

4 SEP 2025

中总

马来西亚商业和经济状况调查报告

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

2025上半年及2025下半年预测
1H 2025 and 2H 2025F

This report is prepared by Socio-Economic Research Centre
(operating under SERC Sdn. Bhd.), in collaboration with
Universiti Tunku Abdul Rahman (UTAR).



中总
ACCCIM

马来西亚中华总商会



The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)

A national organisation founded in 1921, representing over 110,000 Malaysian Chinese businesses and associations through 17 constituent chambers across all states and territories.

Socio-Economic Research Centre (SERC)

An independent, non-profit think tank under ACCCIM that conducts in-depth research on economic, business, and social issues to inform policy-making and enhance public understanding of Malaysia's socio-economic development.





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01

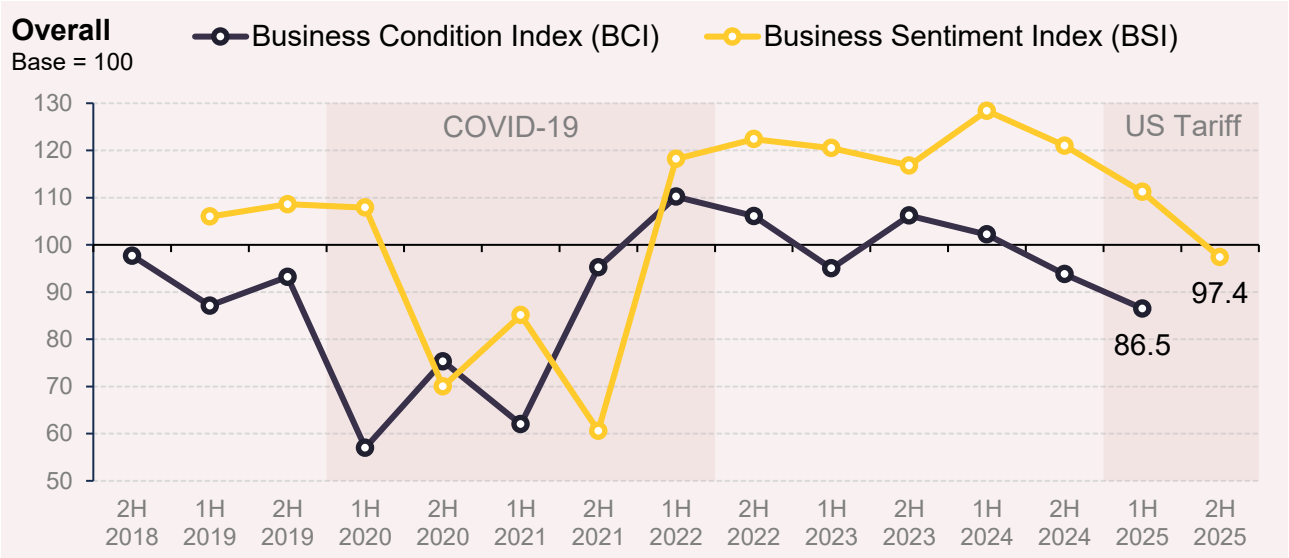


Executive Summary



Executive Summary

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)'s **Malaysia Business and Economic Conditions Survey (M-BECS)** covers **business performance in Jan-Jun 2025 (1H 2025)** and **expectations for Jul-Dec 2025 (2H 2025)**. It was conducted between **10 July 2025 and 11 August 2025** and has received a total of **777 responses**.

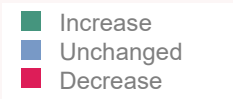


M-BECS: Overview and Summary of Key Findings

- Weakening business sentiment.** The **Business Condition Index (BCI)** was 86.5 in 1H 2025, and **Business Sentiment Index (BSI)** stood at 97.4 in 2H 2025 — both below the neutral threshold (100), indicating continued business pessimism. Both indices have shown a downward trend since 2023/2024.
- Pessimistic economic and business outlook.** Businesses have pessimistic view about economic conditions in 1H 2025, as expressed by 28.7% of total respondents; and the same goes for business conditions, as indicated by 31.2% of respondents. **Pessimistic expectations continued in 2H 2025**, with 41.0% and 40.0% anticipating worse performance in economic and business conditions, respectively.
- High operating cost was the top negative factor in 1H 2025.** Businesses face significant costs pressures induced by domestic policy and tax changes, while at the same time confronting the heightened external uncertainties caused by the US tariffs. Top concerns in 1H 2025 included high operating costs (54.8%), rising raw material prices (42.0%), and changing consumer behaviour (37.3%).

• **Assessment of business conditions in 1H 2025 and 2H 2025F:**

- Cash flow and debtor conditions were neutral in 1H and 2H 2025.
- Domestic sales have declined in 1H 2025, though there is a slight drop in the percentage of respondents anticipate a decline (40.4% in 2H 2025 vs. 42.8% in 1H 2025). For foreign sales, 38.5% of total respondents have reported neutral performance in 1H 2025, while 37.6% expect a downturn in 2H 2025.
- Domestic price levels have increased in 1H 2025, while export price levels were largely remained neutral. In 2H 2025, both domestic and export price levels are expected to stay broadly unchanged.
- Production levels have declined in 1H 2025, and is forecasted to persist in 2H 2025. Capacity utilisation rates were between 50% and 74%. Meanwhile, inventory or stock levels remained neutral.
- Cost of local and imported inputs have increased in 1H 2025 and is expected to continue increasing in 2H 2025 though fewer respondents anticipate increases compared to 1H.
- Most businesses have retained their manpower in 1H 2025, and this trend is forecasted to persist in 2H 2025. Wage growth remains positive.
- Capital expenditure growth has slowed in 1H 2025 compared to 2H 2024, indicating a cautious investment outlook.



≤ 5 percentage points below the top (a little different)

	1H 2025 (Actual)			2H 2025 (Forecast)		
Sales Performance						
Domestic Sales	29.0%	28.2%	42.8%	31.1%	28.5%	40.4%
Export Sales	26.3%	38.5%	35.1%	27.8%	34.6%	37.6%
Business Production						
Production Level	22.5%	32.5%	45.0%	30.5%	25.8%	43.7%
Investment						
Capital Expenditure	45.7%	46.6%	7.8%	47.3%	43.8%	8.9%

Issue in Sights: Budget 2026

- Over half of total respondents (56.3%) indicated that **SMEs’ financing and capacity building be prioritised in Budget 2026**. Targeted tax measures such as **SME corporate income tax rebate** and a **higher threshold for the preferential 15% rate at RM1 million** can help SMEs free up resources that may be reinvested into skills, productivity enhancement, and innovation.
- Tax incentives also stand out strongly, with **tax credits and investment incentives** (55.9%) and **conductive tax reforms** (53.1%) both ranking high among the businesses’ priorities. Businesses are urging for **a clear and gradual path towards a reduction in corporate tax rate to 20%, aligning with regional competitors**.
- AI and digital infrastructure** is listed as the Budget’s focus expenditure/investment (44.0% of total respondents), highlighting the urgency of equipping businesses, particularly SMEs, with the AI tools to remain competitive. Greater guidance to address lack of digital skills, resources and capital is needed to help SMEs integrate digital solutions into their operations and supply chains. **Enhancing existing programmes such as the Digital Grant**, including **higher allocation** and **allowing multiple claims** instead of the current one-time limit, would provide more practical support.
- Challenges in accessing government’s benefits remain a major stumbling block**. Businesses have cited complex procedures, unclear eligibility rules, and lack of transparency as key barriers. By taking concrete steps to further simplify the applications process, provide clear guidelines and real-time transparency on approvals and the fund’s balances, the effectiveness of support measures would be greatly improved.

