (53.6%). Theoretically, businesses maintained a lean workforce and do not hire unnecessary manpower. Hence, it is difficult for businesses to spare a large number of their employees attending training courses; however, the upskilling or reskilling for only a few individuals may not be economical feasible as it incurs higher training expenses per person as group discounts will be given for sending more employees.

B. Finding the right training resources/programs (voted by 46.8% of respondents)

Generally, businesses agreed upskilling and reskilling programs helped to improve the efficiency and effectiveness of their employees. However, **finding and devise the appropriate training resources/programs is not an easy task** for employers and human resources department. The training courses and modules offered in the market may be too generic and not so relevant to their organisation, and structure a tailor-made programme could be costly beyond their training budget.

Figure 32: Rating for “When making hiring decision, which skills are the most important for a person to have”

<u>Soft skills</u>		<u>Hard skills</u>
74.3%	Executive level	25.7%
77.3%	Senior-level (managerial)	22.7%
51.7%	Mid-level (non-managerial)	48.3%
43.8%	Entry level	56.2%

Figure 33: The needs to upskill or reskill of company employee

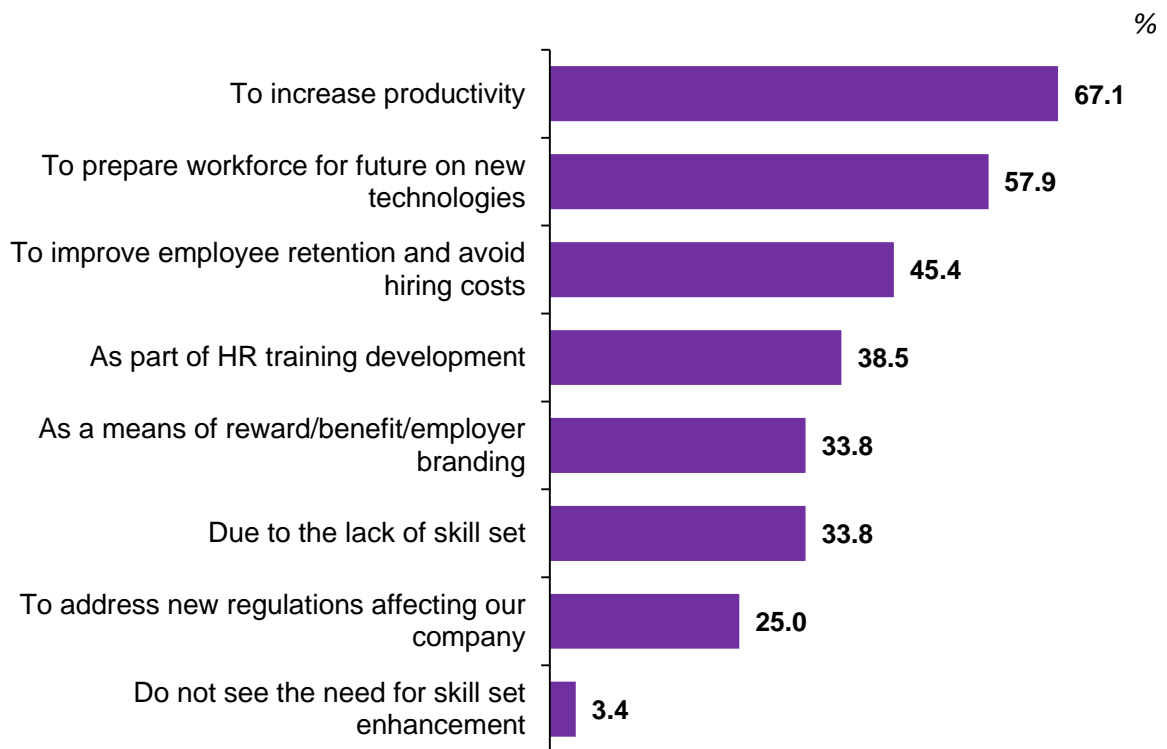
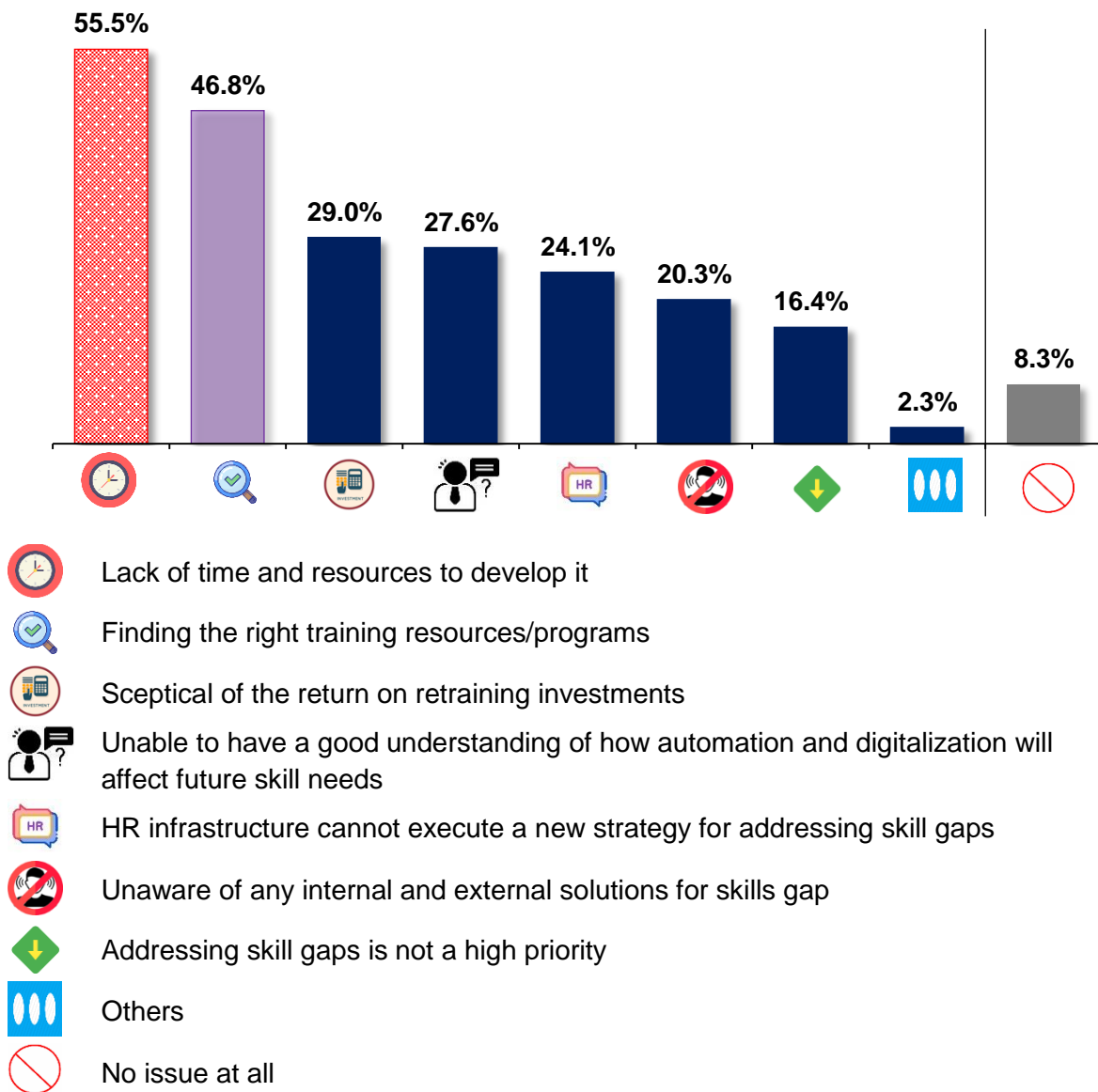


Figure 34: Barriers to reskilling and upskilling of employees



5.1.2 At company level

Q4: Does your company provide reskilling or upskilling program/course to your employees?

Q5: Does your company list the number of reskilling or upskilling programs/courses attended as an employee's Key Performance Indicator (KPI)?

Q6: How does your company reskill/upskill employees?

Slightly more than half of the **respondents (51.5%) said "Yes" and another 48.5% of respondents said "No"** when asked whether the company provides reskilling or upskilling program/course to staff. By size of business operations, 60.9% of respondents among micro enterprises and 53.4% among small enterprises did not provide such program/course. In contrary, large enterprises (86.5% of respondents) and medium enterprises (75.0%) provide reskilling or upskilling program/course to their employees.

Amongst the "Yes" group, the program/course is provided on an ad-hoc basis (39.9% of respondents) and on yearly basis (36.4%). About one-fifth of them provide it on a quarterly basis.

Amongst the "No" group, 48.9% of respondents indicated that the reason for not providing reskilling or upskilling program/course to employees was due to a small number of employees whereas 42.1% of respondents said that they have limited or no budget for training cost. Nearly a quarter of respondents reported that their employees are not keen to attend training program/course. A relatively smaller group of respondents (12.1%) do not see the need for training.

More than half of micro enterprises (50.4%) and small enterprises (52.9%) that do not provide training program/course indicated that the training program is not feasible due to a small number of employees. 46.6% of small enterprises also cited the financial and budget constrains to provide training for their employees.

The survey findings revealed that **30.4% of respondents include the number of reskilling or upskilling programs/courses attended as an employee's Key Performance Indicator (KPI)** while **36.4% did not include** (33.2% indicated that it is not applicable / not relevant for them). The setting of KPI is a good inducement as part of the human capital development to encourage employees attending skill set enhancement.

By size of business operations, **55.4% of respondents from large enterprises agreed to list the number of reskilling or upskilling programs/courses attended as an employee's KPI**. This indicates that large enterprises have placed more emphasis on human capital development relative to SMEs. In contrary, **only 28.2% of respondents from SMEs have adopted the KPI approach**, mainly medium enterprises.

About **58.6% of respondents reskill/upskill their employees via in-house training** while **33.5% of respondents have registered their employees to attend seminars/events/conferences**. This is a common practice as the companies require customised training resources and programs to meet specific organisational or employees' capability need.

Figure 35: Does company provide reskilling or upskilling program/course to employees

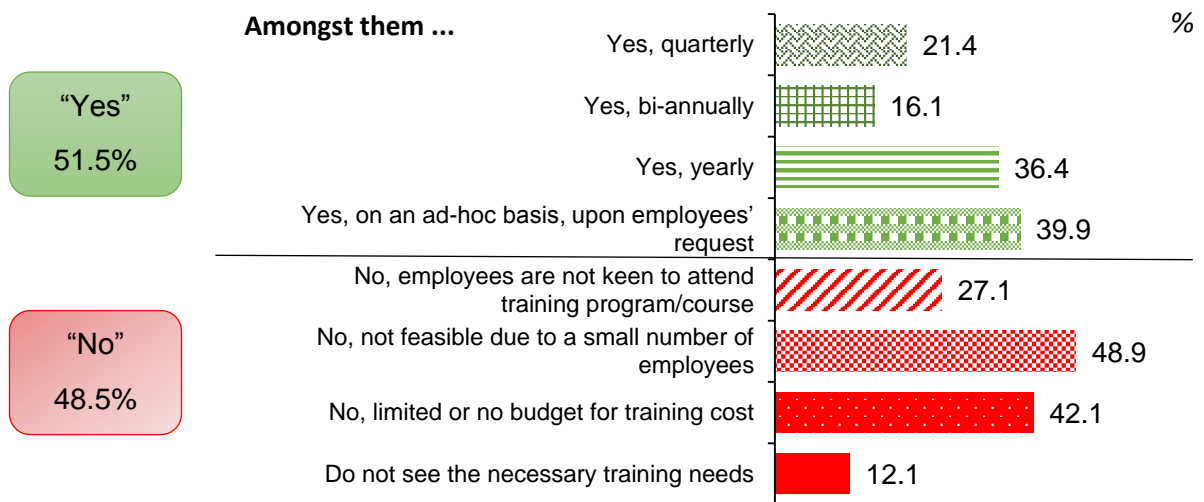


Figure 36: Company that listed the number of reskilling or upskilling programs/courses attended as an employee's Key Performance Indicator (KPI)

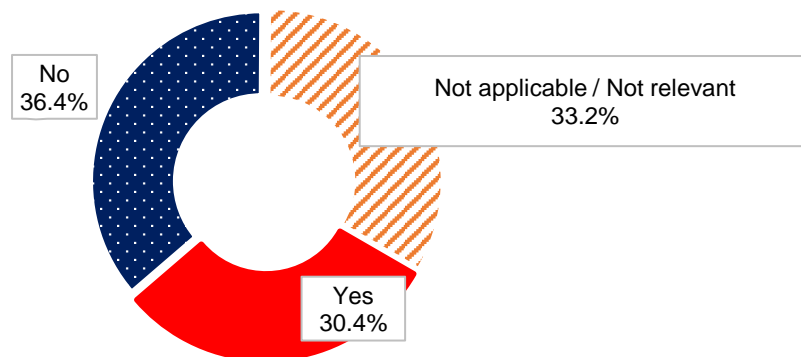
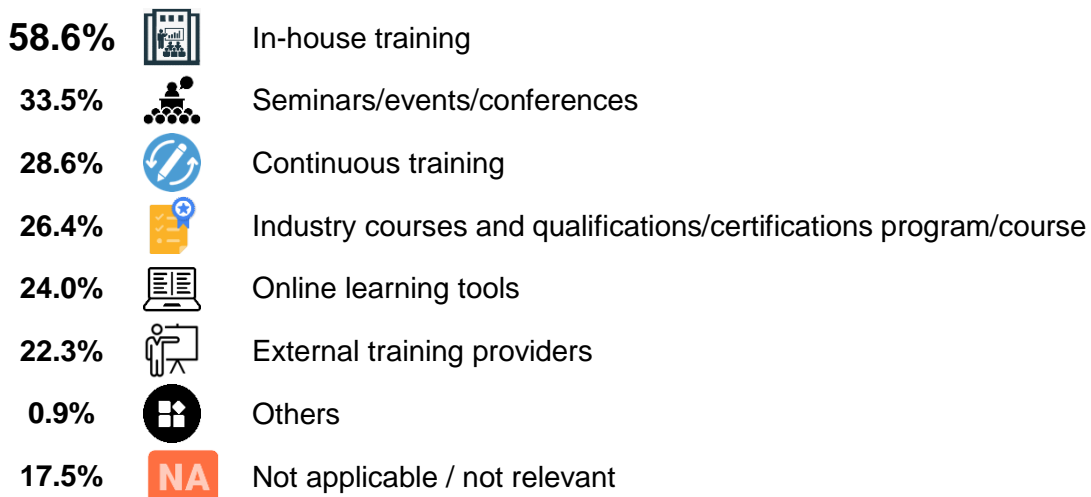


Figure 37: Methods of company use for reskill/upskill employees



Q7: Which aspects of reskilling and upskilling are needed for employees?

Q8: Does your company sponsor (via paid leave, study loan, and scholarship) employees to pursue further studies?

Q9: Has upskilling/reskilling training been beneficial to your company?

Q10: How will automation and digitalization impact on your company's skill requirements?

Soft skills were rated as the top aspect of reskilling and upskilling needed for employees, as indicated by 69.2% of respondents. More than half of respondents also indicated that employees should reskill and upskill on the **adoption of new technology** (53.5%) and **multi-tasking** (51.1%).

By sector, **more than 50% across all sectors shared the same view that soft skills are a necessity for their employees**. At least half of respondents in eight out of twelve sectors indicated the need for the adoption of new technology and multi-tasking. The construction sector even ranked the adoption of new technology as its top training aspect in order to keep pace with market and industry changes. In addition, the wholesale and retail trade sector, tourism-related sectors, professional and business services sector as well as real estate industry have a higher percentage share of respondents indicating the need of multi-tasking skill over the adoption of new technology.

More than 70.4% of respondents do not provide any sponsor, either via paid leave, study loan, and scholarship for employees to pursue further studies. This was mainly attributed to the limited or no budget to sponsor their employees as indicated previously.

55.7% of respondents have acknowledged that the upskilling/reskilling training has helped to increase company's productivity and process efficiency. By sector, **more than 60% of respondents in the manufacturing, finance and insurance, real estate and ICT sectors** found that **upskilling/reskilling training have benefited the company in terms of boosting employees' productivity and process efficiency**, which in turns helped companies to remain competitive.

When asked on the **impact from automation and digitalization on company's skill requirements**, **more than half of respondents (56.1%)** indicated that **automation and digitalization will lower demand for physical and manual skills in repeatable and predictable tasks**, mainly voted by the respondents in real estate sectors (61.8%), professional and business services sector (60.6%) and manufacturing sector (60.0%).

Automation and digitalisation will automate most repetitive and physical tasks, boost labour productivity and enhance process efficiency. In this regard, the reskilling and upskilling of employees become increasingly important as they need to acquire new skills and adapt to the increasingly capable machines alongside with them in the workplace, which in turns helping in improving labour and capital productivity.