Focus areas *

1	 SMEs financing & capacity building	56.3%
2	 Tax credits & investment incentives	55.9%
3	 Conducive tax reform	53.1%

Measures to consider *

Gradually reduce corporate tax rate to 20%	↳ 56.8% (#1)
SME corporate income tax rebate of 25%, capped at RM20,000	↳ 49.9% (#2)

Priority areas of investment *

1	 AI & digital infrastructure	44.0%
2	 Education	42.8%
3	 Special economic & financial zones / corridors	39.1%

Increase the chargeable income threshold to RM1 million for SME preferential tax rate of 15%	↳ 38.9% (#3)
Allow multiple claims for government incentives (e.g. Digital Grant)	↳ 25.3% (#4)

Challenges in accessing Government benefits

#1	Complexity and lengthy processes	61.1%
#2	Lack of understanding of eligibility requirements	54.5%
#3	Lack of awareness about available programs	43.6%

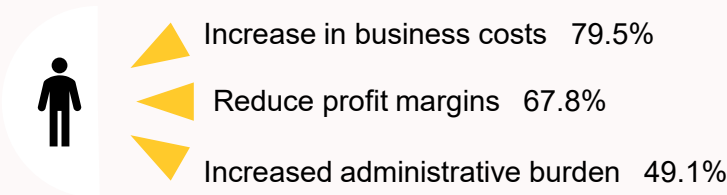
Refundable R&D tax credit for SMEs	↳ 23.6% (#5)
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* Please refer to Slide 22 for detailed explanation.

Issue in Sights: Sales and Service Tax (SST) Expansion

- Many businesses and industry associations have raised concerns about **poor timing and short notice of the expanded SST implementation, higher compliance and operational costs, impact on consumer demand, unclear regulations and insufficient time for preparation, especially for new services**. Particular concern was the application of service tax on long-term construction contracts, calling for clearer transitional rules.
- **Most respondents favour reintroducing the Goods and Services Tax (GST)**, citing greater clarity and consistency compared to SST. Our analysis and industry feedback have challenged the belief that SST yields lower impact on consumer prices relative to GST, pointing instead to profit margin practices as the more important factor.
- This post-SST implementation’s survey revealed that **79.5% of respondents reported higher business costs, 67.8% experienced reduced profit margins, and 49.1% faced heavier administrative burden**.
- Key challenges include **ambiguous definitions and terminology (56.1%), difficult classification of taxable items (53.1%), and inconsistent official communications (49.8%)**.
- **54.6% of businesses plan to pass increased business costs to consumers**, while 44.6% will absorb them internally.
- **Policy recommendations from businesses:**
 - **Raise SST threshold of exemption to RM3 million**, aligning it with the SME definition.
 - **Temporarily reduce the service tax rate to 4% for new services** (e.g. construction, leasing) until 2027, allowing more time for adjustment.
 - **Grant a 36-month exemption for all project types** (except non-reviewable contracts), particularly to protect long-term infrastructure and property development projects.
 - **Conduct a comprehensive review with active stakeholders’ engagement**, especially from the construction, services, and manufacturing sectors, to ensure smoother implementation and clearer guidance.

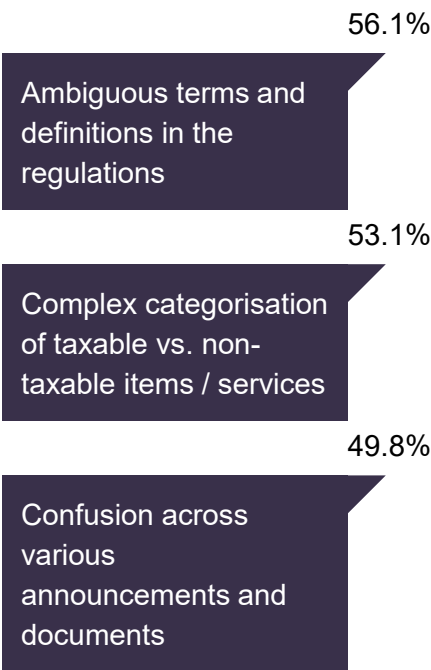
Impact of SST on businesses



Business’s response to SST

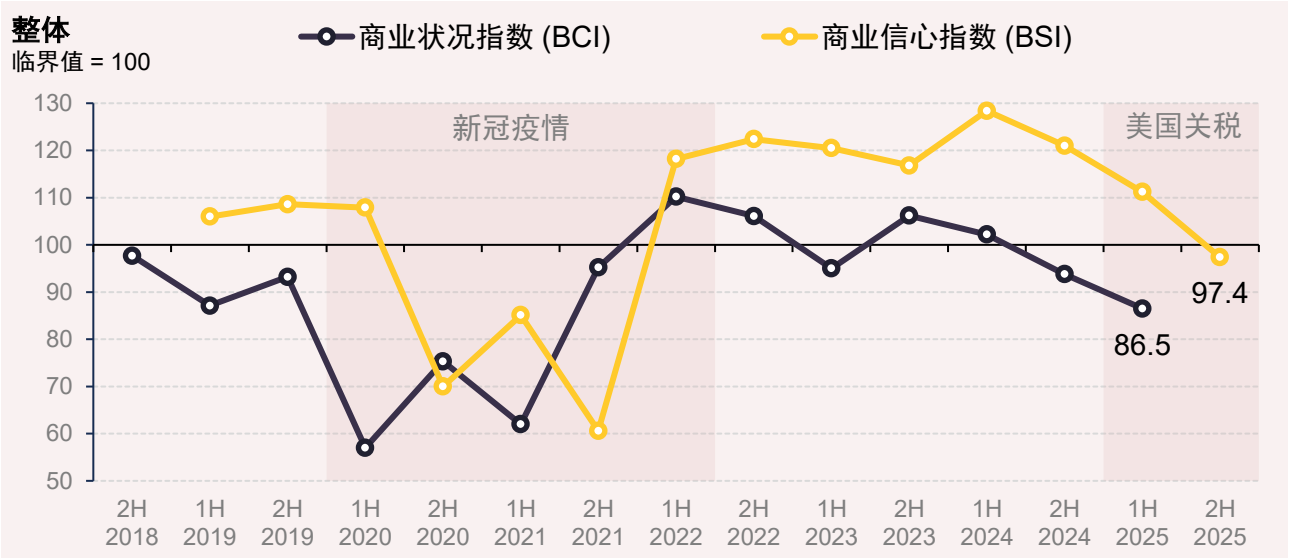
- Pass increased costs onto consumers 54.6%
- Absorb costs internally 44.6%
- Cautious business expansion 37.4% / investment approach

Challenges



调查报告摘要

由马来西亚中华总商会（中总）所筹备之《马来西亚商业和经济状况调查》涵盖了**2025年上半年（1月至6月）**的商业表现以及**2025年下半年（7月至12月）**的预测。该调查于**2025年7月10日至8月11日**进行，共收到**777份**回应。



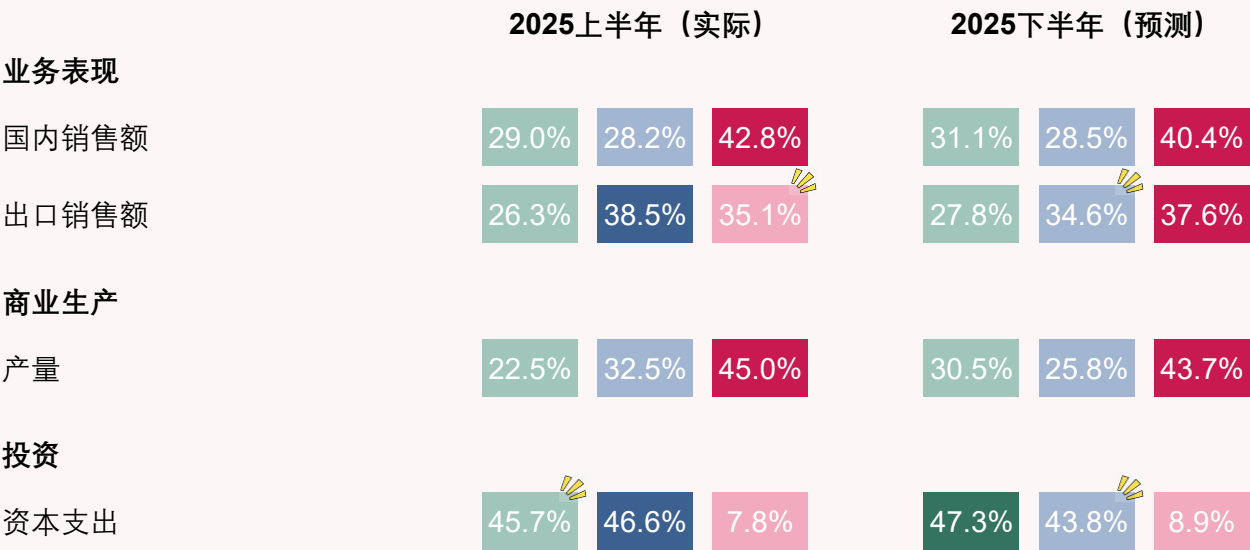
《马来西亚商业与经济状况调查》概述及摘要

- 商业信心下降。2025年上半年的商业状况指数（BCI）为86.5，2025年下半年的商业信心指数（BSI）为97.4，均低于临界值（100），表明商业悲观情绪持续存在。自2023/2024年以来，这两个指数均呈下降趋势。
- 经济商业前景悲观。28.7%的受访者对2025年上半年的经济状况持悲观态度；同样的，31.2%的受访者对商业状况持悲观态度。悲观经济预计一直持续至2025年下半年，分别有41.0%和40.0%的受访者预计经济和商业状况将进一步恶化。
- 高营运成本是2025年上半年最大的负面因素。企业面临国内政策与税收变化带来的巨大成本压力，同时还要应对因美国关税而加剧的外部不确定性。2025年上半年的主要担忧包括高营运成本（54.8%）、原料价格上涨（42.0%）以及消费者行为的改变（37.3%）。

- 2025年上半年和2025年下半年（预测）商业状况评估：
 - 2025年上半年和下半年，现金流和债务状况保持中和状态。
 - 2025年上半年，国内销售额有所下降，但预计未来销售额将会下降的受访者比例略有减少（2025年下半年为40.4%，2025年上半年为42.8%）。出口销售额方面，38.5%的受访者表示2025年上半年表现为中性，而37.6%的受访者预计2025年下半年将出现下滑。
 - 2025年上半年，国内价格水平有所上涨，而出口价格水平基本保持稳定。预计2025年下半年，国内和出口价格水平将基本保持不变。
 - 2025年上半年，产量有所下降，预计2025年下半年将持续走低。产能应用率在50%至74%之间。同时，货存水平保持中性。
 - 2025年上半年，本地和进口经营成本有所上涨，预计2025年下半年将继续上涨，但预计上涨的受访者数量与上半年相比有所减少。
 - 2025年上半年，大多数企业保持员工规模，预计这一趋势将持续到2025年下半年。工资增长保持正面发展。
 - 2025年上半年，资本支出增速较2024年下半年有所放缓，显示投资前景趋于谨慎。

■ 增加
■ 没有变化
■ 减少

🚩 比最高点低不超过5个百分点（略低）



当前课题：2026年国家财政预算案

- 超过半数受访者（56.3%）表示，**2026年预算案应该优先考虑中小企业的融资和能力建设**。针对性的税收措施，例如**中小企业所得税回扣**以及**将15%优惠税率的门槛提高至100万令吉**，有助于中小企业释放资源，再投资于技能提升、生产力提升和创新。
- 税收优惠也是受到重点关注的课题，**税收减免和投资激励**（55.9%）以及**有利的税制改革**（53.1%）均位列商界优先关注的事项。商界呼吁采取**明确、循序渐进**的途径，将**企业税率降至20%**，符合区域竞争对手的水平。
- 人工智能和数字基础设施**被列为预算案的重点支出/投资领域（占受访者总数的44.0%），这显示了为企业，尤其是中小企业，配备人工智能工具以保持竞争力的紧迫性。为了协助中小企业将数字化解决方案融入其营运和供应链，有必要为他们提供更多指导，以解决他们缺乏数字化技能、资源和资金的问题。**强化现有项目，如数字化补助金**，包括**提高拨款额度并允许多次申领**而非目前的一次性限额，将能提供更切实的支持。
- 获取政府援助的挑战**仍然是主要的障碍。企业认为，复杂的流程、不明确的申请资格和规则以及缺乏透明度是主要障碍。通过采取切实措施进一步简化申请流程，提供清晰的指南，并在审批与基金余额方面实现实时透明，将大大提高支持措施的成效。

关注领域 *

1	 中小企业融资与能力建设	56.3%	逐步将公司税率下调至20% ↳ 56.8% (#1)
2	 税收减免与投资激励	55.9%	
3	 有利的税制改革	53.1%	

应当考虑的措施 *

优先考虑投资领域 *

1	 人工智能与数字基础设施	44.0%	将中小企业享有15%优惠公司税率的应课税收入门槛提高至100万令吉 ↳ 38.9% (#3)
2	 教育	42.8%	
3	 经济与金融特区/走廊	39.1%	

给予中小企业25%的企业所得税回扣，上限为2万令吉
↳ 49.9% (#2)

允许多次申领政府激励措施（例如：数字化补助金）
↳ 25.3% (#4)

申请政府福利或援助计划的挑战

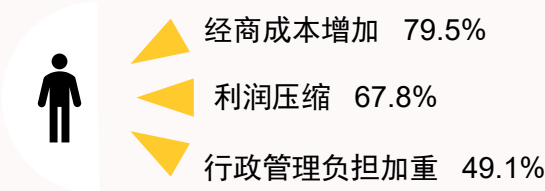
#1	流程复杂且耗时	61.1%	给予中小企业可退还的研发税收抵免 ↳ 23.6% (#5)
#2	对申请资格要求缺乏了解	54.5%	
#3	对现有方案缺乏了解	43.6%	

* 请参考第22页以读取更详细的解说。

当前课题：销售与服务税（SST）扩征

- 许多企业和行业协会对扩大销售和服务税（SST）实施的时机不当和通知时间过于仓促、合规和营运成本增加、对消费者需求的影响、法规不明确以及准备时间不足（尤其是针对新服务）表示担忧。特别值得关注的是服务税在长期建筑合同中的应用，业界呼吁应该制定更明确的过渡规则。
- 大多数受访者支持重新实施消费税（GST），称其在清晰度与一致性方面较销售与服务税（SST）更具优势。我们的分析与业界反馈均对“SST对消费价格冲击较低”这一看法提出质疑，并指出利润率操作才是更重要的因素。
- 此次SST实施后的调查显示，79.5%的受访者表示经商成本增加，67.8%的受访者表示利润空间遭受压缩，49.1%的受访者面临更重的行政管理负担。
- 主要挑战包括含糊不清的法规术语和定义（56.1%）、可征税与免税商品/服务的分类复杂（53.1%）以及多个公告和文件之间的混淆（49.8%）。
- 54.6%的企业计划将增加的业务成本转嫁给消费者，而44.6%的企业计划将其内部消化。
- 商界提供的政策建议：
 - 将销售与服务税的豁免门槛提高至300万令吉，使其与中小企业的定义相符。
 - 将新服务（例如建筑、租赁）的服务税率暂时降低至4%，直至2027年，以便有更多时间进行调整。
 - 为所有项目类型（除不可复审的合同外）提供36个月的豁免期，尤其要保护长期基础设施和房地产开发项目。
 - 进行全面检讨，并积极邀请利益相关者参与，尤其是来自建筑、服务业和制造业的代表，以确保更顺利地实施并提供更清晰的指南。

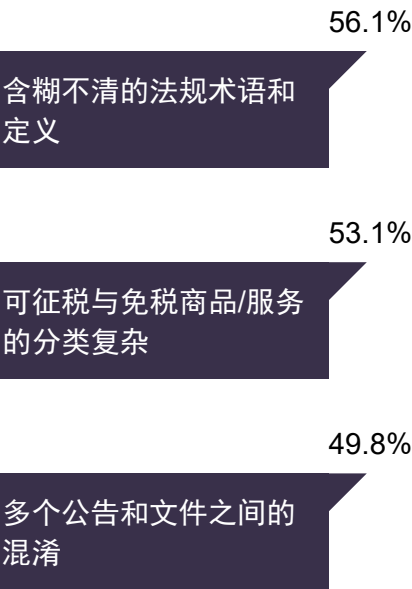
销售与服务税（SST）对商界的影响



商界如何应对销售与服务税（SST）

- 将增加的成本转嫁给消费者 54.6%
- 内部消化成本 44.6%
- 采取更谨慎的业务扩展/投资策略 37.4%

挑战





02

Survey Backgrounds & Profile



About the Survey

Malaysia's Business and Economic Conditions Survey (M-BECS), which is conducted biannually by the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), has been a key business sentiment gauge since 1992. **Renamed in 2019, M-BECS is good barometer to offer collective assessment and expectations of the Malaysian Chinese business community concerning Malaysia's economic and business conditions.**

This report covers business performance for the period of Jan-Jun 2025 (1H 2025) and expectations for Jul-Dec 2025 (2H 2025). The survey comprises two main focus areas:

- Business Conditions and Sentiment
- Current Business Issues

M-BECS plays a complementary role to other national and private sector surveys, offering business ground feedback to policymakers. Responses are used as inputs to offer specific and actionable insights, preparing policy recommendations for submission to the Government, while also serving as a valuable reference for both public and private stakeholders.