Figure 38: Top three aspects of reskilling and upskilling that needed for employees

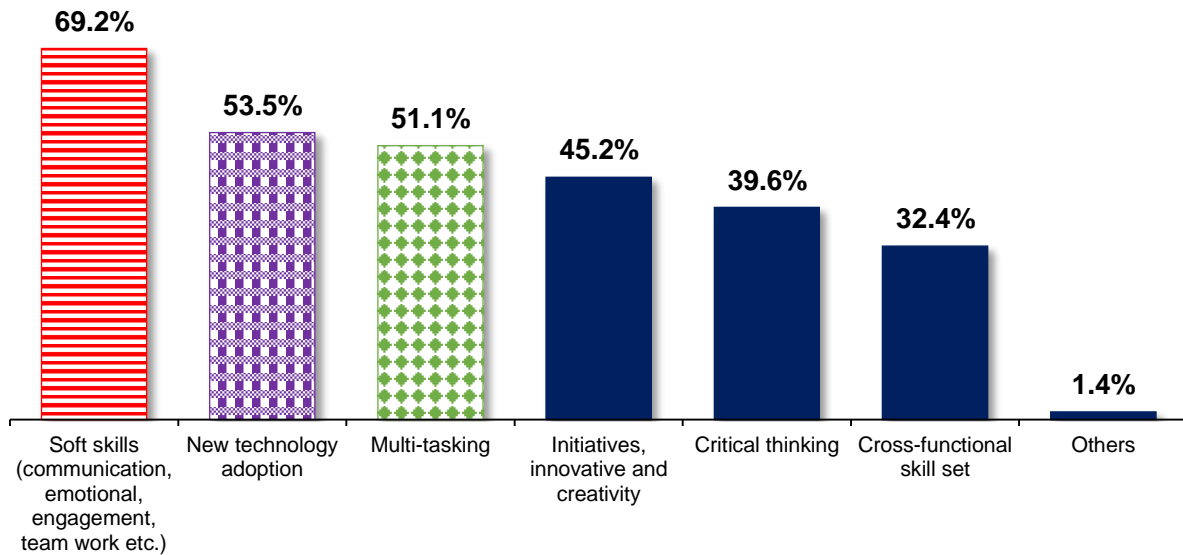


Figure 39: Company that sponsors (via paid leave, study loan, and scholarship) employees to pursue further studies

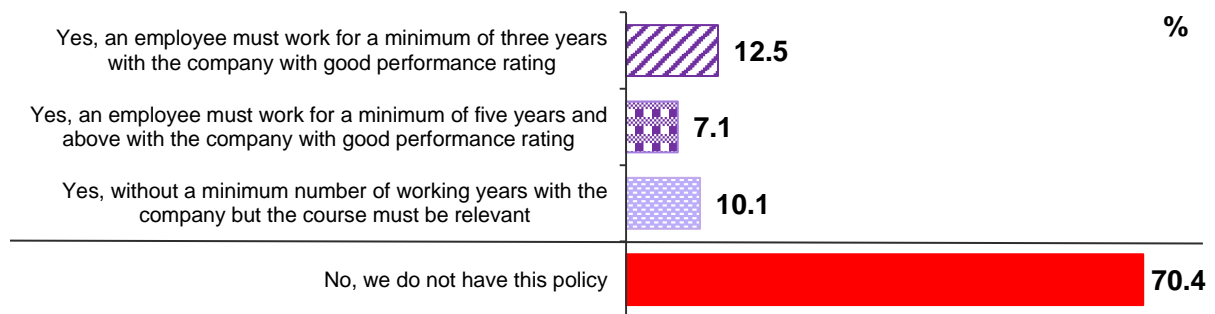


Figure 40: Benefits that company gained from upskilling/reskilling training

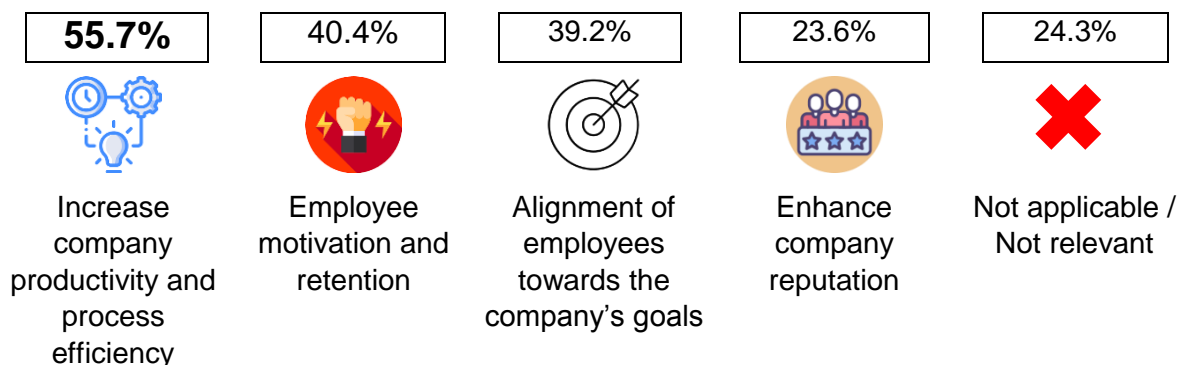
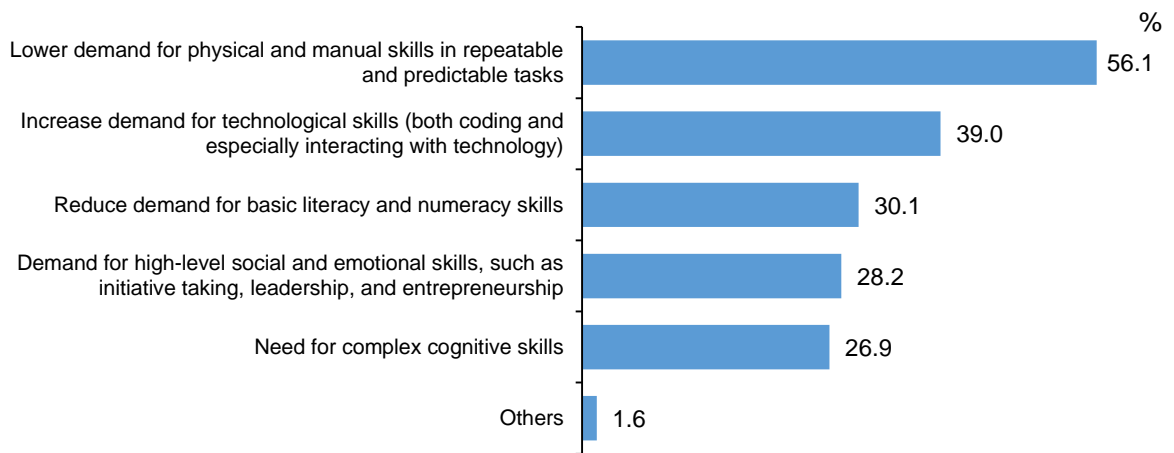


Figure 41: Impact from automation and digitalization on company's skill requirements



5.2 Human Resources Development Fund (HRDF)

The Government has established Human Resources Development Council (HRDC) in 1993 under the Human Resource Development Act 1992 (Act 491), which was subsequently rebranded as Pembangunan Sumber Manusia Berhad (PSMB) under Pembangunan Sumber Manusia Berhad Act 2001 (Act 612).

It is mainly to collect human resources development levy for the purpose of promoting training and development of employees, apprentices and trainees, to be managed under the Human Resources Development Fund (HRDF). The key role of HRDF is to provide training and up-skilling interventions in key industries in Malaysia in keeping up with the fast-evolving business landscape and their individual company aspirations.

Effective 1 April 2017, **employers in the manufacturing sector, mining and quarrying sector as well as more than thirty services subsectors with ten employees or above, as listed in the “First Schedule” of Act 612, are required to register with PSMB and subject to human resources development levy of 1.0% of the monthly wages of respective employees.**

For employers with five to nine employees in the above-mentioned sectors and selected non-governmental organisations may opt to register and are subject to a levy of 0.5% of the monthly wages of respective employees.

Under the COVID-19 financial assistance package, **HRDF levy is waived during April-September 2020 for all sectors and March-May 2021 for several sectors and activities.**

Effective 1 March 2021, the “First Schedule” was amended and re-categorised to cover more industries, such as agriculture sector, construction sector and real estate industry.⁷

Q11: Does your company register with the Human Resources Development Fund (HRDF)?

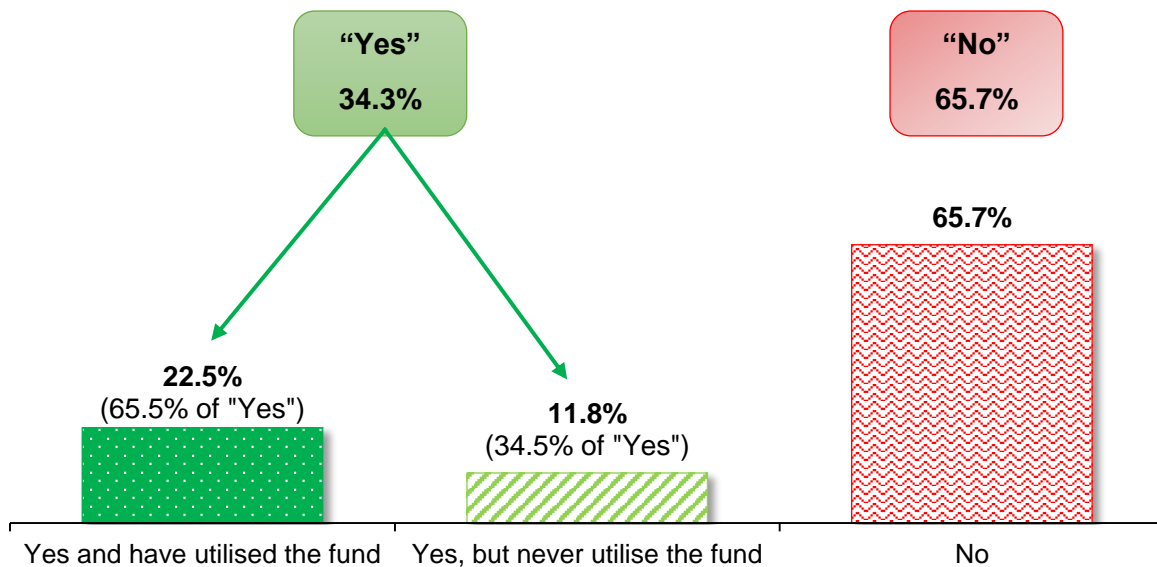
Q12: Please rate the following training schemes offered by the Human Resource Development Fund (HRDF).

Q13: What factors restraining your company to apply/participate in the HRDF’s training programs?

The survey results revealed that **only 34.3% of respondents (238 out of total 693 respondents) have registered with PSMB and the remaining 65.7% have not registered with PSMB**, of which mainly were micro and small enterprises that may not meet the requirement. Among the respondents that have registered with PSMB, **65.5% of them (156 out of 238 respondents) have utilised the HRDF**, mainly from respondents in the manufacturing sector, leaving 34.5% (82 out of 238 respondents) have never utilised the fund they contributed monthly.

⁷ The details of the latest First Schedule are appended in Appendix 4.

Figure 42: Does your company register with the Human Resources Development Fund (HRDF)?



When asked about the effectiveness of ten training schemes offered under HRDF, a large percentage share of respondents who registered with PSMB (ranging between 30.3% and 50.3%, a simple average of 40.7%) are not aware of these training schemes.

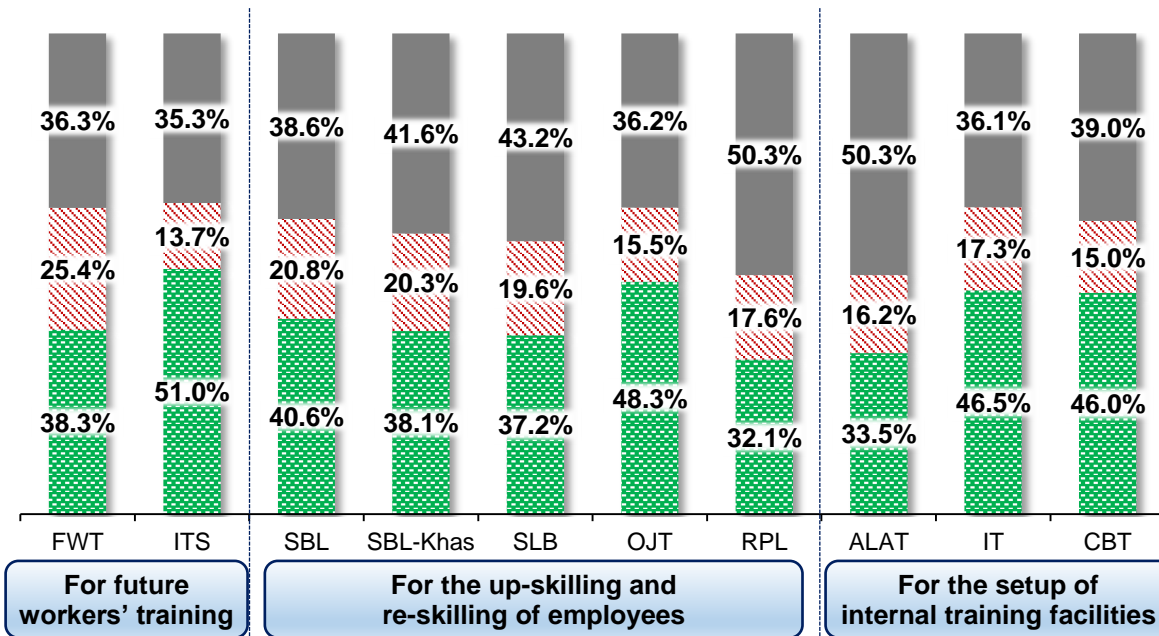
About 32.1%-51.0% (a simple average of 41.2%) have rated the listed training schemes as “totally effective/relevant” and “effective/relevant” while 13.7%-25.4% (a simple average of 18.1%) indicated that the listed training schemes are “totally ineffective/irrelevant” and “less effective/relevant”.

With a high number of respondents are not aware of these schemes, this brings into a question of whether those registered with PSMB are contributing for the sake of complying with the mandatory statutory requirement? Does PSMB actively promote the awareness of the schemes it offers? It is found that schemes like “Training Facilities and Renovation (ALAT)” and “Recognition of Prior Learning (RPL)” were unknown to more than half of the relevant respondents.

For 34.5% of those registered with PSMB but have never utilised the fund, it is found that their level of awareness on these training schemes is significantly worse-off as nine out of ten listed schemes (with the exception of “Future Workers Training (FWT)” Scheme) recorded an awareness level of below 50%.

As outlined in the 11th Malaysia Plan, the HRDF is mandated to ensure that the growth of current and future workforce through efficient high-skilled training certification programmes and initiatives under the area of “Strengthening Lifelong Learning for Skills Enhancement”. Nonetheless, 25.4% of respondents registered with PSMB have rated “Future Workers Training (FWT)” as totally ineffective/irrelevant and less effective/relevant, the worst level of assessment among all other schemes. It is important for PSMB to gauge the feedback from the respective employers to improve the scheme accordingly, especially this is a skill set enhancement scheme for the future workforce.

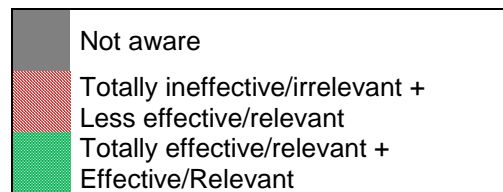
Figure 43: Rating on training schemes offered by the HRDF



Note: Only captured for respondents registered with the Human Resources Development Fund (HRDF)

Legend

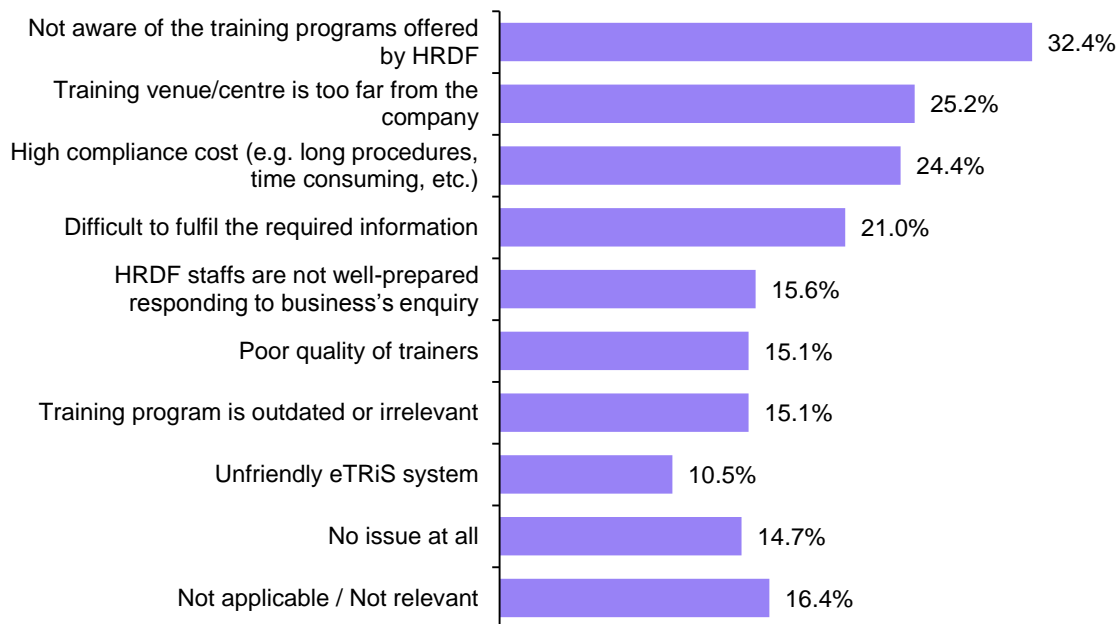
- FWT** Future Workers Training
- ITS** Industrial Training Scheme
- SBL** Skim Bantuan Latihan
- SBL-Khas** Skim Bantuan Latihan Khas
- SLB** Skim Latihan Bersama
- OJT** On Job Training
- RPL** Recognition of Prior Learning
- ALAT** Training Facilities and Renovation
- IT** Information Technology
- CBT** Computer Based Training



Respondents were asked on the factors restricted them to apply or participate the programmes offered under HRDF. As indicated above, awareness issue was ranked as the top factor (voted by 32.4% of respondents registered with PSMB). PSMB needs to step up the promotion and awareness campaigns to outreach businesses. Besides forging greater collaborations with business chambers and industry associations, PSMB also needs to review the effectiveness of the training modules, training techniques as well as the campaign and promotional approach.

About a quarter of relevant respondents viewed that the training venue/centre is located too far from their companies, causing inconvenience to the respondents not living within the Klang Valley. This is a structural issue that PSMB needs to look into, such as provides more incentives for training agents to provide training in specific areas and locations. Other teething issues include high compliance cost (such as long procedures, time consuming, etc.) as voted by 24.4% of respondents registered with PSMB), difficult to fulfil the required information (21.0%), HRDF staffs are not well-prepared responding to business's enquiry (15.6%), poor quality of trainers (15.1%), training program is outdated or irrelevant (15.1%) and unfriendly eTRiS system (10.5%). Only 14.7% of respondents registered with PSMB have indicated that they have no issue with the HRDF's training programs.

Figure 44: Factors restricting Malaysian businesses to apply/participate in the HRDF's training programs



Q14: Will you take up the measures below under hiring incentive programme (PenjanaKerjaya)?

Q15: Are you aware of the following tax incentives for human capital development?

Q16: What can the Government facilitate companies to upskill/reskill their employees for future-ready workforce?

In order to enhance job opportunities in Malaysia, the Government has introduced various hiring incentive programmes under Malaysians@Work initiative in 2020 Budget, which is now known as PenjanaKerjaya. In 2021 Budget, RM2 billion is allocated for PenjanaKerjaya 2.0, which targets to create 250,000 job opportunities via the following initiatives:

- (i) Apprenticeship incentive of RM1,000 per month for three months for hiring apprentice with minimum monthly salary of RM1,200
- (ii) Incentive rate of 40% of monthly income for six months for hiring employees below 40 years old with minimum monthly salary of RM1,500, subject to a maximum incentive of RM4,000, for six months
- (iii) Additional incentive rate of 20% of the employee's monthly income making the total incentive to employers' amount to 60% (or maximum RM6,000 per month) for six months to encourage employment for the employees 40 years old and above, vulnerable groups as well as long-term unemployed and retrenched workers

- (iv) Special incentive of 60% of monthly wages will be provided, whereby 40% will be channelled to the employer (maximum RM4,000) while 20% will be channelled as a wage top up to the local worker (maximum RM2,000) replacing the foreign worker, for six months
- (v) Maximum training rate, which can be claimed by employers at RM7,000 (maximum RM4,000 for attendance certificate) for those employed under the PenjanaKerjaya, to enable workers to take up high skilled training and professional certifications
- (vi) One-off mobility assistance of RM500 if workplace distance from current residence is less than 100km and RM1,000 if workplace distance from current residence reaches or exceeds 100km

About 44.5% of respondents said that they will take up the measures under hiring incentive programme (PenjanaKerjaya), of which the ICT industry and manufacturing sector recorded the highest number of respondents.

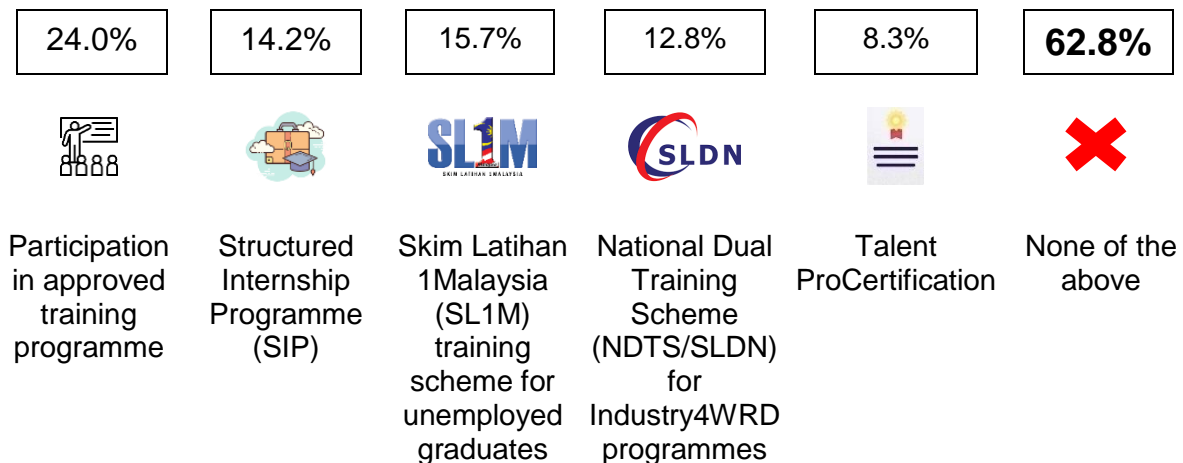
For the period 1 January to 26 February 2021, 3,088 employers have applied for 16,609 employees: (a) Hiring of employees aged below 40 years old (10,287 employees or 61.9% of total); (b) Hiring of employees aged 40 years old and above (3,566 employees or 21.5%); and (c) Recruitment of apprentice (2,300 apprentices or 13.8%). Only 338 employees under Malaysianization category (replacement of foreign workers) and 118 employees came from the vulnerable group.

The respondents were asked whether they are aware of the selected tax incentives for human capital development. **It is disheartening to note that 62.8% of respondents are not aware any of the listed tax incentives for human capital development offered by the Government.** None of the five listed tax incentives garnered awareness from a quarter of respondents.

It's not only about whether the Government has done enough awareness and promotion of its initiatives on human capital development, but also businesses have to make efforts to find out the incentives and place great emphasis on human capital development. The human capital development requires both public-private partnership and equal commitment.

Figure 45: Will you take-up the measures under hiring incentive programme (PenjanaKerjaya)?



Figure 46: Awareness of the selected tax incentives for human capital development

Among the listed measures that the Government can facilitate companies to upskill/reskill their employees as future-ready workforce, **57.2% of respondents voted “Grant to encourage people attending online certification courses” as their top expectation**. A one-to-one matching training grant can be considered to encourage the enrolment of employees in online certification courses to reskill and upskill themselves as a capable workforce.

On 6 February 2021, HRDF has launched e-LATiH⁸, a new e-learning hub. The Ministry of Human Resources (MOHR) expects the e-LATiH platform to be utilised by about two million users by the end of this year. It is a commendable measure to prepare the workforce for now and future. HRDF needs to constantly review and assess the module and relevancy of the courses so as to deliver the desired outcomes in keeping with the industry and market needs. Besides, other established private e-learning operators should be included to give more options to the users.

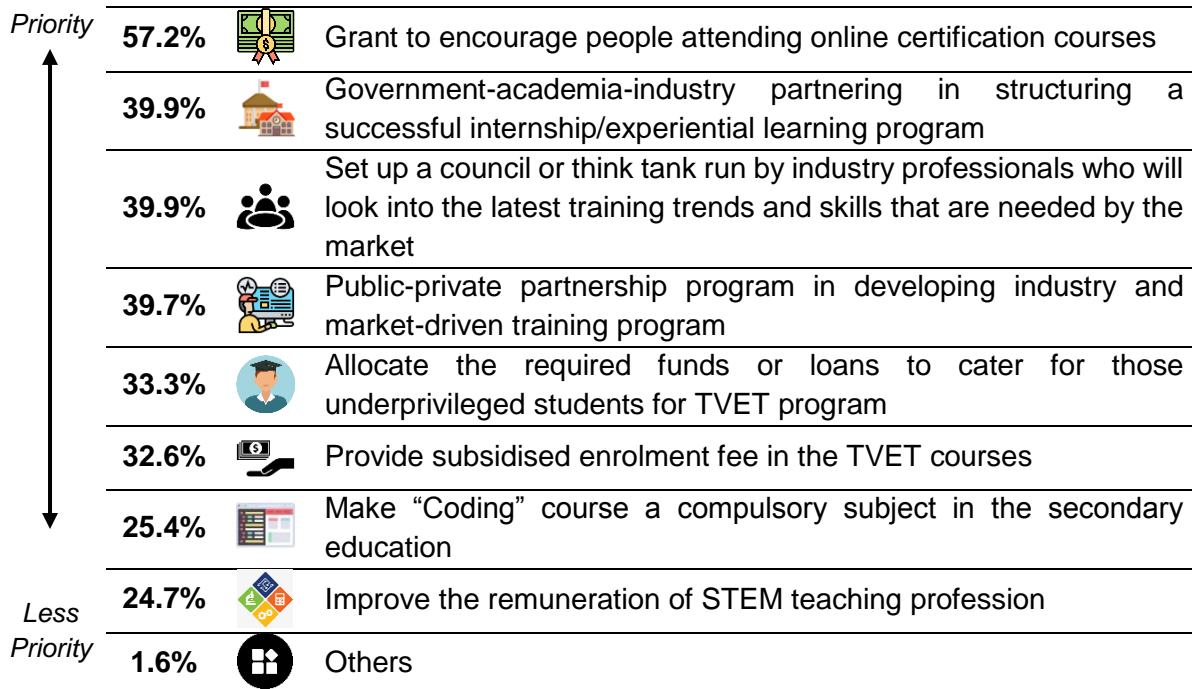
“Government-academia-industry partnering in structuring a successful internship/experiential learning program” and **“Set up a council or think tank run by industry professionals who will look into the latest training trends and skills that are needed by the market”** garnered the next highest votes (39.9%), followed by **“Public-private partnership program in developing industry and market-driven training program”** (39.7%).

Businesses often indicated that they need to retrain the employees from basic despite the employees may have gone through the relevant program or courses. Therefore, **a tripartite collaboration (Government-academia-industry) is vital** in producing the workforce that is fit for purpose both now and in the future. The industry’s feedback must be taken into consideration so as to structure a quality internship/experiential learning program. The facilitators or trainers must be equipped with the latest knowledge and skills while there is a need to revamp the conventional academic approach.

⁸ e-LATiH provides free access to a large number of courses that meets the demands of various industries, as part of its effort to assist Malaysians to prepare for the future. The areas of learning resources cover digitalisation, financial, health and safety, languages, personal development, project management, etc.

A much-needed revamping and wider integration of the technical and vocational education and training (TVET) into the industry market is still yet to be seen. The government has to step up efforts of transforming TVET in all aspects (training, resource persons, scope, skill set, funding, etc.).

Figure 47: Businesses' expectations of Government to facilitate companies to upskill/reskill their employees for future-ready workforce



6. CONCLUSION

The M-BECS results revealed that **both economic and business conditions remained sluggish in 2H 2020** as businesses still reeling from the prolonged impact of the COVID-19 pandemic. The resurgence of the third wave of COVID-19 since late 3Q 2020 and the re-implementation of Conditional Movement Control Order (CMCO) had scarring effects on domestic activities. The scarring effects would continue into 1Q 2021 as the states were placed under different stages of movement restrictions, including MCO 2.0, albeit less restrictive in scope of economic activities. Interstate travel ban remains in place until 18 March 2021 at the time of writing.

Most of respondents are **cautiously hopeful about the recovery of the Malaysian economy in 2021** amid the embarking on national immunisation program starting in late February. Businesses generally **expect better economic and business prospects in 2022**, premised on the Government's target to achieve herd immunity of having at least 80% of population vaccinated by February 2022.

Sentiment Tracker

- **44.0% of respondents experienced worse business conditions in 2H 2020** though the percentage share of respondents reduced significantly by 34.2 percentage points from 78.2% surveyed in 1H 2020. **26.9% of respondents indicated better business conditions in 2H 2020** while 29.2% of respondents reporting no change in business conditions.
- **There is still a large number of respondents having neutral view about business conditions for 1H 2021 (54.7% of respondents) and 2H 2021 (57.2%)**. As Malaysia's vaccination program has started on 24 February 2021, it is expected that consumer and business sentiment and expectation will improve when the vaccination program is progressing well, probably in 2H 2021 and beyond.
- **For the full year of 2021, 56.2% of respondents are cautious about their business prospects**, while 22.6% and 21.3% voted "Worse" and "Better" business conditions respectively. A **higher number of respondents (40.9%) expects better business prospects in 2022** (21.3% in 2021).
- **Businesses also remain cautious about economic prospects in 2021**. 53.4% of respondents have neutral view about economic outlook in 2021 ("Better": 20.6%; "Worse": 26.0%). **For 2022, 44.5% of respondents forecast better economic prospects, outpaced 9.2% expecting worse economic outlook**. 46.3% of respondents vote for "Neutral" view.

Major Factors Affecting Business Performance:

- (I) **Higher operating costs and cash flow problem** (48.3%)
- (II) **Declining business and consumer sentiment** (47.6%)
- (III) **Political climate** (46.1%)
- (IV) **Lower domestic demand** (41.2%)
- (V) **Unclear communication and inconsistent interpretation of SOP** (39.8%)

Business Assessment in 2H 2020 and Prospects for 1H 2021

- **Sales: Overall sales performance remained poor** as 53.5% of respondents have experienced a decrease in overall sales volume in 2H 2020. 48.8% of respondents expect declining sales in 1H 2021.
- **Production: 46.9% of respondents reported a decline in production level** in 2H 2020 due to weak market sentiment and low demand, which have constrained production capacity. The overall production level will be about the same in 1H 2021.
- **Raw materials: More than 60% of respondents indicated that both prices of local and imported raw materials have increased significantly** in 2H 2020 as the disruption in global supply chain and production lead to a shortage of raw materials, and is expected to remain elevated in 1H 2021.
- **Capital expenditure: A higher percentage share of respondents (42.7% vs. 31.6% projected in previous survey) has increased their capital expenditure in 2H 2020.**

Topical Issues

(A) Reskilling and Upskilling of Manpower

- **More than half of respondents (56.2%) preferred hard skills over soft skills for entry level, and have placed equal emphasis for mid-level (non-managerial).** For more senior positions, the employers have significantly preferred soft skills over hard skills.
- Two main reasons for upskilling/reskilling of employees: (i) **To increase productivity** (voted by 67.1% of respondents); and (ii) **To prepare workforce for the future on new technologies** (57.9%). Only 3.4% of respondents do not see the need for skill set enhancement.
- Two main barriers to upskill/reskill employees: (i) **Lack of time and resources to develop reskilling and upskilling program** (voted by 55.5% of respondents); and (ii) **Finding the right training resources/programs** (46.8%).
- **About half of the respondents (48.5%) did not provide reskilling or upskilling program/course to their employees,** particularly among micro and small enterprises, mainly due to a **small number of employees** and have **limited or no budget for training cost.**
- Three aspects were cited as priorities needed for employees to reskill and upskill: (i) **Soft skills** (rated by 69.2% of respondents); (ii) **New technology adoption** (53.5%); and (iii) **Multi-tasking** (51.1%).
- **More than half of total respondents (55.7%) are inclined to provide upskilling/reskilling training as it has increased company's productivity and process efficiency.**
- **More than half of the respondents (56.1%) indicated that automation and digitalization will lower demand for physical and manual skills in repeatable and predictable tasks.**

(B) Human Resources Development Fund (HRDF)

- **Only 34.3% of respondents (238 out of total 693 respondents) have registered with PSMB** and the remaining 65.7% have not registered with PSMB, of which mainly were micro and small enterprises that may not meet the requirement.
- **A large number of respondents who registered with PSMB are not aware of the training schemes** provided (ranging between 30.3% and 50.3%, a simple average of 40.7%). About 32.1%-51.0% (a simple average of 41.2%) have rated the listed training schemes as “totally effective/relevant” and “effective/relevant” while 13.7%-25.4% (a simple average of 18.1%) indicated that the listed training schemes are “totally ineffective/irrelevant” and “less effective/relevant”.
- **Awareness issue** was ranked as the **top factor that restricted respondents to apply or participate the programmes offered under HRDF** (voted by 32.4% of respondents registered with PSMB), followed by **“training venue/centre is too far from their companies”** (25.2%).
- **44.5% of respondents said that they will take up the measures under hiring incentive programme (PenjanaKerjaya)**. However, **62.8% of respondents indicated that they are not aware any of the listed tax incentives for human capital development programs offered by the Government**.
- Among the listed measures that the Government can facilitate companies to upskill/reskill their employees as future-ready workforce:
 - (a) **57.2% of respondents** voted **“Grant to encourage people attending online certification courses”** as their top expectation;
 - (b) **“Government-academia-industry partnering in structuring a successful internship/experiential learning program”** and **“Set up a council or think tank run by industry professionals who will look into the latest training trends and skills that are needed by the market”** (39.9% respondents); and
 - (c) **“Public-private partnership program in developing industry and market-driven training program”** (39.7% respondents).



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Malaysia's Business and Economic Conditions Survey (M-BECS)

This is a survey jointly conducted by The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) and Socio-Economic Research Centre (SERC) on Malaysia's business and economic conditions in the second half-year of 2020 (2H2020: Jul-Dec 2020) and prospects for the first half-year of 2021 (1H2021: Jan-Jun 2021) and beyond.

We seek your kind cooperation to return the duly completed questionnaire to ACCCIM Secretariat by 31 December 2020 (Email: socio-economic@accim.org.my / Fax: 03-4260 3080). Thank you for your support and cooperation.

Section A: BUSINESS BACKGROUND

***If you have multiple businesses, please refer to the principal business/sector when answering the questions.*

A1. Constituent Members:

- ₁ KLSCCCI
- ₂ Klang CCCI
- ₃ Negeri Sembilan CCCI
- ₄ Kluang CCCI
- ₅ Sabah UCCC
- ₆ Penang CCC
- ₇ Malacca CCCI
- ₈ ACCCI Sarawak
- ₉ Kelantan CCCI
- ₁₀ ACCCI Pahang
- ₁₁ Perak CCCI
- ₁₂ Johor ACCCI
- ₁₃ Batu Pahat CCC
- ₁₄ Kedah CCCI
- ₁₅ North Perak CCCI
- ₁₆ Terengganu CCCI
- ₁₇ Perlis CCCI

Associate Members:

- ₁₈ Federation of Chinese Physicians and Medicine Dealers Associations of Malaysia (FCPMDAM)
- ₁₉ Malaysian Wood Industries Association
- ₂₀ Malaysian Textile Manufacturers Association
- ₂₁ Malaysia Mobile Content Provider Association
- ₂₂ Malaysian Furniture Council
- ₂₃ Federation of Goldsmith And Jewellers Association of Malaysia (FGJAM)
- ₂₄ The Federation of Malaysia Hardware, Machinery & Building Materials Dealers' Association (FMHMBA)
- ₂₅ Malaysia Fujian Chamber of Commerce and Industry
- ₂₆ Pawnbroker's Association of Malaysia
- ₂₇ Malaysia Retailers Association
- ₂₈ Malaysian Association of Convention & Exhibition Organisers & Suppliers (MACEOS)
- ₂₉ Malaysia Teochew Chamber of Commerce
- ₃₀ Malaysian Photovoltaic Industry Association (MPIA)
- ₃₁ Malaysian Nail Technicians & Make Up Association
- ₃₂ Malaysian Hairdressing Association
- ₃₃ Automotive Accessories Traders Association of Malaysia
- ₃₄ Malaysia Guangxi Chamber of Commerce
- ₃₅ Persatuan Anggun Menawan Malaysia
- ₃₆ Others

A2. Type of principal industry or sub-sector: [Please select ONE (1)]

- ₁ Agriculture, forestry and fishery
- ₂ Mining and quarrying
- ₃ Manufacturing
- ₄ Construction
- ₅ Wholesale and retail trade
- ₆ Trading (*imports and exports*)
- ₇ Tourism, shopping, hotels, restaurants, recreation and entertainment
- ₈ Transportation, forwarding and warehousing
- ₉ Professional and business services
- ₁₀ Finance and insurance
- ₁₁ Real estate
- ₁₂ Information and Communications Technology (*ICT*)

A3. Annual turnover:

- ₁ Less than RM300k
- ₂ RM300k to < RM3mil
- ₃ RM3mil to < RM15mil
- ₄ RM15mil to < RM20mil
- ₅ RM20mil to ≤ RM50mil
- ₆ More than RM50mil

A4. Number of full-time employees:

- ₁ Less than 5
- ₂ 5 to < 30
- ₃ 30 to < 75
- ₄ 75 to ≤ 200
- ₅ More than 200

A5. Share of total sales derived from:

Domestic market : _____%

Overseas market : _____%

A6. Share of total employees:

Local employees : _____%

Foreign employees : _____%

Section B: OVERALL ASSESSMENT

B1. When comparing to 1H 2020, how are business conditions in 2H 2020?