Starting in 2025, M-BECS has introduced two new measures, namely Business Condition Index (BCI) and Business Sentiment Index (BSI). The BCI captures key trends in current business performance, while the BSI reflects expectations. Both indices use equally weighted component indicators to ensure clarity, consistency, and comparability.

Survey Coverage and Methodology

The survey was distributed nationwide via SurveyMonkey and physical forms through ACCCIM's wide network of 17 Constituent Members, 35 Associate Members and other associations. Respondents include a broad spectrum of businesses across sectors and different operational sizes, representing a significant portion of the Chinese business community in Malaysia.

The questionnaire comprises three sections:

- **Section A: Respondents and Business Profile** – business activity, sales markets, workforce composition
- **Section B: Business Assessment** – analyse factors affecting performance and overall outlook
- **Section C: Current Issues** – Budget 2026, and Sales and Service Tax (SST) expansion

A total of 777 responses were received throughout the survey period (10 Jul 2025 to 11 Aug 2025), covering a broad representation of the economy.

Further details on the survey sample, question structure, and methodology are provided in [Appendix 1](#).

Profile of Survey Respondents

% of respondents

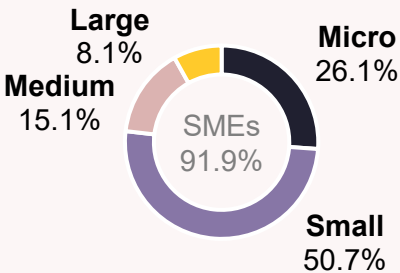
By economic sector

Sample size = 777

	SMEs	Large
Services (69.0%)	92.0%	8.0%
Manufacturing (16.5%)	89.8%	10.2%
Construction (11.3%)	94.3%	5.7%
Agriculture, forestry, and fisheries (2.6%)	95.0%	5.0%
Mining and quarrying (0.6%)	80.0%	20.0%

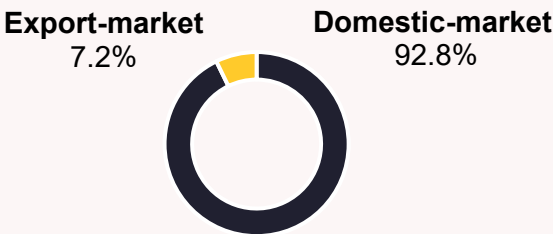
By size of business operations¹

Sample size = 777



By sales orientation²

Sample size = 777



Note: Numbers may not add up to 100.0% due to rounding, which is also applied to the rest of the report.

¹ 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, 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](#).

² Domestic-market orientation indicates that at least 50% of total sales are generated from the domestic market; Export-market orientation indicates more than 50% of sales are generated from overseas markets.

**Wholesale and retail trade
(incl. repair of motor vehicle)**
(24.3%)

SMEs 92.1% Large 7.9%

Professional and business services
(14.2%)

SMEs 93.6% Large 6.4%

**Hotels, restaurants, recreation, and
entertainment**
(7.1%)

SMEs 96.4% Large 3.6%

Real estate
(4.8%)

SMEs 89.2% Large 10.8%

Trading (imports and exports)
(4.4%)

SMEs 88.2% Large 11.8%

Financial and insurance
(3.9%)

SMEs 90.0% Large 10.0%

**Information and Communications
Technology (ICT)**
(3.5%)

SMEs 92.6% Large 7.4%

**Transport, forwarding and
warehousing**
(3.2%)

SMEs 84.0% Large 16.0%

Health and education
(3.0%)

SMEs 95.7% Large 4.3%

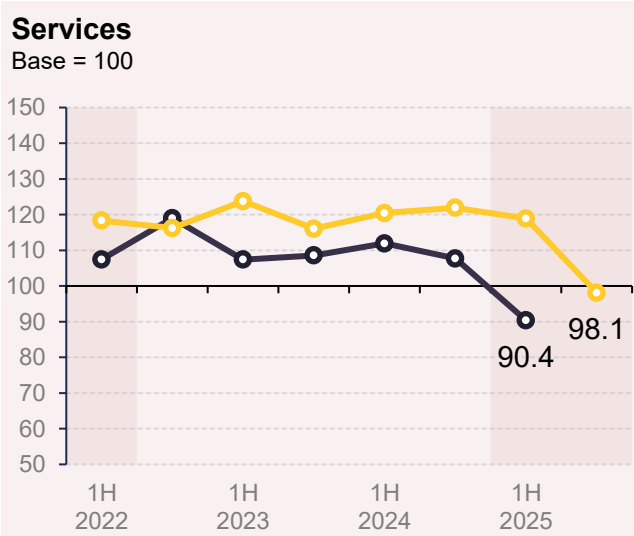
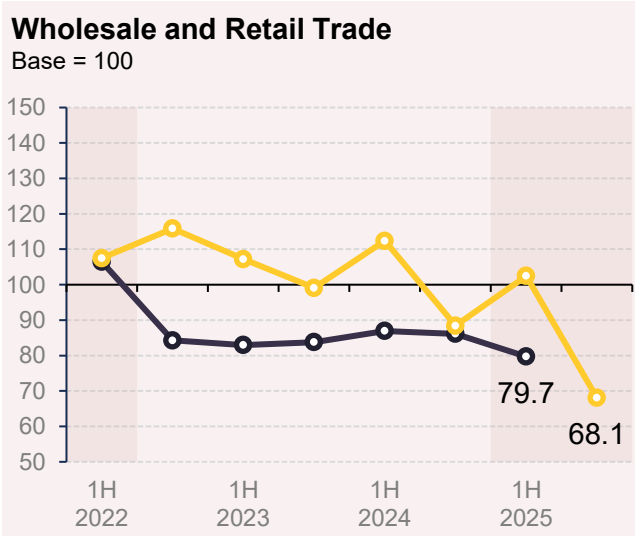
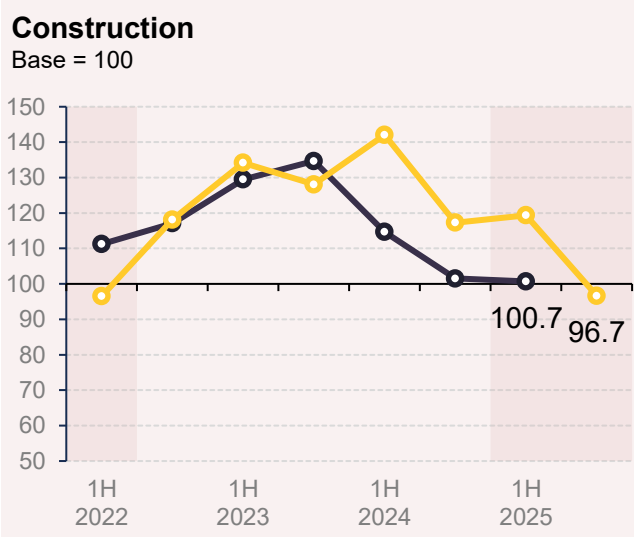
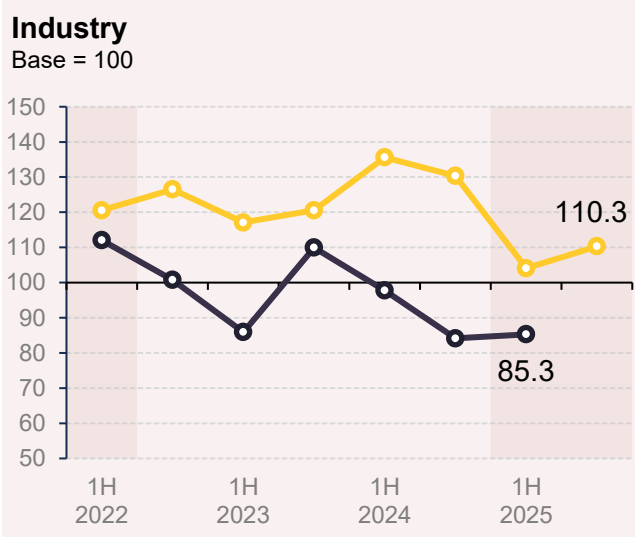
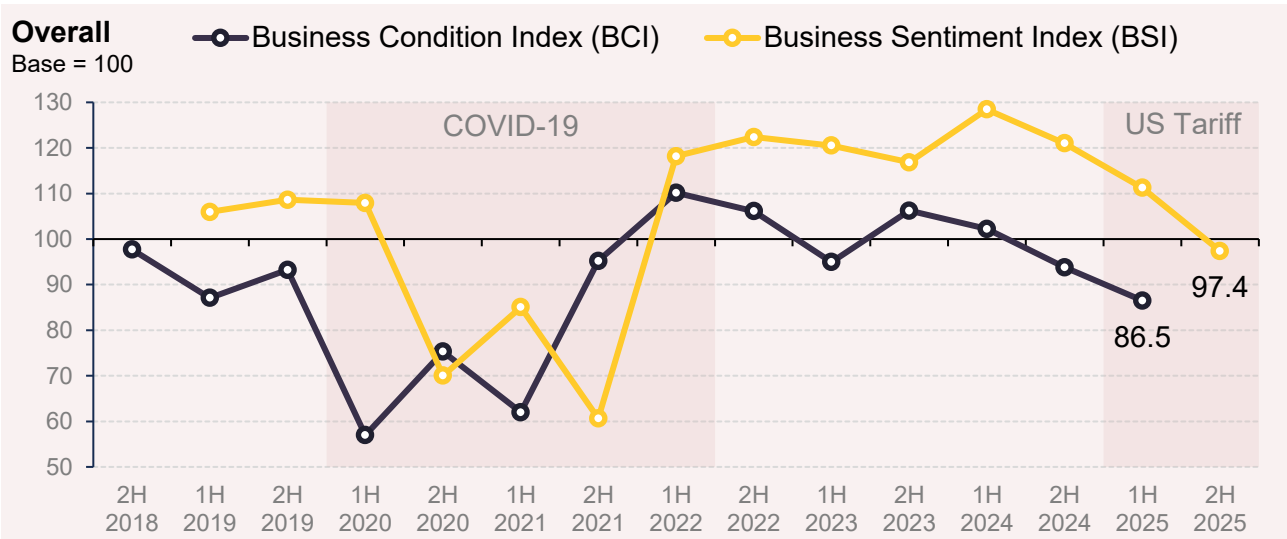
Electricity and water industry
(0.8%)

SMEs 83.3% Large 16.7%

03

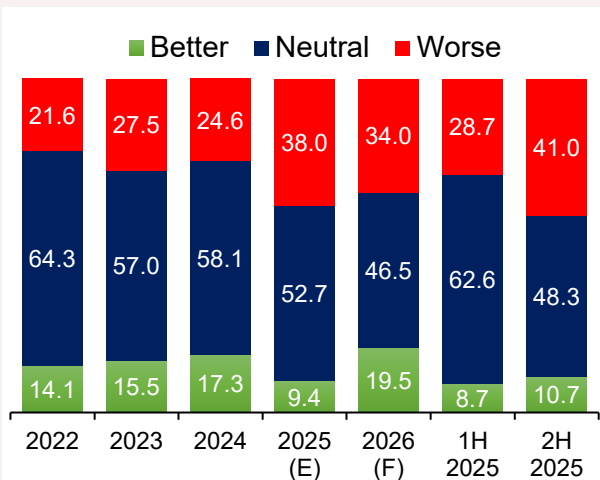
**Business Conditions &
Sentiment Tracker**

Business Condition Index & Business Sentiment Index



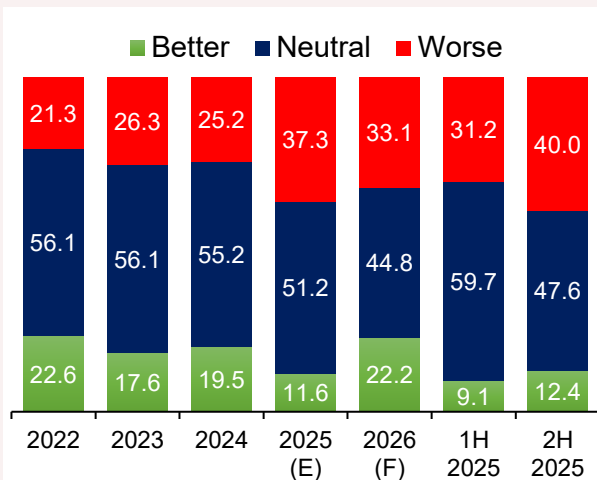
Note: Please refer to [Appendix 1](#) for the methodology. Industry includes agriculture, mining, manufacturing, and the electricity and water industry; services include all services except for wholesale and retail trade, and electricity and water industry. Business Condition Index (BCI) captures the current and past performance, while Business Sentiment Index (BSI) captures the future outlook.

Economic Conditions and Prospects



E=Estimation; F=Forecast

Business Conditions and Prospects



- **BCI and BSI stood at 86.5 in 1H 2025 and 97.4 in 2H 2025**, respectively, indicating overall businesses' pessimism as both indices below the neutral threshold of 100. Both indices have been on downward trends since 2023/2024.
- **28.7% and 31.2% of respondents hold a pessimistic view on the economic and business conditions in 1H 2025, respectively. Respondents' pessimism continued in 2H 2025**, with 41.0% for economic conditions and 40.0% for business conditions.
- **Overall, the respondents maintained highly cautious outlook for the economy and business in 2025.** This is due to external and domestic headwinds, such as the US's tariff and recent domestic policy changes and measures that have increased the cost of doing business.
- **Businesses have faced pressures across multiple areas, impacting their profitability and operations, and hence, adopting a cautious investment approach.** For instances, rising labour costs, energy prices, raw material expenses, and even increased compliance costs (like e-invoicing, ESG standards, the expanded SST, and employers' 2% EPF

contribution for foreign workers) have contributed to cost challenge.

- **High operating cost (54.8%) has been rated the top factor adversely affecting business in 1H 2025**, followed by an increase in price of raw materials (42.0%) and changing consumer behaviour (37.3%). **High operating cost was also ranked the top concern in 2H 2024** and has consistently remained among the top three challenges since 2020.
- **It is noteworthy that a high-cost environment could result in low ebb of business and consumer activities**, leading to weakening economic and business conditions, especially considering the spillover effect. **Bank Negara Malaysia has revised lower 2025's GDP estimate to 4.0%-4.8% from 4.5%-5.5% previously.**
- **By sector/grouping, the industry, wholesale and retail trade, and services have shown poor BCI performance in 1H 2025, similar to their BSI (except for industry) in 2H 2025.** The construction sector has shown downward sentiment in 2H 2025, due to the impact of the new Service Tax on construction services and other cost impacts.

Factors Affecting Business Performance in 1H 2025



#1 High operating cost



#2 Increase in prices of raw materials



#3 Changing consumer behaviour



#4 Declining business & consumer sentiment



#5 Cash flow problem



#6 Lower domestic demand



#7 Regulatory change



#8 Skilled manpower shortage



#9 Political climate



#10 The Ringgit's fluctuation



1 - High operating cost

- **High operating cost remains the leading adverse factor impacting business performance in 1H 2025, cited by more than half of respondents (54.8%).** This concern is widespread across most subsectors, with the manufacturers being most affected, where nearly two-thirds (64.5%) identified it as their top challenge.
- Operating expenses, including personnel costs, rental, and utility charges, have been staying elevated following several hikes and adjustments in recent years. In 1H 2025, the nationwide minimum wage was raised by 13.3% to RM1,700 per month from RM1,500, which also resulted in increases of related statutory costs such as contributions to the Employees Provident Fund (EPF), Social Security Organisation (PERKESO), Employment Insurance System (EIS), and the Human Resource Development Corporation (HRD Corp) levy.
- **In 2H 2025, businesses are expected to face further upward pressures on operating costs.** These include the imposition of service tax on rental charges, electricity tariffs adjustment (with low-voltage industrial users' electricity bills likely increase by about 8.4%), higher minimum wage for micro-enterprises, water tariff hikes, the roll out of petrol subsidy rationalisation scheme in September 2025 and the planned tiered-levy in 2026.
- Overall, cost pressures are expected to remain a key challenge for businesses in the near-term.