- ₁ Better ₂ No change ₃ Worse

B2. Overall economic conditions and outlook:

	<u>Better</u>	<u>Neutral</u>	<u>Worse</u>
2H 2020	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
1H 2021	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
2H 2021	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Estimation for 2021	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Forecast for 2022	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃

B3. Overall business conditions and outlook:

	<u>Better</u>	<u>Neutral</u>	<u>Worse</u>
2H 2020	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
1H 2021	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
2H 2021	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Estimation for 2021	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃
Forecast for 2022	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃

**B4. Which of the following factors may adversely affect your business performance in 2H 2020?
[Please select at least THREE (3)]**

- | | |
|---|---|
| <input type="checkbox"/> ₁ Unclear communication and inconsistent interpretation of SOP | <input type="checkbox"/> ₈ Lower external demand |
| <input type="checkbox"/> ₂ Changing consumer behaviour | <input type="checkbox"/> ₉ Declining business and consumer sentiment |
| <input type="checkbox"/> ₃ High operating cost and cash flow problem | <input type="checkbox"/> ₁₀ The Ringgit's fluctuation |
| <input type="checkbox"/> ₄ Supply chain disruptions | <input type="checkbox"/> ₁₁ Increase bad debt and delay payments |
| <input type="checkbox"/> ₅ Shortage of raw materials | <input type="checkbox"/> ₁₂ Political climate |
| <input type="checkbox"/> ₆ Availability of skilled labour | <input type="checkbox"/> ₁₃ Lack of financing |
| <input type="checkbox"/> ₇ Different SOP from state, local authorities, agencies and departments | <input type="checkbox"/> ₁₄ Lower domestic demand |

***If "Unclear communication and inconsistent interpretation of SOP" is one of your answers, please share your experiences.**

B5. How much your business sales have recovered when comparing to pre-pandemic level?

- ₁ More than 30% higher than pre-pandemic level
 ₂ 10-30% higher than pre-pandemic level
 ₃ Same as per pre-andemic level
 ₄ 10-30% below pre-pandemic level
 ₅ 31-50% below pre-pandemic level
 ₆ More than 50% below pre-pandemic level

B6. Are you confident of an economic recovery in 2021?

- ₁ Yes
 ₂ No
 ₃ Unsure

B7. Can your business absorb the impact of the Conditional MCO (CMCO) and Enhanced MCO (EMCO) for more than 1-2 months?

- ₁ Yes
 ₂ No
 ₃ Unsure

B8. How long can your business survive IF there is a “Total Lockdown”?

- ₁ Still can manage
 ₂ Less than 3 months
 ₃ 3-6 months
 ₄ More than 6 months
 ₅ Most likely to cease operation
 ₆ Unsure

B9. Are you still concerned about 3Cs (Cash flow, Cost and Credit)?

- ₁ Yes
 ₂ No
 ₃ Manageable

B10. Does your company apply for loan repayment assistance?

- ₁ Yes, applied but did not approve (*Proceed to B11*)
 ₂ Yes, applied but facing a lot of issues (*Proceed to B11*)
 ₃ Yes, applied and approved with no issue (*Proceed to B12*)
 ₄ No (*Proceed to B12*)

B11. What issues/problems encountered when applying for loan repayment assistance?

(Multiple-choice)

- ₉₉ Not applicable / Not relevant
 ₁ Request many supporting documents
 ₂ Long processing time
 ₃ No follow up after the submission of application
 ₄ Incur additional costs, terms and conditions (*e.g. processing fee, higher interest rate*)
 ₅ Not qualified to apply the loan repayment assistance
 ₆ Banks are doubtful on the ability of borrower's repayment ability due to the risky nature of business
 ₇ Others, please specify : _____

B12. What more the Government should assist businesses in 2021? *(Multiple-choice)*

- ₁ Extension of Wage Subsidy Program
 ₂ Extension of electricity tariff discount
 ₃ Extend e-CAP, which allows for a deferment and restructuring of the employer's share of EPF contributions by six months in 2021
 ₄ Extend the exemption payment for Human Resources Development Fund (HRDF) levy for all sectors by another six months from November 2020 until April 2021.
 ₅ Extend the special tax deduction on reduction of rental
 ₆ Payment of balance of tax for YA 2020 and 2021 in 3 monthly instalments
 ₇ Others, please specify : _____

B13. Performance and Forecast

	<u>Current Performance</u> Actual for 2H 2020 (Jul-Dec) compared to 1H 2020 (Jan-Jun)			<u>Forecast</u> Outlook for 1H 2021 (Jan-Jun) compared to 2H 2020 (Jul-Dec)				
	<u>Good</u>	<u>Satisfactory</u>	<u>Poor</u>	<u>Good</u>	<u>Satisfactory</u>	<u>Poor</u>		
B13.1 Overall								
i. Business conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
ii. Debtors' conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
iii. Cash flows conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
a. How many months can your cash flow cover business operations/productions, raw materials/inventory, manpower?				<i>Intentionally left blank, kindly go to Question iv</i>				
<input type="checkbox"/> ₁ Less than 3 months								
<input type="checkbox"/> ₂ 3-6 months								
<input type="checkbox"/> ₃ 7-12 months								
<input type="checkbox"/> ₄ More than 12 months								
b. Has wage subsidy program helped to ease cash flow?								
<input type="checkbox"/> ₁ Yes, cash flow condition has improved more than 25%								
<input type="checkbox"/> ₂ Yes, cash flow condition has improved 10-25%								
<input type="checkbox"/> ₃ Yes, cash flow condition has improved less than 10%								
<input type="checkbox"/> ₄ No, cash flow condition remains poor								
<input type="checkbox"/> ₅ Did not/ Unable to apply the wage subsidy program								
iv. Capacity utilization level ◇ N/A or N/R	<input type="checkbox"/> Less than 50%	<input type="checkbox"/> 50% to < 75%	<input type="checkbox"/> 75% to ≤ 90%	<input type="checkbox"/> More than 90%	<input type="checkbox"/> Less than 50%	<input type="checkbox"/> 50% to < 75%	<input type="checkbox"/> 75% to ≤ 90%	<input type="checkbox"/> More than 90%
v. Overall Sales - Volume	Increase <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Unchanged ○	Decrease <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Increase <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Unchanged ○	Decrease <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%		
B13.2 Domestic sales								
i. Volume ◇ N/A or N/R	Increase <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Unchanged ○	Decrease <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Increase <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Unchanged ○	Decrease <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%		
ii. Price level ◇ N/A or N/R	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%		
B13.3 Foreign sales								
i. Volume ◇ N/A or N/R	Increase <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Unchanged ○	Decrease <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Increase <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	Unchanged ○	Decrease <input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%		
ii. Price level ◇ N/A or N/R	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%		

(B5 Cont.) Note: N/A=Not Applicable N/R= Not Relevant	Current Performance Actual for 2H 2020 (Jul-Dec) compared to 1H 2020 (Jan-Jun)			Forecast Outlook for 1H 2021 (Jan-Jun) compared to 2H 2020 (Jul-Dec)		
	Increase	Unchanged	Decrease	Increase	Unchanged	Decrease
<u>B13.4 Business operations</u>						
i. Production ◇ N/A or N/R	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%
ii. Inventory or stock level ◇ N/A or N/R	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%
<u>B13.5 Cost of raw materials</u>						
i. Local ◇ N/A or N/R	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	○	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	○	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%
ii. Imported ◇ N/A or N/R	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	○	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	○	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%
<u>B13.6 Manpower</u>						
i. Number of employees	<input type="checkbox"/> 1-5 <input type="checkbox"/> 6-10 <input type="checkbox"/> > 10	○	<input type="checkbox"/> 1-5 <input type="checkbox"/> 6-10 <input type="checkbox"/> > 10	<input type="checkbox"/> 1-5 <input type="checkbox"/> 6-10 <input type="checkbox"/> > 10	○	<input type="checkbox"/> 1-5 <input type="checkbox"/> 6-10 <input type="checkbox"/> > 10
ii. Wage growth	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	○	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%	○	<input type="checkbox"/> 1-5% <input type="checkbox"/> 6-10% <input type="checkbox"/> > 10%
<u>B13.7 Others</u>						
i. Capital expenditure ◇ N/A or N/R	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%	○	<input type="checkbox"/> 1-15% <input type="checkbox"/> 16-30% <input type="checkbox"/> > 30%

Section C: CURRENT ISSUE

RESKILLING AND UPSKILLING OF MANPOWER

C1. When making hiring decision, which skills are the most important for a person to have?

Please tick (✓) the **only one appropriate score per row**

	Soft skills	Hard skills
1. Entry level	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂
2. Mid-level (non-managerial)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂
3. Senior-level (managerial)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂
4. Executive level	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂

Note:

Soft skills – Communication, Leaderships, Teamwork, etc.

Hard skills – Technical skills, a Degree or Certificate, etc.

C2. Why did you see the need to upskill or reskill your employee? (Multiple-choice)

- ₁ As part of HR training development
- ₂ To prepare workforce for future on new technologies
- ₃ To improve employee retention and avoid hiring costs
- ₄ To increase productivity
- ₅ To address new regulations affecting our company
- ₆ As a means of reward/benefit/employer branding
- ₇ Due to the lack of skill set
- ₈ Do not see the need for skill set enhancement

C3. Please state barriers to reskilling and upskilling of employees. (Multiple-choice)

- 1 Lack of time and resources to develop it
- 2 HR infrastructure cannot execute a new strategy for addressing skill gaps
- 3 Finding the right training resources/programs
- 4 Unable to have a good understanding of how automation and digitalization will affect future skill needs
- 5 Addressing skill gaps is not a high priority
- 6 Sceptical of the return on retraining investments
- 7 Unaware of any internal and external solutions for skills gap
- 8 No issue at all
- 9 Others, please specify: _____

C4. Does your company provide reskilling or upskilling program/course to your employees? (Multiple-choice)

- 1 Yes, quarterly
- 2 Yes, bi-annually
- 3 Yes, yearly
- 4 Yes, on an ad-hoc basis, upon employees' request
- 5 No, employees are not keen to attend training program/course
- 6 No, not feasible due to a small number of employees
- 7 No, limited or no budget for training cost
- 8 Do not see the necessary training needs

C5. Does your company list the number of reskilling or upskilling programs/courses attended as an employee's Key Performance Indicator (KPI)?

- 1 Yes
- 2 No
- 99 Not applicable / Not relevant

C6. How does your company reskill/upskill employees? (Multiple-choice)

- 1 Continuous training
- 2 Industry courses and qualifications/certifications program/course
- 3 In-house training
- 4 Seminars/events/conferences
- 5 External training providers
- 6 Online learning tools
- 7 Not applicable / not relevant
- 8 Others, please specify : _____

C7. Which aspects of reskilling and upskilling are needed for employees? (Multiple-choice)

- 1 Soft skills (*communication, emotional, engagement, team work etc.*)
- 2 New technology adoption
- 3 Cross-functional skill set
- 4 Initiatives, innovative and creativity
- 5 Multi-tasking
- 6 Critical thinking
- 7 Others, please specify : _____

C8. Does your company sponsor (via paid leave, study loan, and scholarship) employees to pursue further studies?

- ₁ Yes, an employee must work for a minimum of three years with the company with good performance rating
- ₂ Yes, an employee must work for a minimum of five years and above with the company with good performance rating
- ₃ Yes, without a minimum number of working years with the company but the course must be relevant
- ₄ No, we do not have this policy

C9. Has upskilling/reskilling training been beneficial to your company? (Multiple-choice)

- ₁ Increase company productivity and process efficiency
- ₂ Employee motivation and retention
- ₃ Alignment of employees towards the company's goals
- ₄ Enhance company reputation
- ₅ Not applicable / Not relevant

C10. How will automation and digitalization impact on your company's skill requirements? (Multiple-choice)

- ₁ Lower demand for physical and manual skills in repeatable and predictable tasks
- ₂ Reduce demand for basic literacy and numeracy skills
- ₃ Increase demand for technological skills (*both coding and especially interacting with technology*)
- ₄ Need for complex cognitive skills
- ₅ Demand for high-level social and emotional skills, such as initiative taking, leadership, and entrepreneurship
- ₆ Others, please specify : _____

Human Resources Development Fund (HRDF)

C11. Does your company register with the Human Resources Development Fund (HRDF)?

- ₁ Yes and have utilised the fund
- ₂ Yes, but never utilise the fund
- ₃ No

Note: According to PSMB Act 2001, employers with 10 or more Malaysian employees are COMPULSORY to register with HRDF while employers with 5 to 9 Malaysian employees are given the OPTION to register with HRDF

C12. Please rate the following training schemes offered by the Human Resource Development Fund (HRDF).

<i>Please tick (✓) the only one appropriate score per row</i>	<i>Totally ineffective /irrelevant</i>	<i>Less effective/ relevant</i>	<i>Effective/ relevant</i>	<i>Totally effective /relevant</i>	<i>Not aware</i>	<i>Not applicable</i>
1. Future Workers Training (FWT)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
2. Skim Bantuan Latihan (SBL)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
3. Skim Bantuan Latihan Khas (SBL-Khas)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
4. Skim Latihan Bersama (SLB)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
5. Training Facilities and Renovation (ALAT)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
6. Information Technology (IT)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
7. Industrial Training Scheme (ITS)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
8. On Job Training (OJT)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
9. Recognition of Prior Learning (RPEL)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉
10. Computer Based Training (CBT)	<input type="checkbox"/> ₁	<input type="checkbox"/> ₂	<input type="checkbox"/> ₃	<input type="checkbox"/> ₄	<input type="checkbox"/> ₈₈	<input type="checkbox"/> ₉₉

C13. What factors restraining your company to apply/participate in the HRDF's training programs? (Multiple-choice)

- 1 Difficult to fulfil the required information
- 2 High compliance cost (e.g. long procedures, time consuming, etc.)
- 3 Poor quality of trainers
- 4 Training venue/centre is too far from the company
- 5 Training program is outdated or irrelevant
- 6 Not aware of the training programs offered by HRDF
- 7 Unfriendly eTRiS system
- 8 HRDF staffs are not well-prepared responding to business's enquiry
- 9 No issue at all
- 10 Not applicable / Not relevant

C14. Will you take up the measures below under hiring incentive programme (PenjanaKerjaya)?

Note: PenjanaKerjaya includes salary incentives for hiring apprentice and workers through MYFutureJobs Portal with special incentive for selected types of recruitment (e.g. replacement of foreign workers, OKU, etc.)

- 1 Yes
- 2 No

C15. Are you aware of the following tax incentives for human capital development? (Multiple-choice)

- 1 Participation in approved training programme
- 2 Structured Internship Programme (SIP)
- 3 Skim Latihan 1Malaysia (SL1M) training scheme for unemployed graduates
- 4 National Dual Training Scheme (NDTS/SLDN) for Industry4WRD programmes
- 5 Talent ProCertification
- 6 None of the above

C16. What can the Government facilitate companies to upskill/reskill their employees for future-ready workforce? (Multiple-choice)

- 1 Grant to encourage people attending online certification courses
- 2 Improve the remuneration of STEM teaching profession
- 3 Public-private partnership program in developing industry and market-driven training program
- 4 Provide subsidised enrolment fee in the TVET courses
- 5 Make "Coding" course a compulsory subject in the secondary education
- 6 Government-academia-industry partnering in structuring a successful internship/experiential learning program
- 7 Set up a council or think tank run by industry professionals who will look into the latest training trends and skills that are needed by the market
- 8 Allocate the required funds or loans to cater for those underprivileged students for TVET program
- 9 Others, please specify: _____

Kindly elaborate if your company is facing the challenges and issues in handling "Generation Z workforce (Gen Z refers to those who born between 1997 and 2012)".

Company name	:	_____	Respondent's name	:	_____
Email address	:	_____	Contact number	:	_____

Disclaimer: The information provided in this survey will be treated in strictest confidential.

~ Thank you very much for your cooperation ~

Appendix 2: Summary of guidelines for SME definition

Size of enterprise		Criteria	Manufacturing sector	Services and other sectors
Large enterprise		Sales turnover Number of full-time employees	Above RM50 million <u>OR</u> Above 200	Above RM20 million <u>OR</u> Above 75
SME	Medium enterprise	Sales turnover Number of full-time employees	RM15 million to RM50 million <u>OR</u> 75 to 200	RM3 million to RM20 million <u>OR</u> 30 to 75
	Small enterprise	Sales turnover Number of full-time employees	RM300,000 to less than RM15 million <u>OR</u> 5 to less than 75	RM300,000 to less than RM3 million <u>OR</u> 5 to less than 30
	Micro enterprise	Sales turnover Number of full-time employees	Below RM300,000 <u>OR</u> Less than 5	Below RM300,000 <u>OR</u> Less than 5

Appendix 3: Top 5 factors affecting business performance by sector

		High operating costs and cash flow problem	Declining business and consumer sentiment	Political climate	Lower domestic demand	Unclear communication and inconsistent interpretation of SOP	Shortage of raw materials	Lack of financing	Increase bad debt and delay payment	Different SOP from state, local authorities, agencies and departments
Overall	Votes, %	48.3	47.6	46.1	41.2	39.8				
	Ranking	1	2	3	4	5				
Agriculture, forestry and fishery	Votes, %	50.0			41.7					41.7
	Ranking	1			2					2
Mining and quarrying	Votes, %	100.0	75.0	50.0	75.0		50.0	50.0	50.0	75.0
	Ranking	1	2	5	2		5	5	5	2
Manufacturing	Votes, %	62.6		42.6	43.5	40.9	38.3			
	Ranking	1		3	2	4	5			
Construction	Votes, %	58.1		52.3					54.7	46.5
	Ranking	1		3					2	4
Wholesale and retail trade	Votes, %	50.7	51.4	48.0		39.0		38.4		
	Ranking	2	1	3		4		5		
Trading (Imports and exports)	Votes, %	34.6	69.2	53.9		34.6			38.5	
	Ranking	4	1	2		4			3	
Transportation, forwarding and warehousing	Votes, %	50.0	44.4	66.7	38.9				38.9	
	Ranking	2	3	1	5				5	
ICT	Votes, %		46.7	40.0	46.7			40.0		
	Ranking		1	3	1			3		
Finance and insurance	Votes, %			46.9		43.8		34.4		40.6
	Ranking			2		3		5		4
Real estate	Votes, %	41.2	55.9	55.9	52.9					41.2
	Ranking	4	1	1	3					4
Professional and business services	Votes, %		58.7	48.6		46.8		41.3	48.6	
	Ranking		1	2		4		5	2	
Tourism, shopping, hotels, restaurants, recreation and entertainment	Votes, %	45.8	58.3		55.6	44.4				
	Ranking	4	1		2	5				

Note: **Supply chain disruptions** was ranked as 2nd factor in Agriculture, forestry and fishery, 4th factor in Trading (Imports and exports), Transportation, forwarding and warehousing ; **Changing consumer behaviour** was ranked as 1st factor in Finance and Insurance, 3rd factor in Tourism, shopping, hotels, restaurants, recreation and entertainment and 5th factor in Agriculture, forestry and fishery and ICT; **Availability of skilled labour** was ranked 5th factor in Construction

Appendix 4: Latest “First Schedule” of Act 612 under P.U. (A) 84/2021

Part I: Employers with ten or more employees in the following industries:

- Agriculture and farming
- Livestock and fisheries
- Forestry and logging
- Mining and quarrying
- Manufacturing and production
- Trading, business and wholesale
- Construction
- Supply
- Real estate
- Culture, arts and entertainment
- Fashion and clothing
- Cosmetic
- Tourism and recreation
- Service
- Franchise
- Electricity
- Oil
- Gas and steam
- Water
- Sewerage
- Management and remediation of solid, liquid and gaseous waste
- Automotive
- Transportation
- Repair and maintenance
- Storage
- Delivery
- Food and beverages
- Information system
- Communication and multimedia
- Broadcasting and film
- Banking and finance
- Insurance and takaful
- Investment
- Co-operative societies
- Professional
- Science and technology
- Research and development
- Science and technicality
- Administration and support service
- Education
- Medical and health facilities
- Social welfare
- Administration of organization membership
- Small and medium enterprises
- Household goods and services
- Sports
- Energy and natural resources
- Personal services

Part II:

1. Employer for industry specified in Part I of the First Schedule with five to nine employees.
2. Employer with five or more but less than five hundred thousand employees which is a non-governmental organization and carrying out any activity in respect of—
 - a. labour union;
 - b. religious organization;
 - c. political organization;
 - d. nursing care facilities including nursing home for elderly person, person with disabilities, orphanage, chemicals abuser or any welfare services; or
 - e. social work without lodging.