2 - Increase in prices of raw materials

- **Increase in prices of raw materials has been ranked as the second most adverse factor** for this and the past four survey periods. **More than two-fifths (42.0%) of respondents identified it as a key challenge**, particularly those in the industry segment (primary and manufacturing sectors) and construction sector. Notably, 63.3% of respondents in the hotels, restaurants, recreation, and entertainment industry reported being affected by higher raw material prices.
- While energy prices moderated in 1H 2025, the World Bank reported that average prices of non-energy commodities have been steadily rising since 2H 2023. This sustained upward trend continues to erode profit margins and put additional pressure on business operations.



3 - Changing consumer behaviour

- **Changing consumer behaviour, cited by 37.3% of respondents, has gained more attention**, rising to the third position, marking its highest ranking since 2H 2021 when spending patterns were significantly altered by the COVID-19 pandemic. It is also the second most adverse factor for respondents in the wholesale and retail trade, as well as professional and business services.
- Businesses observed that consumers are increasingly seeking better value for money, greater functionality, and personalised or customised products and services. There is also growing interest in experience-driven offerings. These shifts require businesses to refine their product mix and adopt targeted marketing, including designated digital channels and interactive engagement, to effectively reach and retain customers.



4 - Declining business & consumer sentiment

- **Declining business and consumer sentiment ranked as the fourth most adverse factor in 1H 2025, voted by more than one-third of respondents (37.1%)**. Since the COVID-19 pandemic, this factor has increasingly weighed on businesses, climbing from a ranking beyond the tenth position to feature among the top four in recent surveys.
- Weaker sentiment reflects a combination of cautious consumer spending, slower demand recovery in certain sectors, and ongoing uncertainty about the economic and policy outlook. These conditions have translated into softer sales, postponed investment decisions, and greater difficulty for enterprises to plan and expand. Unless confidence is restored through consistent policies and supportive measures, overall business momentum may remain subdued.



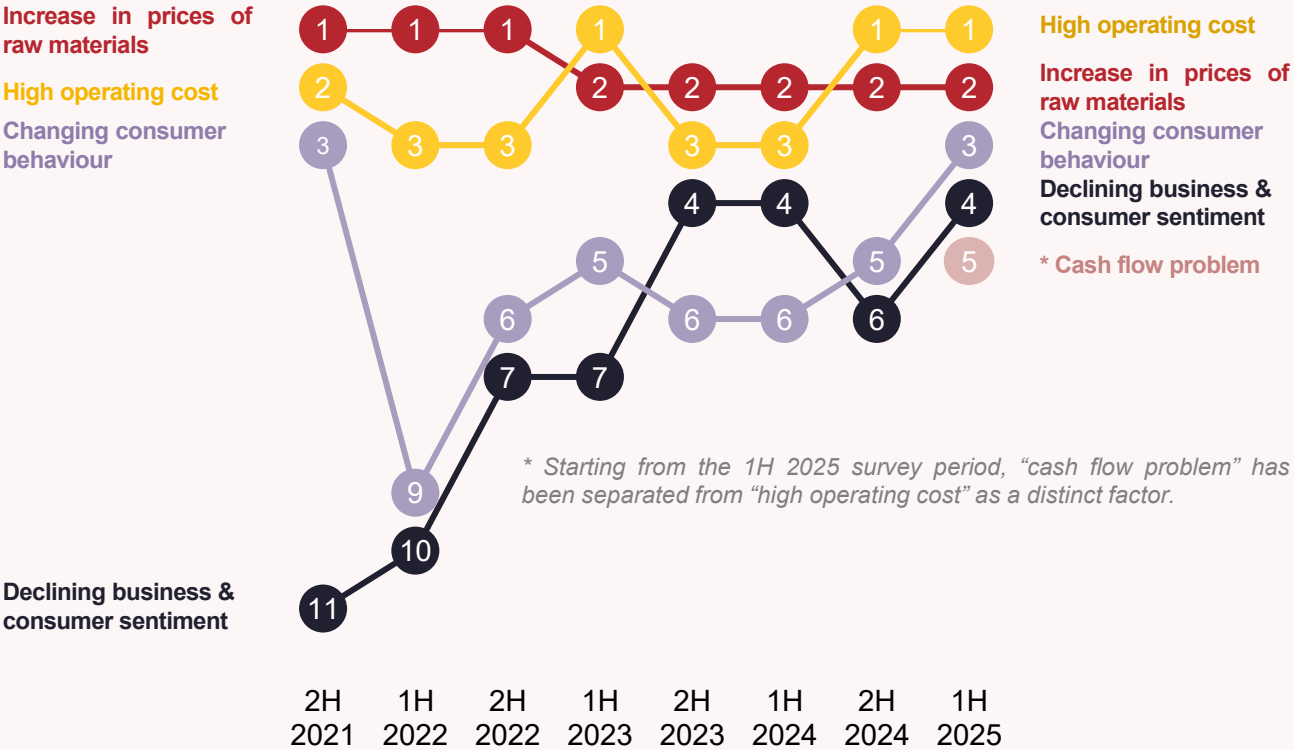
5 - Cash flow problem

- **Cash flow problem ranked as the fifth most adverse factor impacting business performance in 1H 2025, cited by slightly more than one-third of respondents (34.7%)**. The issue is particularly acute in the construction sector, where more than half of respondents (51.8%) reported facing cash flow difficulties.
- Overall, close to a quarter of respondents (22.9%) indicated that their cash flow conditions had worsened in 1H 2025. More concerning is that an even higher share (27.9%) anticipate further deterioration in 2H 2025, signalling persistent financial strains and potential challenges in meeting operational and investment needs.



Note: Starting from the 1H 2025 survey period, "cash flow problem" has been separated from "high operating cost" as a distinct factor.

1 Historical Tracker (Rank)



2 Factors by Sectors (1H 2025)

Manufacturing	Construction	Wholesale and Retail Trade	Professional and Business Services
High operating cost	Increase in prices of raw materials	High operating cost	High operating cost
(64.5%)	(58.8%)	(59.6%)	(52.8%)
Increase in prices of raw materials	High operating cost	Changing consumer behaviour	Changing consumer behaviour
(47.1%)	(52.9%)	(50.6%)	(39.6%)
Lower domestic demand	Cash flow problem	Increase in prices of raw materials	Declining business & consumer sentiment
(47.1%)	(51.8%)	(46.6%)	(33.0%)
Declining business & consumer sentiment	Rising bad debts & delayed receivables	Lower domestic demand	Regulatory change
(38.0%)	(38.8%)	(44.4%)	(32.1%)
Skilled manpower shortage	Shortage of workers	Declining business & consumer sentiment	Skilled manpower shortage
(33.1%)	(36.5%)	(40.4%)	(31.1%)

Business Assessment

Better/Increase Neutral/Unchanged Worse/Decrease	≤ 5 percentage points below the top (a little different)							
	1H 2025 (Actual)				2H 2025 (Forecast)			
Business Management								
1 - Cash Flow Conditions	6.0%	71.2%	22.9%		10.2%	61.9%	27.9%	
2 - Debtors' Conditions	3.3%	70.5%	26.3%		6.4%	62.7%	30.9%	
Sales Performance								
3 - Domestic Sales	29.0%	28.2%	42.8%		31.1%	28.5%	40.4%	
4 - Export Sales	26.3%	38.5%	35.1%		27.8%	34.6%	37.6%	
Price Levels								
5 - Domestic Price	42.6%	38.3%	19.0%		46.8%	34.1%	19.2%	
6 - Export Price	22.3%	49.5%	28.2%		24.4%	45.8%	29.9%	
Business Production								
7 - Production Level	22.5%	32.5%	45.0%		30.5%	25.8%	43.7%	
8 - Inventory or Stock Level	34.3%	40.4%	25.4%		35.1%	35.8%	29.0%	
9 - Capacity Utilisation*	5.7%	20.5%	54.1%	19.7%	5.7%	25.4%	44.3%	24.6%
	* > 90% 75-90% 50-74% < 50%				> 90% 75-90% 50-74% < 50%			
Cost of Inputs**								
10 - Local	7.9%	21.1%	71.0%		8.6%	19.5%	71.9%	
11 - Imported	11.5%	35.2%	53.3%		10.2%	32.4%	57.4%	
	** Decrease Unchanged Increase				Decrease Unchanged Increase			
Manpower								
12 - Number of Employees	24.4%	61.6%	14.0%		27.9%	58.6%	13.5%	
13 - Wage Growth	61.9%	33.7%	4.4%		59.6%	36.1%	4.4%	
Investment								
14 - Capital Expenditure	45.7%	46.6%	7.8%		47.3%	43.8%	8.9%	

■ Assessments

- Cash flow and debtor conditions were neutral in 1H 2025 and 2H 2025.
- Domestic sales have declined in 1H 2025 though the pessimism has improved slightly with 40.4% of respondents anticipating a decline in 2H 2025 (42.8% in 1H 2025). For foreign sales, 38.5% reported neutral performance in 1H 2025, while 37.6% expect a downturn in 2H 2025.
- Domestic price levels have increased in 1H 2025, while export price levels were largely remained neutral. In 2H 2025, both domestic and export price levels are expected to stay broadly unchanged.
- Production levels have declined in 1H 2025, and is forecasted to persist in 2H 2025. Capacity utilisation rates were between 50% and 74%. Meanwhile, inventory or stock level remained neutral.
- Cost of local and imported raw materials have increased in 1H 2025 and is expected to continue rising in 2H 2025, though with fewer respondents anticipating increases compared to 1H.
- Most businesses have retained their manpower in 1H 2025, and this trend is forecasted to persist in 2H 2025. Wage growth was positive.
- Capital expenditure growth has eased compared to 2H 2024, indicating a cautious investment outlook.

■ Discussion

- Overall, economic growth has moderated in 1H 2025 with real GDP growth averaging 4.4% (5.2% in 2H 2024). The growth momentum is expected to soften further in 2H 2025 amid persistent global and domestic headwinds.
- Businesses, particularly SMEs, continue to face rising operating costs stemming from various cost measures and tax changes. These include higher minimum wages, restructured electricity tariffs, the phased 30% tariff adjustment in Port Klang, the Sales and Service Tax (SST) expansion, higher water tariffs in most states, as well as the fuel subsidy rationalisation to be implemented by end-September. Additional costs would come from the employers' 2% EPF contribution for foreign workers (effective October payroll) and a multi-tiered foreign worker levy in 2026. These measures are squeezing profit margins and undermining competitiveness, with knock-on effects on consumer inflation.
- While the employees' wages recorded positive growth through measures such as higher minimum wage and the Progressive Wage Policy (PWP), elevated living costs and the broader tax burden have dampened consumer sentiment. Discretionary consumer spending is likely to remain cautious, and many businesses are expected to pass on higher costs to consumers.
- Against this backdrop, the survey results showed that businesses hold a bleak outlook for 2025, anticipating weaker sales, neutral financial conditions, and persistent pressure from rising raw material costs amid underutilised capacity. Many businesses are also holding back investment plans in view of the uncertainties. With the on-going uncertain global external landscape marked by the shift in trade policy, and geopolitical risks, businesses are preparing for challenging operating conditions in the remainder of 2025, with potential spillover into 2026.



04

**Current Issues:
Budget 2026**



Budget 2026 Wishlist



Focus areas *

1		SMEs financing & capacity building	56.3%
2		Tax credits & investment incentives	55.9%
3		Conducive tax reform	53.1%
4		Expanding domestic demand	41.1%
5		Trade facilitation	30.7%

Priority areas of investment *

1		AI & digital infrastructure	44.0%
2		Education	42.8%
3		Special economic & financial zones / corridors	39.1%
4		Healthcare	37.3%
5		Road and rail network	34.7%

Challenges in accessing Government benefits

#1	Complexity and lengthy processes	61.1%
#2	Lack of understanding of eligibility requirements	54.5%
#3	Lack of awareness about available programs	43.6%
#4	Non-transparent approval	40.2%
#5	Inconsistent treatment	35.3%

* Respondents were requested to select only their top five priorities, to better reflect relative preferences among the options. As such, the percentages shown do not capture all areas of interest, but only the most preferred ones.



Measures to consider *

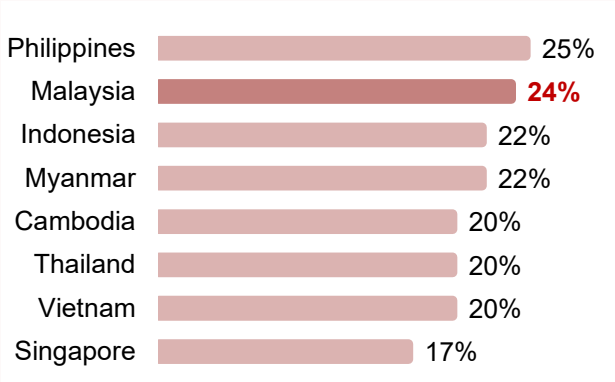
Gradually reduce corporate tax rate to 20%	↳ 56.8% (#1)
SME corporate income tax rebate of 25%, capped at RM20,000	↳ 49.9% (#2)
Increase the chargeable income threshold to RM1 million for SME preferential tax rate of 15%	↳ 38.9% (#3)
Allow multiple claims for government incentives (e.g. Digital Grant)	↳ 25.3% (#4)
Refundable R&D tax credit for SMEs	↳ 23.6% (#5)
Raise stamp duty threshold on employment contracts to RM10,000 monthly salary	↳ 21.3% (#6)
Conduct a study on regional minimum wage policy	↳ 19.2% (#7)
Enhance public access to key business application data with real-time transparency (e.g. available grant balance)	↳ 17.1% (#8)
Increase the Market Development Grant (MDG) lifetime limit to RM500,000 and per-claim threshold to RM35,000	↳ 16.9% (#9)
Co-share maternity benefits	↳ 16.2% (#10)

Proposed measures (% of votes)

#1 (56.8%)

Gradually reduce corporate tax rate to 20%

Malaysia's corporate tax rate of 24% is among the highest in the region, while peers have progressively lowered theirs, reducing Malaysia's tax competitiveness.



#3 (38.9%)

Increase the chargeable income threshold to RM1 million for SME preferential tax rate of 15%

Starting YA2023, SMEs' preferential tax rate on chargeable income for the first RM150,000 reduced from 17% to 15%.

Corporate income tax rate	Existing	Proposal
Company with paid up capital not more than RM2.5 million		
On first RM150,000	15	15
Next RM450,000	17	15
Next RM400,000	24	15
Subsequent balance	24	24*

* To be gradually reduced to 20% as per top voted measure.

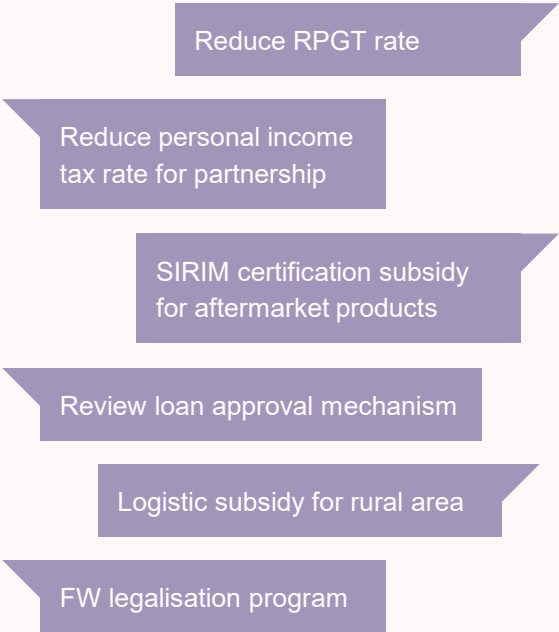
Optional suggestions by 60 respondents

By category

#1	Taxation measure	66.7%
	Cancel SST and/or reintroduce GST	31.7%
	Increase tax reliefs, rebates & incentives	25.0%
	Reduce corporate tax / export duties	18.3%
#2	SME & business support	36.7%
	Reduce the Cost of Doing Business for SMEs	33.3%
	Expand SME Financing, Support & Grants	21.7%
#3	Government effectiveness & public infrastructure	28.3%
	Improve Government Service Delivery Efficiency	16.7%
	Strengthen Policy and Enforcement	13.3%
	Ensure Consistency in Government Policy	13.3%
#4	Human resources	15.0%
	Talent Development & Upskilling	10.0%
#5	Other specific	8.3%

Note: The list covers subcategories of at least 10%.