Appendix 5: ACCCIM M-BECS Survey Results

**MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS)
FOR THE 2ND HALF-YEAR OF 2020**

		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
PART A: BUSINESS BACKGROUND														
A1	Size of business operations													
	SMEs	79.2%	50.0%	87.0%	91.9%	94.5%	92.3%	94.4%	88.9%	99.1%	87.5%	88.2%	93.3%	92.0%
	Large Enterprise	20.8%	50.0%	13.0%	8.1%	5.5%	7.7%	5.6%	11.1%	0.9%	12.5%	11.8%	6.7%	8.0%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
A5	Market orientation													
	41%-59% sales from domestic market	9.5%	0.0%	8.8%	2.4%	2.8%	15.4%	5.8%	16.7%	7.3%	10.3%	9.7%	7.1%	6.7%
	At least 60% sales from domestic market	71.4%	50.0%	63.2%	89.3%	88.8%	61.5%	85.5%	61.1%	78.9%	75.9%	74.2%	82.1%	78.6%
	At least 60% sales from export market	19.0%	50.0%	28.1%	8.3%	8.4%	23.1%	8.7%	22.2%	13.8%	13.8%	16.1%	10.7%	14.8%
	Sample size (n)	21	4	114	84	143	26	69	18	109	29	31	28	676
A6	Share of total employees													
	At least 50% are local employees	71.4%	75.0%	72.8%	70.2%	95.8%	92.3%	84.1%	94.4%	89.9%	75.9%	90.3%	89.3%	84.2%
	More than 50% are foreign employees	28.6%	25.0%	27.2%	29.8%	4.2%	7.7%	15.9%	5.6%	10.1%	24.1%	9.7%	10.7%	15.8%
	Sample size (n)	21	4	114	84	143	26	69	18	109	29	31	28	676
PART B: OVERALL ASSESSMENT														
B1	When comparing with 1H 2020, how are business conditions in 2H 2020?													
	Better	12.5%	50.0%	33.9%	25.6%	26.7%	30.8%	16.7%	22.2%	26.6%	37.5%	20.6%	33.3%	26.9%
	No change	33.3%	25.0%	27.0%	39.5%	34.2%	30.8%	8.3%	22.2%	26.6%	43.8%	26.5%	30.0%	29.2%
	Worse	54.2%	25.0%	39.1%	34.9%	39.0%	38.5%	75.0%	55.6%	46.8%	18.8%	52.9%	36.7%	44.0%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
B2	Economic conditions and prospects													
	2H 2020													
	Better	0.0%	25.0%	19.1%	11.6%	13.0%	23.1%	4.2%	16.7%	14.8%	28.1%	11.8%	16.7%	14.1%
	Neutral	50.0%	50.0%	36.5%	51.2%	39.7%	34.6%	23.6%	33.3%	37.0%	46.9%	32.4%	40.0%	38.6%
	Worse	50.0%	25.0%	44.3%	37.2%	47.3%	42.3%	72.2%	50.0%	48.1%	25.0%	55.9%	43.3%	47.3%
	Sample size (n)	24	4	115	86	146	26	72	18	108	32	34	30	695
	1H 2021													
	Better	4.2%	25.0%	13.0%	9.3%	6.8%	7.7%	4.2%	11.1%	12.0%	12.5%	2.9%	20.0%	9.5%
	Neutral	58.3%	75.0%	50.4%	60.5%	56.2%	50.0%	50.0%	50.0%	54.6%	56.3%	61.8%	43.3%	54.4%
	Worse	37.5%	0.0%	36.5%	30.2%	37.0%	42.3%	45.8%	38.9%	33.3%	31.3%	35.3%	36.7%	36.1%
	Sample size (n)	24	4	115	86	146	26	72	18	108	32	34	30	695
	2H 2021													
	Better	12.5%	50.0%	27.0%	16.3%	15.1%	26.9%	13.9%	27.8%	23.1%	21.9%	20.6%	26.7%	20.3%
	Neutral	66.7%	50.0%	53.9%	64.0%	65.8%	53.8%	59.7%	50.0%	56.5%	53.1%	58.8%	46.7%	58.8%
	Worse	20.8%	0.0%	19.1%	19.8%	19.2%	19.2%	26.4%	22.2%	20.4%	25.0%	20.6%	26.7%	20.9%
	Sample size (n)	24	4	115	86	146	26	72	18	108	32	34	30	695
	Estimation for 2021													
	Better	8.3%	25.0%	21.7%	23.3%	15.8%	23.1%	12.5%	27.8%	26.9%	31.3%	11.8%	30.0%	20.6%
	Neutral	66.7%	50.0%	55.7%	51.2%	61.6%	53.8%	45.8%	44.4%	49.1%	40.6%	64.7%	40.0%	53.4%
	Worse	25.0%	25.0%	22.6%	25.6%	22.6%	23.1%	41.7%	27.8%	24.1%	28.1%	23.5%	30.0%	26.0%
	Sample size (n)	24	4	115	86	146	26	72	18	108	32	34	30	695
	Forecast for 2022													
	Better	41.7%	50.0%	44.3%	46.5%	46.6%	53.8%	33.3%	38.9%	43.5%	37.5%	52.9%	53.3%	44.5%
	Neutral	58.3%	50.0%	40.0%	43.0%	47.3%	42.3%	55.6%	44.4%	48.1%	46.9%	44.1%	43.3%	46.3%
	Worse	0.0%	0.0%	15.7%	10.5%	6.2%	3.8%	11.1%	16.7%	8.3%	15.6%	2.9%	3.3%	9.2%
	Sample size (n)	24	4	115	86	146	26	72	18	108	32	34	30	695
B3	Business conditions and prospects													
	2H 2020													
	Better	0.0%	25.0%	19.1%	14.0%	17.8%	23.1%	5.6%	11.1%	14.7%	28.1%	14.7%	16.7%	15.5%
	Neutral	50.0%	50.0%	40.0%	45.3%	38.4%	34.6%	26.4%	44.4%	43.1%	46.9%	41.2%	46.7%	40.4%
	Worse	50.0%	25.0%	40.9%	40.7%	43.8%	42.3%	68.1%	44.4%	42.2%	25.0%	44.1%	36.7%	44.1%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
	1H 2021													
	Better	0.0%	25.0%	18.3%	8.1%	6.8%	7.7%	5.6%	5.6%	15.6%	15.6%	8.8%	13.3%	10.8%
	Neutral	66.7%	50.0%	48.7%	57.0%	61.0%	46.2%	44.4%	61.1%	54.1%	62.5%	58.8%	50.0%	54.7%
	Worse	33.3%	25.0%	33.0%	34.9%	32.2%	46.2%	50.0%	33.3%	30.3%	21.9%	32.4%	36.7%	34.5%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
	2H 2021													
	Better	8.3%	50.0%	24.3%	17.4%	19.2%	19.2%	11.1%	27.8%	24.8%	28.1%	26.5%	20.0%	20.7%
	Neutral	75.0%	50.0%	52.2%	62.8%	58.2%	57.7%	58.3%	44.4%	54.1%	50.0%	58.8%	63.3%	57.2%
	Worse	16.7%	0.0%	23.5%	19.8%	22.6%	23.1%	30.6%	27.8%	21.1%	21.9%	14.7%	16.7%	22.1%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
	Estimation for 2021													
	Better	8.3%	25.0%	21.7%	24.4%	15.8%	23.1%	19.4%	22.2%	25.7%	25.0%	17.6%	33.3%	21.3%
	Neutral	70.8%	50.0%	59.1%	57.0%	60.3%	57.7%	44.4%	44.4%	53.2%	56.3%	70.6%	40.0%	56.2%
	Worse	20.8%	25.0%	19.1%	18.6%	24.0%	19.2%	36.1%	33.3%	21.1%	18.8%	11.8%	26.7%	22.6%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
	Forecast for 2022													
	Better	37.5%	50.0%	38.3%	43.0%	39.7%	50.0%	34.7%	33.3%	43.1%	31.3%	50.0%	56.7%	40.9%
	Neutral	62.5%	50.0%	50.4%	45.3%	54.8%	50.0%	54.2%	50.0%	47.7%	50.0%	47.1%	33.3%	50.1%
	Worse	0.0%	0.0%	11.3%	11.6%	5.5%	0.0%	11.1%	16.7%	9.2%	18.8%	2.9%	10.0%	8.9%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS)														
FOR THE 2ND HALF-YEAR OF 2020														
		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
B4.	Which of the following factors may adversely affect your business performance in 2H 2020? (Dummy variables)													
	Unclear communication and inconsistent interpretation of SOP	29.2%	25.0%	40.9%	36.1%	39.0%	34.6%	44.4%	33.3%	46.8%	43.8%	35.3%	33.3%	39.8%
	Changing consumer behaviour	41.2%	0.0%	21.7%	13.2%	33.9%	20.9%	46.9%	28.6%	26.7%	56.1%	30.8%	36.4%	29.0%
	High operating costs and cash flow problem	50.0%	100.0%	62.6%	58.1%	50.7%	34.6%	45.8%	50.0%	37.6%	25.0%	41.2%	33.3%	48.3%
	Supply chain disruptions	41.7%	50.0%	33.0%	32.6%	34.3%	34.6%	18.1%	33.3%	14.7%	21.9%	14.7%	23.3%	27.4%
	Shortage of raw materials	20.8%	50.0%	38.3%	33.7%	15.8%	23.1%	5.6%	22.2%	7.3%	18.8%	11.8%	13.3%	20.0%
	Availability of skilled labour	37.5%	25.0%	33.9%	45.4%	11.6%	3.9%	6.9%	5.6%	13.8%	9.4%	17.7%	20.0%	20.4%
	Different SOP from state, local authorities, agencies and departments	41.7%	75.0%	31.3%	46.5%	37.0%	23.1%	38.9%	27.8%	34.9%	40.6%	41.2%	30.0%	36.8%
	Lower external demand	20.8%	25.0%	27.8%	12.8%	8.9%	26.9%	22.2%	38.9%	11.9%	25.0%	14.7%	30.0%	18.3%
	Declining business and consumer sentiment	29.2%	75.0%	36.5%	32.6%	51.4%	69.2%	58.3%	44.4%	58.7%	34.4%	55.9%	46.7%	47.6%
	The Ringgit's fluctuation	8.3%	50.0%	27.8%	26.7%	19.2%	30.8%	11.1%	27.8%	11.0%	28.1%	5.9%	13.3%	19.4%
	Increase bad debt and delay payments	25.0%	50.0%	33.0%	54.7%	36.3%	38.5%	11.1%	38.9%	48.6%	21.9%	38.2%	20.0%	35.9%
	Political climate	37.5%	50.0%	42.6%	52.3%	48.0%	53.9%	29.2%	66.7%	48.6%	46.9%	55.9%	40.0%	46.1%
	Lack of financing	25.0%	50.0%	27.0%	44.2%	38.4%	19.2%	34.7%	33.3%	41.3%	34.4%	38.2%	40.0%	35.9%
	Lower domestic demand	41.7%	75.0%	43.5%	40.7%	37.0%	26.9%	55.6%	38.9%	37.6%	25.0%	52.9%	46.7%	41.2%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
B5.	How much your business sales have recovered when comparing to pre-pandemic level?													
	More than 30% higher than pre-pandemic level	4.2%	25.0%	10.4%	5.8%	8.2%	7.7%	1.4%	16.7%	8.3%	18.8%	5.9%	10.0%	8.2%
	10-30% higher than pre-pandemic level	4.2%	25.0%	26.1%	12.8%	15.1%	19.2%	16.7%	16.7%	14.7%	28.1%	11.8%	16.7%	17.1%
	Same as per pre-pandemic level	25.0%	0.0%	15.7%	31.4%	21.2%	26.9%	6.9%	16.7%	16.5%	15.6%	11.8%	30.0%	19.1%
	10-30% below pre-pandemic level	33.3%	25.0%	22.6%	24.4%	32.2%	11.5%	19.4%	33.3%	33.0%	18.8%	41.2%	33.3%	27.6%
	31-50% below pre-pandemic level	25.0%	0.0%	18.3%	15.1%	15.1%	23.1%	23.6%	5.6%	19.3%	15.6%	17.6%	10.0%	17.4%
	More than 50% below pre-pandemic level	8.3%	25.0%	7.0%	10.5%	8.2%	11.5%	31.9%	11.1%	8.3%	3.1%	11.8%	0.0%	10.6%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
B6.	Are you confident of an economic recovery in 2021?													
	Yes	20.8%	25.0%	25.2%	22.1%	19.3%	26.9%	12.5%	33.3%	24.8%	43.8%	20.6%	26.7%	23.0%
	No	37.5%	25.0%	37.4%	36.0%	39.3%	50.0%	45.8%	33.3%	41.3%	28.1%	35.3%	33.3%	38.7%
	Unsure	41.7%	50.0%	37.4%	41.9%	41.4%	23.1%	41.7%	33.3%	33.9%	28.1%	44.1%	40.0%	38.3%
	Sample size (n)	24	4	115	86	145	26	72	18	109	32	34	30	695
B7.	Can your business absorb the impact of the Conditional MCO (CMCO) and Enhanced MCO (EMCO) for more than 1-2 months?													
	Yes	41.7%	25.0%	41.7%	29.1%	37.7%	30.8%	26.4%	33.3%	50.5%	53.1%	47.1%	31.0%	38.7%
	No	37.5%	25.0%	35.7%	33.7%	32.9%	34.6%	54.2%	33.3%	29.4%	21.9%	17.6%	37.9%	34.2%
	Unsure	20.8%	50.0%	22.6%	37.2%	29.5%	34.6%	19.4%	33.3%	20.2%	25.0%	35.3%	31.0%	27.1%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	29	695
B8.	How long can your business survive IF there is a "Total Lockdown"?													
	Still can manage	1.1%	0.0%	2.6%	2.8%	3.8%	3.8%	0.8%	6.1%	4.0%	14.6%	3.6%	3.3%	3.4%
	Less than 3 months	8.7%	12.5%	17.5%	16.4%	16.0%	15.0%	18.9%	24.5%	15.5%	7.3%	20.0%	19.8%	16.4%
	3-6 months	16.3%	18.8%	20.9%	28.8%	23.3%	37.5%	14.2%	36.7%	29.3%	40.2%	16.4%	23.1%	24.2%
	More than 6 months	26.1%	0.0%	9.3%	11.4%	12.6%	10.0%	11.0%	8.2%	9.2%	9.8%	14.5%	35.2%	12.4%
	Most likely to cease operation	21.7%	31.3%	21.9%	10.7%	17.9%	18.8%	43.3%	0.0%	14.4%	6.1%	18.2%	5.5%	19.0%
	Unsure	26.1%	37.5%	27.8%	29.9%	26.5%	15.0%	11.8%	24.5%	27.6%	22.0%	27.3%	13.2%	24.6%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
B9.	Are you still concerned about 3Cs (Cash flow, Cost and Credit)?													
	Yes	73.9%	75.0%	73.0%	77.9%	74.7%	73.1%	84.7%	66.7%	68.8%	62.5%	70.6%	86.7%	74.4%
	No	8.7%	0.0%	4.3%	2.3%	0.7%	7.7%	6.9%	0.0%	7.3%	6.3%	5.9%	0.0%	4.2%
	Manageable	17.4%	25.0%	22.6%	19.8%	24.7%	19.2%	8.3%	33.3%	23.9%	31.3%	23.5%	13.3%	21.4%
	Sample size (n)	23	4	115	86	146	26	72	18	109	32	34	30	695
B10.	Does your company apply for loan repayment assistance?													
	Yes, applied but did not approve	12.5%	0.0%	9.6%	16.3%	11.6%	15.4%	14.1%	22.2%	10.1%	3.1%	2.9%	6.7%	11.2%
	Yes, applied but facing a lot of issues	0.0%	0.0%	15.7%	11.6%	10.3%	15.4%	19.7%	5.6%	12.8%	12.5%	8.8%	10.0%	12.4%
	Yes, applied and approved with no issue	29.2%	0.0%	21.7%	19.8%	24.0%	15.4%	21.1%	33.3%	20.2%	15.6%	14.7%	16.7%	21.0%
	No	58.3%	100.0%	53.0%	52.3%	54.1%	53.8%	45.1%	38.9%	56.9%	68.8%	73.5%	66.7%	55.4%
	Sample size (n)	24	4	115	86	146	26	71	18	109	32	34	30	695
B11.	What issues/problems encountered when applying for loan repayment assistance? (Dummy variables)													
	Not applicable / Not relevant	33.3%	0.0%	13.8%	29.2%	18.8%	37.5%	25.0%	20.0%	4.0%	20.0%	0.0%	20.0%	18.9%
	Request many supporting documents	33.3%	0.0%	41.4%	41.7%	34.4%	50.0%	33.3%	40.0%	48.0%	60.0%	50.0%	60.0%	41.5%
	Long processing time	100.0%	0.0%	51.7%	29.2%	40.6%	37.5%	45.8%	20.0%	56.0%	60.0%	25.0%	40.0%	44.5%
	No follow up after the submission of application	66.7%	0.0%	17.2%	25.0%	15.6%	0.0%	37.5%	40.0%	44.0%	40.0%	75.0%	40.0%	28.7%
	Incur additional costs, terms and conditions (e.g. processing fee, higher interest rate)	33.3%	0.0%	10.3%	25.0%	6.3%	12.5%	25.0%	20.0%	16.0%	0.0%	50.0%	20.0%	16.5%
	Not qualified to apply the loan repayment assistance	66.7%	0.0%	37.9%	33.3%	31.3%	25.0%	29.2%	40.0%	40.0%	40.0%	25.0%	60.0%	35.4%
	Banks are doubtful on the ability of borrower's repayment ability due to the risky nature of business	33.3%	0.0%	37.9%	37.5%	18.8%	25.0%	45.8%	40.0%	40.0%	20.0%	25.0%	20.0%	33.5%
	Others	33.3%	0.0%	0.0%	0.0%	12.5%	0.0%	12.5%	0.0%	4.0%	0.0%	25.0%	0.0%	6.1%
	Sample size (n)	3	0	29	24	32	8	24	5	25	5	4	5	164

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		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
III	Foreign sales													
i	Volume													
	Increased 1%-15%	20.0%	0.0%	12.7%	12.5%	10.8%	10.5%	10.5%	22.2%	9.1%	0.0%	0.0%	11.1%	11.3%
	Increased 16%-30%	0.0%	0.0%	5.8%	0.0%	5.4%	0.0%	10.5%	11.1%	9.1%	0.0%	0.0%	11.1%	5.7%
	Increased >30%	0.0%	0.0%	9.9%	12.5%	8.1%	10.5%	0.0%	0.0%	9.1%	14.3%	0.0%	11.1%	8.0%
	Unchanged	40.0%	0.0%	22.5%	37.5%	24.3%	36.8%	15.8%	33.3%	27.3%	42.9%	20.0%	22.2%	25.9%
	Decreased 1%-15%	20.0%	100.0%	18.3%	25.0%	27.0%	10.5%	0.0%	11.1%	9.1%	0.0%	20.0%	22.2%	16.5%
	Decreased 16%-30%	0.0%	0.0%	11.3%	12.5%	8.1%	0.0%	5.3%	0.0%	4.5%	28.6%	0.0%	11.1%	8.0%
	Decreased >30%	20.0%	0.0%	19.7%	0.0%	16.2%	31.6%	57.9%	22.2%	31.8%	14.3%	60.0%	11.1%	24.5%
	Sample size (n)	5	1	71	8	37	19	19	9	22	7	5	9	212
ii	Price level													
	Increased 1%-15%	0.0%	0.0%	5.7%	18.2%	16.7%	42.1%	13.6%	11.1%	12.5%	0.0%	0.0%	0.0%	12.3%
	Increased 16%-30%	20.0%	0.0%	2.9%	0.0%	5.6%	0.0%	13.6%	11.1%	8.3%	25.0%	0.0%	0.0%	5.9%
	Increased >30%	0.0%	0.0%	11.4%	0.0%	0.0%	5.3%	0.0%	22.2%	12.5%	0.0%	0.0%	11.1%	7.3%
	Unchanged	40.0%	0.0%	52.9%	54.5%	52.8%	21.1%	31.8%	22.2%	41.7%	50.0%	66.7%	44.4%	45.0%
	Decreased 1%-15%	0.0%	100.0%	15.7%	18.2%	19.4%	5.3%	0.0%	11.1%	8.3%	0.0%	16.7%	22.2%	12.7%
	Decreased 16%-30%	40.0%	0.0%	8.6%	9.1%	2.8%	5.3%	4.5%	22.2%	4.2%	12.5%	0.0%	11.1%	7.7%
	Decreased >30%	0.0%	0.0%	2.9%	0.0%	2.8%	21.1%	36.4%	0.0%	12.5%	0.0%	16.7%	11.1%	9.1%
	Sample size (n)	5	1	70	11	36	19	22	9	24	8	6	9	220
IV	Business operations													
i	Production													
	Increased 1%-15%	6.7%	33.3%	15.6%	9.4%	9.4%	5.9%	2.4%	10.0%	3.8%	5.9%	6.3%	11.8%	9.4%
	Increased 16%-30%	13.3%	33.3%	10.1%	3.8%	6.3%	0.0%	9.8%	10.0%	17.3%	5.9%	0.0%	0.0%	8.5%
	Increased >30%	0.0%	0.0%	7.3%	3.8%	4.7%	5.9%	0.0%	0.0%	5.8%	5.9%	12.5%	5.9%	5.1%
	Unchanged	26.7%	0.0%	21.1%	28.3%	34.4%	29.4%	26.8%	20.0%	34.6%	58.8%	50.0%	41.2%	30.2%
	Decreased 1%-15%	20.0%	0.0%	13.8%	26.4%	18.8%	23.5%	9.8%	0.0%	7.7%	11.8%	12.5%	23.5%	15.5%
	Decreased 16%-30%	26.7%	33.3%	17.4%	15.1%	14.1%	11.8%	12.2%	30.0%	13.5%	5.9%	6.3%	11.8%	15.0%
	Decreased >30%	6.7%	0.0%	14.7%	13.2%	12.5%	23.5%	39.0%	30.0%	17.3%	5.9%	12.5%	5.9%	16.4%
	Sample size (n)	15	3	109	53	64	17	41	10	52	17	16	17	414
ii	Inventory or stock level													
	Increased 1%-15%	13.3%	75.0%	10.6%	11.8%	15.9%	21.7%	9.8%	12.5%	12.8%	7.1%	6.7%	17.6%	13.5%
	Increased 16%-30%	13.3%	0.0%	9.6%	13.7%	12.1%	4.3%	9.8%	0.0%	5.1%	7.1%	6.7%	0.0%	9.4%
	Increased >30%	0.0%	0.0%	6.7%	5.9%	7.5%	4.3%	2.4%	12.5%	2.6%	0.0%	6.7%	0.0%	5.3%
	Unchanged	40.0%	0.0%	31.7%	31.4%	28.0%	34.8%	34.1%	25.0%	35.9%	57.1%	53.3%	41.2%	33.3%
	Decreased 1%-15%	13.3%	0.0%	22.1%	15.7%	16.8%	13.0%	14.6%	0.0%	7.7%	14.3%	20.0%	35.3%	16.9%
	Decreased 16%-30%	6.7%	25.0%	13.5%	13.7%	13.1%	8.7%	9.8%	12.5%	15.4%	0.0%	0.0%	5.9%	11.6%
	Decreased >30%	13.3%	0.0%	5.8%	7.8%	6.5%	13.0%	19.5%	37.5%	20.5%	14.3%	6.7%	0.0%	10.0%
	Sample size (n)	15	4	104	51	107	23	41	8	39	14	15	17	438
V	Cost of raw materials													
i	Local													
	Increased 1%-5%	11.8%	25.0%	10.2%	13.2%	19.5%	11.8%	22.9%	22.2%	16.2%	0.0%	0.0%	8.3%	14.1%
	Increased 6%-10%	11.8%	0.0%	17.6%	19.7%	20.7%	23.5%	14.3%	11.1%	8.1%	16.7%	23.1%	16.7%	17.3%
	Increased >10%	52.9%	50.0%	43.5%	40.8%	28.7%	17.6%	22.9%	22.2%	16.2%	0.0%	15.4%	25.0%	32.3%
	Unchanged	23.5%	25.0%	23.1%	19.7%	25.3%	35.3%	34.3%	22.2%	35.1%	50.0%	53.8%	33.3%	27.4%
	Decreased 1%-5%	0.0%	0.0%	2.8%	3.9%	2.3%	11.8%	5.7%	0.0%	8.1%	8.3%	7.7%	0.0%	4.0%
	Decreased 6%-10%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	0.0%	5.4%	16.7%	0.0%	0.0%	1.2%
	Decreased >10%	0.0%	0.0%	2.8%	1.3%	3.4%	0.0%	0.0%	22.2%	10.8%	8.3%	0.0%	16.7%	3.7%
	Sample size (n)	17	4	108	76	87	17	35	9	37	12	13	12	427
ii	Imported													
	Increased 1%-5%	7.1%	0.0%	9.5%	11.1%	8.9%	10.5%	10.3%	12.5%	10.7%	0.0%	0.0%	0.0%	8.9%
	Increased 6%-10%	14.3%	33.3%	17.9%	16.7%	20.3%	21.1%	20.7%	0.0%	14.3%	18.2%	0.0%	27.3%	17.8%
	Increased >10%	42.9%	66.7%	52.6%	44.4%	41.8%	31.6%	34.5%	37.5%	14.3%	9.1%	33.3%	36.4%	40.6%
	Unchanged	28.6%	0.0%	16.8%	22.2%	19.0%	26.3%	27.6%	25.0%	42.9%	54.5%	55.6%	27.3%	24.4%
	Decreased 1%-5%	0.0%	0.0%	3.2%	3.7%	1.3%	0.0%	6.9%	0.0%	3.6%	9.1%	0.0%	0.0%	2.8%
	Decreased 6%-10%	0.0%	0.0%	0.0%	0.0%	5.1%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%	9.1%	1.7%
	Decreased >10%	7.1%	0.0%	0.0%	1.9%	3.8%	5.3%	0.0%	25.0%	14.3%	9.1%	11.1%	0.0%	3.9%
	Sample size (n)	14	3	95	54	79	19	29	8	28	11	9	11	360
VI	Manpower													
i	Number of employees													
	Increased 1-5	5.0%	0.0%	5.3%	8.3%	7.7%	7.7%	5.8%	22.2%	9.2%	17.2%	0.0%	10.7%	7.9%
	Increased 6-10	0.0%	0.0%	5.3%	2.4%	2.8%	0.0%	4.3%	5.6%	4.6%	0.0%	3.2%	3.6%	3.4%
	Increased >10	0.0%	0.0%	7.9%	6.0%	0.7%	3.8%	2.9%	0.0%	5.5%	10.3%	3.2%	7.1%	4.4%
	Unchanged	80.0%	50.0%	55.3%	46.4%	72.7%	61.5%	33.3%	55.6%	54.1%	51.7%	71.0%	60.7%	57.2%
	Decreased 1-5	5.0%	0.0%	14.9%	21.4%	13.3%	19.2%	18.8%	0.0%	16.5%	13.8%	16.1%	10.7%	15.3%
	Decreased 6-10	0.0%	50.0%	1.8%	13.1%	1.4%	0.0%	21.7%	5.6%	1.8%	6.9%	0.0%	7.1%	5.8%
	Decreased >10	10.0%	0.0%	9.6%	2.4%	1.4%	7.7%	13.0%	11.1%	8.3%	0.0%	6.5%	0.0%	6.1%
	Sample size (n)	20	4	114	84	143	26	69	18	109	29	31	28	675
ii	Wage growth													
	Increased 1%-5%	20.0%	0.0%	7.0%	7.1%	3.5%	7.7%	5.9%	16.7%	6.5%	6.9%	6.5%	3.6%	6.6%
	Increased 6%-10%	0.0%	0.0%	6.1%	7.1%	5.6%	0.0%	2.9%	0.0%	5.6%	0.0%	0.0%	0.0%	4.3%
	Increased >10%	0.0%	0.0%	10.5%	2.4%	4.2%	3.8%	0.0%	16.7%	8.4%	10.3%	3.2%	7.1%	5.8%
	Unchanged	70.0%	50.0%	64.0%	63.1%	76.8%	69.2%	50.0%	50.0%	57.0%	79.3%	77.4%	78.6%	65.9%
	Decreased 1%-5%	0.0%	0.0%	8.8%	7.1%	8.5%	11.5%	16.2%	0.0%	8.4%	3.4%	3.2%	7.1%	8.2%
	Decreased 6%-10%	0.0%	50.0%	0.0%	9.5%	0.0%	3.8%	10.3%	11.1%	5.6%	0.0%	0.0%	0.0%	3.9%
	Decreased >10%	10.0%	0.0%	3.5%	3.6%	1.4%	3.8%	14.7%	5.6%	8.4%	0.0%	9.7%	3.6%	5.4%
	Sample size (n)	20	4	114	84	142	26	68	18	107	29	31	28	671

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		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
IV	Business operations													
i	Production													
	Increase 1%-15%	31.3%	25.0%	12.8%	21.6%	10.8%	11.1%	7.5%	10.0%	6.1%	6.7%	18.8%	0.0%	12.5%
	Increase 16%-30%	0.0%	25.0%	3.7%	9.8%	7.7%	5.6%	2.5%	10.0%	8.2%	6.7%	6.3%	0.0%	5.9%
	Increase >30%	6.3%	0.0%	8.3%	0.0%	3.1%	0.0%	0.0%	0.0%	4.1%	6.7%	6.3%	12.5%	4.4%
	Unchanged	25.0%	25.0%	30.3%	31.4%	43.1%	44.4%	22.5%	30.0%	38.8%	53.3%	50.0%	50.0%	35.5%
	Decrease 1%-15%	12.5%	0.0%	15.6%	13.7%	16.9%	16.7%	17.5%	10.0%	8.2%	20.0%	18.8%	18.8%	14.9%
	Decrease 16%-30%	18.8%	25.0%	13.8%	7.8%	7.7%	5.6%	12.5%	20.0%	12.2%	6.7%	0.0%	12.5%	11.0%
	Decrease >30%	6.3%	0.0%	15.6%	15.7%	10.8%	16.7%	37.5%	20.0%	22.4%	0.0%	0.0%	6.3%	15.9%
	Sample size (n)	16	4	109	51	65	18	40	10	49	15	16	16	409
ii	Inventory or stock level													
	Increase 1%-15%	20.0%	50.0%	16.2%	21.3%	19.6%	26.1%	12.8%	12.5%	2.6%	10.0%	13.3%	0.0%	16.1%
	Increase 16%-30%	6.7%	0.0%	7.6%	12.8%	11.8%	8.7%	5.1%	0.0%	7.7%	0.0%	0.0%	0.0%	8.0%
	Increase >30%	0.0%	0.0%	7.6%	0.0%	6.9%	8.7%	2.6%	0.0%	5.1%	20.0%	6.7%	0.0%	5.4%
	Unchanged	53.3%	25.0%	33.3%	40.4%	28.4%	30.4%	25.6%	37.5%	41.0%	40.0%	60.0%	75.0%	36.2%
	Decrease 1%-15%	13.3%	0.0%	21.0%	8.5%	21.6%	13.0%	17.9%	12.5%	17.9%	20.0%	13.3%	25.0%	18.0%
	Decrease 16%-30%	0.0%	25.0%	10.5%	2.1%	5.9%	8.7%	7.7%	12.5%	7.7%	10.0%	0.0%	0.0%	6.9%
	Decrease >30%	6.7%	0.0%	3.8%	14.9%	5.9%	4.3%	28.2%	25.0%	17.9%	0.0%	6.7%	0.0%	9.5%
	Sample size (n)	15	4	105	47	102	23	39	8	39	10	15	16	423
VI	Cost of raw materials													
i	Local													
	Increase 1%-5%	11.8%	25.0%	5.5%	20.8%	19.3%	31.6%	20.0%	12.5%	14.3%	10.0%	21.4%	0.0%	15.1%
	Increase 6%-10%	0.0%	0.0%	23.6%	13.9%	18.1%	15.8%	17.1%	0.0%	14.3%	10.0%	21.4%	9.1%	16.7%
	Increase >10%	52.9%	25.0%	39.1%	40.3%	28.9%	10.5%	28.6%	25.0%	26.2%	10.0%	7.1%	45.5%	32.5%
	Unchanged	35.3%	25.0%	25.5%	19.4%	26.5%	42.1%	28.6%	37.5%	23.8%	40.0%	50.0%	27.3%	27.3%
	Decrease 1%-5%	0.0%	0.0%	3.6%	4.2%	6.0%	0.0%	5.7%	12.5%	4.8%	20.0%	0.0%	9.1%	4.7%
	Decrease 6%-10%	0.0%	25.0%	0.9%	0.0%	1.2%	0.0%	0.0%	0.0%	4.8%	0.0%	0.0%	9.1%	1.4%
	Decrease >10%	0.0%	0.0%	1.8%	1.4%	0.0%	0.0%	0.0%	12.5%	11.9%	10.0%	0.0%	0.0%	2.4%
	Sample size (n)	17	4	110	72	83	19	35	8	42	10	14	11	425
ii	Imported													
	Increase 1%-5%	14.3%	0.0%	7.1%	15.1%	15.6%	26.3%	16.7%	12.5%	5.9%	0.0%	20.0%	0.0%	12.0%
	Increase 6%-10%	7.1%	25.0%	17.3%	13.2%	16.9%	10.5%	26.7%	0.0%	17.6%	0.0%	0.0%	9.1%	15.3%
	Increase >10%	57.1%	25.0%	48.0%	47.2%	35.1%	26.3%	26.7%	12.5%	23.5%	0.0%	20.0%	36.4%	37.2%
	Unchanged	21.4%	0.0%	19.4%	17.0%	28.6%	36.8%	26.7%	50.0%	35.3%	62.5%	60.0%	36.4%	27.0%
	Decrease 1%-5%	0.0%	0.0%	6.1%	5.7%	1.3%	0.0%	3.3%	12.5%	5.9%	25.0%	0.0%	18.2%	4.9%
	Decrease 6%-10%	0.0%	50.0%	1.0%	0.0%	1.3%	0.0%	0.0%	0.0%	2.9%	12.5%	0.0%	0.0%	1.6%
	Decrease >10%	0.0%	0.0%	1.0%	1.9%	1.3%	0.0%	0.0%	12.5%	8.8%	0.0%	0.0%	0.0%	1.9%
	Sample size (n)	14	4	98	53	77	19	30	8	34	8	10	11	366
VI	Manpower													
i	Number of employees													
	Increase 1-5	5.0%	0.0%	9.6%	9.5%	9.1%	3.8%	7.2%	11.1%	11.9%	6.9%	6.5%	7.1%	8.9%
	Increase 6-10	0.0%	0.0%	4.4%	4.8%	2.8%	3.8%	2.9%	0.0%	6.4%	6.9%	3.2%	3.6%	4.0%
	Increase >10	0.0%	0.0%	7.9%	4.8%	2.8%	3.8%	0.0%	5.6%	1.8%	3.4%	0.0%	3.6%	3.4%
	Unchanged	80.0%	50.0%	57.0%	53.6%	72.0%	69.2%	50.7%	66.7%	59.6%	65.5%	74.2%	78.6%	63.0%
	Decrease 1-5	5.0%	25.0%	13.2%	16.7%	7.7%	15.4%	13.0%	5.6%	12.8%	10.3%	9.7%	7.1%	11.6%
	Decrease 6-10	0.0%	25.0%	2.6%	8.3%	2.8%	0.0%	11.6%	5.6%	0.9%	3.4%	0.0%	0.0%	3.9%
	Decrease >10	10.0%	0.0%	5.3%	2.4%	2.8%	3.8%	14.5%	5.6%	6.4%	3.4%	6.5%	0.0%	5.3%
	Sample size (n)	20	4	114	84	143	26	69	18	109	29	31	28	675
ii	Wage growth													
	Increase 1%-5%	20.0%	0.0%	10.5%	9.5%	12.0%	3.8%	4.4%	11.1%	9.3%	3.4%	9.7%	14.3%	9.7%
	Increase 6%-10%	0.0%	0.0%	13.2%	6.0%	4.9%	7.7%	2.9%	5.6%	4.7%	3.4%	0.0%	0.0%	5.7%
	Increase >10%	0.0%	0.0%	7.9%	2.4%	5.6%	0.0%	1.5%	5.6%	9.3%	0.0%	3.2%	10.7%	5.2%
	Unchanged	60.0%	50.0%	60.5%	65.5%	66.2%	80.8%	63.2%	66.7%	55.1%	82.8%	77.4%	60.7%	64.4%
	Decrease 1%-5%	10.0%	25.0%	6.1%	9.5%	7.0%	3.8%	7.4%	0.0%	7.5%	3.4%	3.2%	14.3%	7.2%
	Decrease 6%-10%	5.0%	25.0%	0.0%	3.6%	1.4%	3.8%	5.9%	11.1%	6.5%	6.9%	0.0%	0.0%	3.4%
	Decrease >10%	5.0%	0.0%	1.8%	3.6%	2.8%	0.0%	14.7%	0.0%	7.5%	0.0%	6.5%	0.0%	4.5%
	Sample size (n)	20	4	114	84	142	26	68	18	107	29	31	28	671
VI	Others													
i	Capital expenditure													
	Increase 1%-15%	21.4%	25.0%	15.1%	18.8%	19.4%	9.1%	18.2%	14.3%	9.6%	11.1%	28.6%	10.0%	16.1%
	Increase 16%-30%	7.1%	25.0%	12.3%	14.1%	7.4%	27.3%	2.3%	0.0%	9.6%	0.0%	0.0%	5.0%	9.3%
	Increase >30%	28.6%	0.0%	16.0%	17.2%	24.1%	13.6%	11.4%	14.3%	17.8%	16.7%	19.0%	10.0%	17.7%
	Unchanged	35.7%	25.0%	47.2%	42.2%	43.5%	40.9%	47.7%	64.3%	42.5%	44.4%	47.6%	65.0%	45.5%
	Decrease 1%-15%	0.0%	0.0%	6.6%	4.7%	2.8%	9.1%	2.3%	0.0%	8.2%	11.1%	4.8%	5.0%	5.1%
	Decrease 16%-30%	0.0%	25.0%	1.9%	0.0%	0.9%	0.0%	9.1%	0.0%	4.1%	0.0%	0.0%	5.0%	2.4%
	Decrease >30%	7.1%	0.0%	0.9%	3.1%	1.9%	0.0%	9.1%	7.1%	8.2%	16.7%	0.0%	0.0%	3.9%
	Sample size (n)	14	4	106	64	108	22	44	14	73	18	21	20	508

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS)														
FOR THE 2ND HALF-YEAR OF 2020														
		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
PART C: CURRENT ISSUES														
RESKILLING AND UPSKILLING OF MANPOWER														
C1 When making hiring decision, which skills are the most important for a person to have?														
Entry level														
	Soft skills	20.8%	25.0%	33.9%	25.6%	51.4%	46.2%	50.0%	50.0%	52.3%	59.4%	47.1%	46.7%	43.8%
	Hard skills	79.2%	75.0%	66.1%	74.4%	48.6%	53.8%	50.0%	50.0%	47.7%	40.6%	52.9%	53.3%	56.2%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
Mid-level (non-managerial)														
	Soft skills	50.0%	0.0%	40.0%	31.4%	62.3%	61.5%	56.9%	72.2%	58.7%	65.6%	44.1%	46.7%	51.7%
	Hard skills	50.0%	100.0%	60.0%	68.6%	37.7%	38.5%	43.1%	27.8%	41.3%	34.4%	55.9%	53.3%	48.3%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
Senior-level (managerial)														
	Soft skills	87.5%	75.0%	77.4%	68.6%	83.6%	80.8%	80.6%	55.6%	75.2%	84.4%	73.5%	70.0%	77.3%
	Hard skills	12.5%	25.0%	22.6%	31.4%	16.4%	19.2%	19.4%	44.4%	24.8%	15.6%	26.5%	30.0%	22.7%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
Executive level														
	Soft skills	79.2%	100.0%	75.7%	77.9%	76.7%	65.4%	77.8%	44.4%	77.1%	71.9%	67.6%	56.7%	74.3%
	Hard skills	20.8%	0.0%	24.3%	22.1%	23.3%	34.6%	22.2%	55.6%	22.9%	28.1%	32.4%	43.3%	25.7%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
C2 Why did you see the need to upskill or reskill your employee? (Dummy variables)														
	As part of HR training development	50.0%	50.0%	40.9%	38.4%	34.9%	19.2%	26.4%	44.4%	42.2%	46.9%	50.0%	43.3%	38.5%
	To prepare workforce for future on new technologies	58.3%	25.0%	59.1%	61.6%	50.0%	53.8%	58.3%	44.4%	64.2%	56.3%	61.8%	70.0%	57.9%
	To improve employee retention and avoid hiring costs	45.8%	50.0%	46.1%	36.0%	45.9%	38.5%	44.4%	61.1%	45.9%	53.1%	50.0%	50.0%	45.4%
	To increase productivity	58.3%	25.0%	80.9%	69.8%	62.3%	57.7%	61.1%	38.9%	71.6%	65.6%	61.8%	73.3%	67.1%
	To address new regulations affecting our company	29.2%	50.0%	27.8%	16.3%	21.2%	15.4%	19.4%	33.3%	31.2%	37.5%	23.5%	33.3%	25.0%
	As a means of reward/benefit/employer branding	41.7%	50.0%	24.3%	32.6%	36.3%	15.4%	41.7%	22.2%	36.7%	34.4%	35.3%	43.3%	33.8%
	Due to the lack of skill set	50.0%	50.0%	36.5%	32.6%	33.6%	15.4%	37.5%	33.3%	28.4%	37.5%	29.4%	40.0%	33.8%
	Do not see the need for skill set enhancement	0.0%	25.0%	2.6%	5.8%	5.5%	3.8%	2.8%	5.6%	2.8%	0.0%	0.0%	0.0%	3.4%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
C3 Please state barriers to reskilling and upskilling of employees. (Dummy variables)														
	Lack of time and resources to develop it	58.3%	25.0%	58.3%	62.8%	53.4%	42.3%	50.0%	61.1%	55.1%	46.9%	58.8%	63.3%	55.5%
	HR infrastructure cannot execute a new strategy for addressing skill gaps	16.7%	25.0%	25.2%	24.4%	25.3%	23.1%	23.6%	22.2%	16.5%	37.5%	32.4%	26.7%	24.1%
	Finding the right training resources/programs	66.7%	25.0%	42.6%	44.2%	48.0%	53.9%	36.1%	61.1%	44.0%	59.4%	55.9%	50.0%	46.8%
	Unable to have a good understanding of how automation and digitalization will affect future skill needs	45.8%	0.0%	33.0%	26.7%	22.6%	19.2%	30.6%	16.7%	23.9%	43.8%	32.4%	20.0%	27.6%
	Addressing skill gaps is not a high priority	20.8%	25.0%	11.3%	14.0%	15.8%	11.5%	15.3%	16.7%	10.1%	43.8%	29.4%	26.7%	16.4%
	Sceptical of the return on retraining investments	33.3%	50.0%	33.9%	25.6%	30.8%	7.7%	26.4%	27.8%	22.9%	37.5%	32.4%	40.0%	29.0%
	Unaware of any internal and external solutions for skills gap	20.8%	0.0%	15.7%	27.9%	18.5%	7.7%	19.4%	22.2%	18.4%	34.4%	32.4%	16.7%	20.3%
	Others	4.2%	0.0%	4.4%	1.2%	0.0%	3.9%	4.2%	5.6%	3.7%	0.0%	0.0%	0.0%	2.3%
	No issue at all	4.2%	0.0%	2.6%	8.1%	13.0%	11.5%	6.9%	5.6%	11.9%	3.1%	5.9%	10.0%	8.3%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
C4 Does your company provide reskilling or upskilling program/course to your employees?														
	Yes	47.8%	50.0%	59.6%	52.4%	30.5%	52.0%	46.4%	70.6%	52.4%	90.6%	63.6%	65.5%	51.5%
	No	52.2%	50.0%	40.4%	47.6%	69.5%	48.0%	53.6%	29.4%	47.6%	9.4%	36.4%	34.5%	48.5%
	Sample size (n)	23	4	104	82	141	25	69	17	103	32	33	29	662
C4.1 How frequent does your company provide reskilling or upskilling program/course to your employees? (Dummy variables)														
	Yes, quarterly	9.1%	0.0%	12.9%	20.9%	16.3%	7.7%	15.6%	8.3%	31.5%	48.3%	23.8%	26.3%	21.4%
	Yes, bi-annually	18.2%	50.0%	19.4%	2.3%	14.0%	15.4%	12.5%	25.0%	20.4%	17.2%	19.0%	21.1%	16.1%
	Yes, yearly	45.5%	50.0%	38.7%	32.6%	41.9%	38.5%	43.8%	25.0%	25.9%	27.6%	38.1%	52.6%	36.4%
	Yes, on an ad-hoc basis, upon employees' request	27.3%	50.0%	46.8%	53.5%	46.5%	46.2%	31.3%	58.3%	33.3%	13.8%	33.3%	42.1%	39.9%
	Sample size (n)	11	2	62	43	43	13	32	12	54	29	21	19	341
C4.2 Why your company does not provide reskilling or upskilling program/course to your employees? (Dummy variables)														
	No, employees are not keen to attend training program/course	16.7%	50.0%	26.2%	28.2%	33.7%	25.0%	16.2%	60.0%	20.4%	66.7%	25.0%	20.0%	27.1%
	No, not feasible due to a small number of employees	41.7%	0.0%	52.4%	59.0%	44.9%	25.0%	40.5%	40.0%	59.2%	33.3%	41.7%	80.0%	48.9%
	No, limited or no budget for training cost	33.3%	50.0%	57.1%	33.3%	40.8%	33.3%	51.4%	60.0%	38.8%	0.0%	41.7%	30.0%	42.1%
	Do not see the necessary training needs	33.3%	0.0%	4.8%	12.8%	9.2%	33.3%	13.5%	20.0%	10.2%	0.0%	25.0%	10.0%	12.1%
	Sample size (n)	12	2	42	39	98	12	37	5	49	3	12	10	321
C5 Does your company list the number of reskilling or upskilling programs/courses attended as an employee's Key Performance Indicator (KPI)?														
	Yes	26.1%	50.0%	31.3%	29.1%	22.6%	30.8%	25.0%	22.2%	34.9%	59.4%	38.2%	30.0%	30.4%
	No	34.8%	25.0%	39.1%	32.6%	41.1%	46.2%	34.7%	55.6%	33.0%	31.3%	23.5%	33.3%	36.4%
	Not applicable / Not relevant	39.1%	25.0%	29.6%	38.4%	36.3%	23.1%	40.3%	22.2%	32.1%	9.4%	38.2%	36.7%	33.2%
	Sample size (n)	23	4	115	86	146	26	72	18	109	32	34	30	695

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS)														
FOR THE 2ND HALF-YEAR OF 2020														
		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
C6	How does your company reskill/upskill employees? (Dummy variables)													
	Continuous training	25.0%	0.0%	33.0%	29.1%	16.4%	19.2%	33.3%	38.9%	27.5%	56.3%	32.4%	36.7%	28.6%
	Industry courses and qualifications/certifications program/course	25.0%	50.0%	35.7%	41.9%	11.0%	19.2%	22.2%	22.2%	21.1%	46.9%	29.4%	33.3%	26.4%
	In-house training	41.7%	75.0%	66.1%	48.8%	54.8%	69.2%	65.3%	72.2%	58.7%	75.0%	47.1%	50.0%	58.6%
	Seminars/events/conferences	29.2%	25.0%	31.3%	34.9%	30.8%	26.9%	19.4%	11.1%	39.5%	53.1%	55.9%	40.0%	33.5%
	External training providers	25.0%	25.0%	29.6%	17.4%	17.1%	11.5%	20.8%	27.8%	20.2%	31.3%	26.5%	33.3%	22.3%
	Online learning tools	25.0%	0.0%	11.3%	16.3%	21.2%	38.5%	27.8%	16.7%	31.2%	34.4%	20.6%	60.0%	24.0%
	Others	4.2%	0.0%	0.0%	1.2%	0.7%	0.0%	0.0%	0.0%	1.8%	0.0%	2.9%	0.0%	0.9%
	Not applicable / not relevant	20.8%	25.0%	10.4%	19.8%	26.7%	15.4%	22.2%	16.7%	12.8%	6.3%	20.6%	6.7%	17.5%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
C7	Which aspects of reskilling and upskilling are needed for employees? (Dummy variables)													
	Soft skills (communication, emotional, engagement, team work etc.)	1.7%	0.3%	11.2%	6.8%	15.3%	2.2%	7.6%	2.2%	11.1%	3.6%	4.2%	3.2%	69.2%
	New technology adoption	54.2%	25.0%	60.0%	62.8%	47.6%	61.5%	41.7%	55.6%	51.4%	62.5%	41.2%	66.7%	53.5%
	Cross-functional skill set	33.3%	0.0%	40.9%	26.7%	32.4%	34.6%	31.9%	38.9%	22.9%	43.8%	23.5%	46.7%	32.4%
	Initiatives, innovative and creativity	41.7%	25.0%	48.7%	39.5%	47.6%	46.2%	50.0%	38.9%	39.5%	43.8%	52.9%	46.7%	45.2%
	Multi-tasking	62.5%	50.0%	48.7%	47.7%	55.9%	23.1%	54.2%	55.6%	54.1%	40.6%	52.9%	50.0%	51.1%
	Critical thinking	45.8%	25.0%	31.3%	41.9%	39.3%	38.5%	29.2%	44.4%	43.1%	43.8%	58.8%	46.7%	39.6%
	Others	0.0%	0.0%	1.7%	1.2%	0.7%	0.0%	0.0%	0.0%	4.6%	3.1%	0.0%	0.0%	1.4%
	Sample size (n)	24	4	115	86	145	26	72	18	109	32	34	30	695
C8	Does your company sponsor (via paid leave, study loan, and scholarship) employees to pursue further studies?													
	Yes, an employee must work for a minimum of three years with the company with good performance rating	8.3%	0.0%	15.7%	8.1%	6.2%	11.5%	11.1%	16.7%	11.9%	43.8%	20.6%	10.0%	12.5%
	Yes, an employee must work for a minimum of five years and above with the company with good performance rating	8.3%	0.0%	5.2%	7.0%	9.0%	11.5%	8.3%	5.6%	4.6%	15.6%	5.9%	0.0%	7.1%
	Yes, without a minimum number of working years with the company but the course must be relevant	8.3%	25.0%	11.3%	10.5%	4.1%	11.5%	13.9%	16.7%	8.3%	9.4%	11.8%	23.3%	10.1%
	No, we do not have this policy	75.0%	75.0%	67.8%	74.4%	80.7%	65.4%	66.7%	61.1%	75.2%	31.3%	61.8%	66.7%	70.4%
	Sample size (n)	24	4	115	86	145	26	72	18	109	32	34	30	695
C9	Has upskilling/reskilling training been beneficial to your company? (Dummy variables)													
	Increase company productivity and process efficiency	50.0%	25.0%	73.0%	55.8%	41.1%	50.0%	52.8%	44.4%	57.8%	68.8%	61.8%	60.0%	55.7%
	Employee motivation and retention	29.2%	25.0%	40.0%	37.2%	37.0%	30.8%	33.3%	50.0%	50.5%	46.9%	38.2%	56.7%	40.4%
	Alignment of employees towards the company's goals	58.3%	25.0%	37.4%	36.1%	34.9%	23.1%	26.4%	44.4%	44.0%	46.9%	55.9%	60.0%	39.2%
	Enhance company reputation	12.5%	0.0%	25.2%	23.3%	18.5%	7.7%	23.6%	22.2%	24.8%	43.8%	23.5%	43.3%	23.6%
	Not applicable / Not relevant	25.0%	25.0%	13.9%	26.7%	37.0%	30.8%	29.2%	22.2%	22.0%	6.3%	20.6%	10.0%	24.3%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
C10	How will automation and digitalization impact on your company's skill requirements? (Dummy variables)													
	Lower demand for physical and manual skills in repeatable and predictable tasks	45.8%	25.0%	60.0%	51.2%	50.3%	56.0%	56.9%	72.2%	60.6%	59.4%	61.8%	56.7%	56.1%
	Reduce demand for basic literacy and numeracy skills	41.7%	50.0%	27.0%	29.1%	32.4%	12.0%	29.2%	44.4%	28.4%	37.5%	29.4%	30.0%	30.1%
	Increase demand for technological skills (both coding and especially interacting with technology)	41.7%	25.0%	51.3%	32.6%	33.8%	28.0%	36.1%	38.9%	36.7%	50.0%	41.2%	46.7%	39.0%
	Need for complex cognitive skills	54.2%	0.0%	22.6%	30.2%	25.5%	24.0%	27.8%	33.3%	18.4%	34.4%	44.1%	23.3%	26.9%
	Demand for high-level social and emotional skills, such as initiative taking, leadership, and entrepreneurship	16.7%	0.0%	25.2%	23.3%	30.3%	36.0%	25.0%	27.8%	32.1%	28.1%	44.1%	26.7%	28.2%
	Others	0.0%	0.0%	0.0%	3.5%	2.8%	0.0%	2.8%	0.0%	0.9%	0.0%	0.0%	3.3%	1.6%
	Sample size (n)	24	4	115	86	145	25	72	18	109	32	34	30	694
HUMAN RESOURCES DEVELOPMENT FUND (HRDF)														
C11	Does your company register with the Human Resources Development Fund (HRDF)?													
	Yes and have utilised the fund	16.7%	50.0%	46.5%	15.3%	10.3%	26.9%	23.9%	55.6%	12.8%	21.9%	20.6%	23.3%	22.5%
	Yes, but never utilise the fund	8.3%	50.0%	18.4%	11.8%	10.3%	3.8%	4.2%	5.6%	15.6%	12.5%	11.8%	6.7%	11.8%
	No	75.0%	0.0%	35.1%	72.9%	79.5%	69.2%	71.8%	38.9%	71.6%	65.6%	67.6%	70.0%	65.7%
	Sample size (n)	24	4	114	85	146	26	71	18	109	32	34	30	693
C12	Please rate the following training schemes offered by the Human Resources Development Fund (HRDF).													
Future Workers Training (FWT)														
	Totally ineffective/irrelevant	0.0%	0.0%	3.2%	0.0%	4.0%	12.5%	0.0%	10.0%	13.0%	0.0%	0.0%	0.0%	4.1%
	Less effective/relevant	40.0%	0.0%	25.4%	11.1%	36.0%	25.0%	21.4%	20.0%	17.4%	11.1%	0.0%	0.0%	21.3%
	Effective/relevant	20.0%	33.3%	27.0%	38.9%	28.0%	25.0%	28.6%	20.0%	21.7%	44.4%	12.5%	14.3%	26.9%
	Totally effective/relevant	20.0%	0.0%	6.3%	11.1%	4.0%	12.5%	21.4%	10.0%	13.0%	22.2%	12.5%	42.9%	11.4%
	Not aware	20.0%	66.7%	38.1%	38.9%	28.0%	25.0%	28.6%	40.0%	34.8%	22.2%	75.0%	42.9%	36.3%
	Sample size (n)	5	3	63	18	25	8	14	10	23	9	8	7	193
Skim Bantuan Latihan (SBL)														
	Totally ineffective/irrelevant	0.0%	0.0%	3.2%	0.0%	0.0%	0.0%	0.0%	22.2%	15.4%	0.0%	0.0%	0.0%	4.1%
	Less effective/relevant	40.0%	0.0%	24.2%	11.1%	32.0%	25.0%	5.9%	0.0%	7.7%	10.0%	0.0%	0.0%	16.7%
	Effective/relevant	20.0%	50.0%	37.1%	33.3%	20.0%	37.5%	41.2%	22.2%	11.5%	40.0%	28.6%	50.0%	31.0%
	Totally effective/relevant	20.0%	0.0%	0.0%	16.7%	8.0%	0.0%	23.5%	11.1%	15.4%	30.0%	14.3%	0.0%	9.6%
	Not aware	20.0%	50.0%	35.5%	38.9%	40.0%	37.5%	29.4%	44.4%	50.0%	20.0%	57.1%	50.0%	38.6%
	Sample size (n)	5	4	62	18	25	8	17	9	26	10	7	6	197

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS)														
FOR THE 2ND HALF-YEAR OF 2020														
	Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020	
Skim Bantuan Latihan Khas (SBL-Khas)														
Totally ineffective/irrelevant	0.0%	0.0%	3.2%	0.0%	0.0%	28.6%	0.0%	11.1%	11.5%	0.0%	0.0%	0.0%	0.0%	4.1%
Less effective/relevant	20.0%	0.0%	25.8%	5.6%	24.0%	14.3%	11.8%	11.1%	11.5%	10.0%	0.0%	0.0%	0.0%	16.2%
Effective/relevant	20.0%	50.0%	24.2%	44.4%	32.0%	28.6%	41.2%	0.0%	11.5%	30.0%	25.0%	50.0%	50.0%	27.4%
Totally effective/relevant	20.0%	0.0%	3.2%	11.1%	12.0%	0.0%	17.6%	22.2%	11.5%	40.0%	12.5%	0.0%	0.0%	10.7%
Not aware	40.0%	50.0%	43.5%	38.9%	32.0%	28.6%	29.4%	55.6%	53.8%	20.0%	62.5%	50.0%	50.0%	41.6%
Sample size (n)	5	4	62	18	25	7	17	9	26	10	8	6		197
Skim Latihan Bersama (SLB)														
Totally ineffective/irrelevant	0.0%	0.0%	3.2%	0.0%	4.0%	0.0%	0.0%	11.1%	11.5%	0.0%	0.0%	0.0%	0.0%	3.5%
Less effective/relevant	20.0%	0.0%	19.0%	11.1%	24.0%	14.3%	11.8%	11.1%	7.7%	20.0%	12.5%	0.0%	0.0%	16.1%
Effective/relevant	20.0%	50.0%	25.4%	33.3%	32.0%	42.9%	35.3%	22.2%	15.4%	30.0%	25.0%	42.9%	27.1%	27.1%
Totally effective/relevant	20.0%	0.0%	3.2%	11.1%	12.0%	0.0%	17.6%	11.1%	15.4%	40.0%	0.0%	0.0%	0.0%	10.1%
Not aware	40.0%	50.0%	49.2%	44.4%	28.0%	42.9%	35.3%	44.4%	50.0%	10.0%	62.5%	57.1%	43.2%	43.2%
Sample size (n)	5	4	63	18	25	7	17	9	26	10	8	7		199
Training Facilities and Renovation (ALAT)														
Totally ineffective/irrelevant	0.0%	0.0%	3.1%	0.0%	4.2%	0.0%	0.0%	12.5%	13.0%	0.0%	0.0%	0.0%	0.0%	3.7%
Less effective/relevant	40.0%	0.0%	14.1%	11.1%	25.0%	0.0%	7.1%	12.5%	8.7%	10.0%	0.0%	0.0%	0.0%	12.6%
Effective/relevant	20.0%	50.0%	26.6%	27.8%	12.5%	33.3%	35.7%	0.0%	13.0%	40.0%	42.9%	37.5%	25.1%	25.1%
Totally effective/relevant	0.0%	0.0%	3.1%	5.6%	8.3%	33.3%	14.3%	12.5%	13.0%	20.0%	0.0%	12.5%	8.4%	8.4%
Not aware	40.0%	50.0%	53.1%	55.6%	50.0%	33.3%	42.9%	62.5%	52.2%	30.0%	57.1%	50.0%	50.3%	50.3%
Sample size (n)	5	4	64	18	24	6	14	8	23	10	7	8		191
Information Technology (IT)														
Totally ineffective/irrelevant	0.0%	0.0%	4.7%	0.0%	8.0%	0.0%	0.0%	0.0%	11.5%	0.0%	0.0%	0.0%	0.0%	4.0%
Less effective/relevant	20.0%	0.0%	14.1%	11.1%	28.0%	12.5%	11.8%	20.0%	7.7%	11.1%	0.0%	0.0%	0.0%	13.4%
Effective/relevant	40.0%	75.0%	29.7%	38.9%	20.0%	50.0%	41.2%	10.0%	19.2%	44.4%	50.0%	25.0%	31.2%	31.2%
Totally effective/relevant	0.0%	0.0%	7.8%	11.1%	12.0%	0.0%	29.4%	30.0%	23.1%	33.3%	12.5%	37.5%	15.3%	15.3%
Not aware	40.0%	25.0%	43.8%	38.9%	32.0%	37.5%	17.6%	40.0%	38.5%	11.1%	37.5%	37.5%	36.1%	36.1%
Sample size (n)	5	4	64	18	25	8	17	10	26	9	8	8		202
Industrial Training Scheme (ITS)														
Totally ineffective/irrelevant	0.0%	0.0%	2.9%	0.0%	13.6%	0.0%	5.9%	0.0%	12.5%	0.0%	0.0%	0.0%	0.0%	4.4%
Less effective/relevant	20.0%	25.0%	11.8%	5.0%	13.6%	12.5%	5.9%	10.0%	4.2%	0.0%	0.0%	12.5%	9.3%	9.3%
Effective/relevant	40.0%	50.0%	33.8%	45.0%	18.2%	37.5%	35.3%	30.0%	12.5%	60.0%	37.5%	25.0%	32.4%	32.4%
Totally effective/relevant	20.0%	0.0%	14.7%	15.0%	27.3%	12.5%	23.5%	20.0%	25.0%	30.0%	0.0%	25.0%	18.6%	18.6%
Not aware	20.0%	25.0%	36.8%	35.0%	27.3%	37.5%	29.4%	40.0%	45.8%	10.0%	62.5%	37.5%	35.3%	35.3%
Sample size (n)	5	4	68	20	22	8	17	10	24	10	8	8		204
On Job Training (OJT)														
Totally ineffective/irrelevant	0.0%	0.0%	1.5%	0.0%	0.0%	0.0%	5.9%	0.0%	15.4%	0.0%	0.0%	0.0%	0.0%	2.9%
Less effective/relevant	20.0%	0.0%	20.0%	5.0%	23.1%	12.5%	5.9%	0.0%	3.8%	11.1%	11.1%	0.0%	12.6%	12.6%
Effective/relevant	40.0%	50.0%	27.7%	30.0%	19.2%	37.5%	35.3%	30.0%	19.2%	44.4%	44.4%	37.5%	29.5%	29.5%
Totally effective/relevant	20.0%	0.0%	10.8%	20.0%	34.6%	12.5%	29.4%	20.0%	19.2%	33.3%	0.0%	25.0%	18.8%	18.8%
Not aware	20.0%	50.0%	40.0%	45.0%	23.1%	37.5%	23.5%	50.0%	42.3%	11.1%	44.4%	37.5%	36.2%	36.2%
Sample size (n)	5	4	65	20	26	8	17	10	26	9	9	8		207
Recognition of Prior Learning (RPL)														
Totally ineffective/irrelevant	0.0%	0.0%	4.7%	0.0%	0.0%	0.0%	6.7%	0.0%	13.0%	0.0%	0.0%	0.0%	0.0%	3.6%
Less effective/relevant	20.0%	0.0%	17.2%	5.3%	28.6%	25.0%	20.0%	12.5%	4.3%	0.0%	11.1%	0.0%	14.0%	14.0%
Effective/relevant	20.0%	50.0%	25.0%	26.3%	28.6%	25.0%	20.0%	25.0%	17.4%	50.0%	33.3%	14.3%	25.9%	25.9%
Totally effective/relevant	0.0%	0.0%	3.1%	0.0%	0.0%	12.5%	20.0%	12.5%	13.0%	20.0%	0.0%	0.0%	6.2%	6.2%
Not aware	60.0%	50.0%	50.0%	68.4%	42.9%	37.5%	33.3%	50.0%	52.2%	30.0%	55.6%	85.7%	50.3%	50.3%
Sample size (n)	5	4	64	19	21	8	15	8	23	10	9	7		193
Computer Based Training (CBT)														
Totally ineffective/irrelevant	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	11.8%	0.0%	7.7%	0.0%	0.0%	0.0%	0.0%	2.5%
Less effective/relevant	20.0%	25.0%	12.9%	0.0%	20.0%	37.5%	11.8%	20.0%	7.7%	11.1%	0.0%	0.0%	12.5%	12.5%
Effective/relevant	20.0%	50.0%	25.8%	38.9%	28.0%	25.0%	17.6%	20.0%	19.2%	44.4%	37.5%	37.5%	27.5%	27.5%
Totally effective/relevant	20.0%	0.0%	12.9%	11.1%	20.0%	0.0%	35.3%	20.0%	23.1%	33.3%	25.0%	25.0%	18.5%	18.5%
Not aware	40.0%	25.0%	46.8%	50.0%	32.0%	37.5%	23.5%	40.0%	42.3%	11.1%	37.5%	37.5%	39.0%	39.0%
Sample size (n)	5	4	62	18	25	8	17	10	26	9	8	8		200
C13 What factors restraining your company to apply/participate in the HRDF's training programs? (Dummy variables)														
Difficult to fulfil the required information	0.0%	25.0%	18.9%	8.7%	23.3%	25.0%	15.0%	36.4%	32.3%	36.4%	18.2%	11.1%	21.0%	21.0%
High compliance cost (e.g. long procedures, time consuming, etc.)	16.7%	25.0%	24.3%	13.0%	23.3%	12.5%	30.0%	27.3%	25.8%	45.5%	36.4%	11.1%	24.4%	24.4%
Poor quality of trainers	0.0%	50.0%	10.8%	21.7%	16.7%	25.0%	10.0%	0.0%	12.9%	27.3%	36.4%	11.1%	15.1%	15.1%
Training venue/centre is too far from the company	16.7%	50.0%	25.7%	26.1%	23.3%	37.5%	30.0%	18.2%	19.4%	36.4%	36.4%	0.0%	25.2%	25.2%
Training program is outdated or irrelevant	16.7%	25.0%	10.8%	17.4%	16.7%	12.5%	10.0%	18.2%	12.9%	27.3%	18.2%	33.3%	15.1%	15.1%
Not aware of the training programs offered by HRDF	33.3%	75.0%	25.7%	26.1%	36.7%	0.0%	45.0%	27.3%	41.9%	45.5%	36.4%	22.2%	32.4%	32.4%
Unfriendly eRIS system	0.0%	25.0%	9.5%	0.0%	13.3%	0.0%	15.0%	0.0%	12.9%	18.2%	27.3%	11.1%	10.5%	10.5%
HRDF staffs are not well-prepared responding to business's enquiry	0.0%	25.0%	17.6%	21.7%	10.0%	25.0%	5.0%	0.0%	16.1%	36.4%	18.2%	11.1%	15.6%	15.6%
No issue at all	16.7%	0.0%	18.9%	13.0%	20.0%	12.5%	10.0%	18.2%	6.5%	9.1%	0.0%	33.3%	14.7%	14.7%
Not applicable / Not relevant	33.3%	25.0%	9.5%	34.8%	6.7%	12.5%	20.0%	9.1%	19.4%	27.3%	27.3%	11.1%	16.4%	16.4%
Sample size (n)	6	4	74	23	30	8	20	11	31	11	11	9		238
C14 Will you take up the measures below under hiring incentive programme (PenjanaKerjaya)?														
Yes	45.8%	25.0%	56.5%	44.2%	43.8%	50.0%	45.8%	27.8%	39.4%	21.9%	32.4%	63.3%	44.5%	44.5%
No	54.2%	75.0%	43.5%	55.8%	56.2%	50.0%	54.2%	72.2%	60.6%	78.1%	67.6%	36.7%	55.5%	55.5%
Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30		696

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS)														
FOR THE 2ND HALF-YEAR OF 2020														
		Agriculture, forestry and fishery	Mining and quarrying	Manufacturing	Construction	Wholesale and retail trade	Trading (imports and exports)	Tourism, shopping, hotels, restaurants, recreation and entertainment	Transportation, forwarding and warehousing	Professional and business services	Finance and insurance	Real estate	ICT	2nd Half 2020
C15	Are you aware of the following tax incentives for human capital development? (Dummy variables)													
	Participation in approved training programme	37.5%	0.0%	25.2%	22.1%	23.3%	15.4%	20.8%	33.3%	23.9%	31.3%	26.5%	20.0%	24.0%
	Structured Internship Programme (SIP)	8.3%	0.0%	16.5%	10.5%	11.0%	7.7%	13.9%	16.7%	18.4%	21.9%	23.5%	10.0%	14.2%
	Skim Latihan 1Malaysia (SL1M) training scheme for unemployed graduates	29.2%	0.0%	18.3%	11.6%	11.6%	11.5%	13.9%	22.2%	13.8%	25.0%	23.5%	20.0%	15.7%
	National Dual Training Scheme (NDTS/SLDN) for Industry4WRD programmes	20.8%	25.0%	15.7%	11.6%	10.3%	7.7%	11.1%	16.7%	10.1%	21.9%	20.6%	6.7%	12.8%
	Talent ProCertification	12.5%	0.0%	8.7%	10.5%	2.7%	3.9%	5.6%	11.1%	8.3%	18.8%	14.7%	16.7%	8.3%
	None of the above	54.2%	75.0%	54.8%	69.8%	67.1%	65.4%	69.4%	44.4%	64.2%	53.1%	55.9%	63.3%	62.8%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696
C16	What can the Government facilitate companies to upskill/reskill their employees for future-ready workforce? (Dummy variables)													
	Grant to encourage people attending online certification courses	41.7%	75.0%	53.9%	50.0%	56.9%	50.0%	62.5%	72.2%	63.3%	43.8%	64.7%	70.0%	57.2%
	Improve the remuneration of STEM teaching profession	25.0%	50.0%	24.4%	24.4%	21.9%	23.1%	18.1%	33.3%	27.5%	21.9%	32.4%	33.3%	24.7%
	Public-private partnership program in developing industry and market-driven training program	37.5%	75.0%	46.1%	36.1%	37.0%	38.5%	37.5%	44.4%	34.9%	40.6%	47.1%	46.7%	39.7%
	Provide subsidised enrolment fee in the TVET courses	33.3%	75.0%	39.1%	33.7%	31.5%	11.5%	31.9%	33.3%	26.6%	25.0%	35.3%	50.0%	32.6%
	Make "Coding" course a compulsory subject in the secondary education	45.8%	50.0%	27.0%	18.6%	21.2%	11.5%	23.6%	38.9%	26.6%	25.0%	29.4%	40.0%	25.4%
	Government-academia-industry partnering in structuring a successful internship/experiential learning program	33.3%	75.0%	37.4%	32.6%	42.5%	34.6%	38.9%	55.6%	35.8%	37.5%	61.8%	50.0%	39.9%
	Set up a council or think tank run by industry professionals who will look into the latest training trends and skills that are needed by the market	50.0%	75.0%	43.5%	37.2%	35.6%	34.6%	31.9%	44.4%	39.5%	46.9%	50.0%	46.7%	39.9%
	Allocate the required funds or loans to cater for those underprivileged students for TVET program	41.7%	50.0%	39.1%	32.6%	31.5%	11.5%	30.6%	38.9%	37.6%	12.5%	41.2%	33.3%	33.3%
	Others	0.0%	0.0%	0.9%	1.2%	1.4%	0.0%	1.4%	5.6%	3.7%	0.0%	2.9%	0.0%	1.6%
	Sample size (n)	24	4	115	86	146	26	72	18	109	32	34	30	696

Note: Numbers may not add up to 100.0% due to rounding.



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