Other specific measures



Discussion

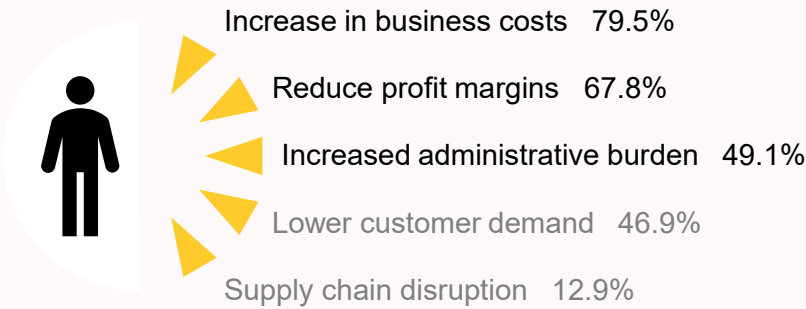
- The upcoming **Budget 2026**, slated to be tabled in Parliament on **10 October 2026**, carries the theme “**Driving the Madani Economy: Empowering the People.**” It marks the first fiscal budget under the Thirteenth Malaysia Plan (13MP), setting the tone for Malaysia’s development priorities over the next five years. While there are short-term relief measures for households, strategic measures and initiatives are needed to foster long-term structural shifts in positioning Malaysia towards sustainable and inclusive growth path.
- The survey findings point towards a **strong emphasis on supporting SMEs**, with **financing and capacity building** emerging as a clear priority (voted by 56.3% of respondents as their top preference among five areas). This reflects the reality that SMEs remain the backbone of Malaysia’s economy, yet they require greater support to deepen their capabilities and move up the value chain. Beyond financing, equal attention must be given to enhance business resilience, digital adoption, and market expansion. Targeted tax measures such as **an SME corporate income tax rebate** and **a higher threshold for the preferential 15% rate at RM1 million** can help SMEs free up resources that may be reinvested into skills, productivity enhancement, and innovation.
- Tax incentives also stand out strongly, with **tax credits and investment incentives** (55.9%) and **conductive tax reform** (53.1%) both ranking high among businesses’ priorities. A predictable and competitive tax system is critical in reducing compliance burden and encouraging long-term investment. **Businesses are urging for a clear and gradual path towards a reduction in corporate tax rate to 20%, aligning with regional competitors.** At the same time, by **making the claims process for incentives and grants simpler and ensuring that approvals are transparent**, which would directly resolve long-standing complaints from businesses about difficulties and a lack of clarity in the current systems.
- **AI and digital infrastructure** is listed as the Budget’s top expenditure/investment priority (as ranked by 44.0% of total respondents), highlighting the urgency of equipping businesses, particularly SMEs, with the tools to remain competitive. However, the adoption among smaller firms remained low. To bridge this gap, greater guidance is needed to help SMEs integrate digital solutions into their operations and supply chains. **Enhancing existing programmes such as the Digital Grant**, including **higher allocation** and **allowing multiple claims** instead of the current one-time limit, would provide more practical support. Building SME digital literacy and offering hands-on advisory services will be key to ensuring that investments in AI and digital infrastructure translate into real business transformation.
- Last but not least, **challenges in accessing government benefits remain a major stumbling block.** Businesses have cited complex procedures, unclear eligibility rules, and lack of transparency as key barriers. These issues often blunt the impact of well-designed programmes. By taking concrete steps to further simplify applications, make guidelines clear and provide real-time transparency on approvals and the fund’s balances, the effectiveness of support measures could be greatly improved. Improving delivery in this way is not only about efficiency but also about rebuilding trust, ensuring that support measures actually reach those who need them most.

05

**Current Issues:
Sales & Service Tax
(SST) Expansion**



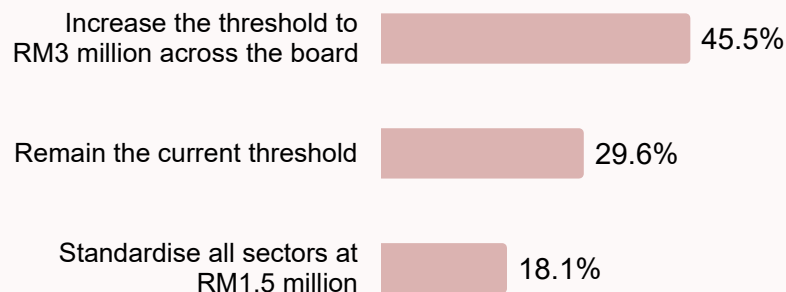
Impact of the expanded SST on businesses



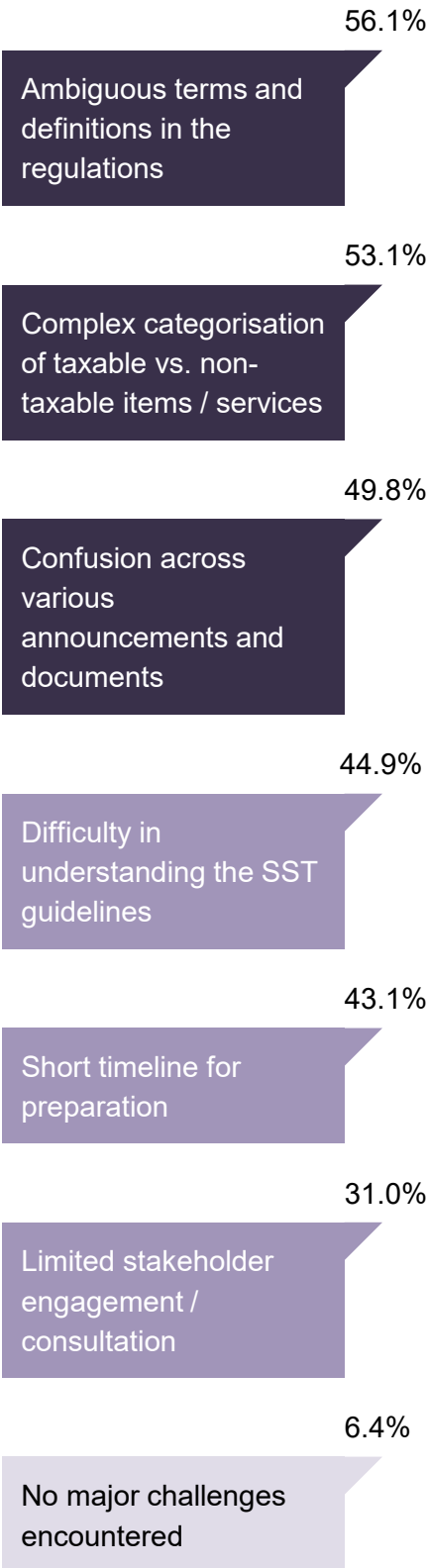
Business's response to SST

- Pass increased costs onto consumers 54.6%
- Absorb costs internally 44.6%
- Cautious business expansion / investment approach 37.4%
- Seek tax / accounting advisory services 36.1%
- Re-negotiate suppliers' / tenants' contracts 26.1%

Appropriate annual sales threshold for SST registration



Challenges



Sales and Service Tax (SST) Expansion in 2025

Background

- On 9 June 2025, the Government has announced the implementation of a targeted revision of sales tax rate and expansion of service tax scope (SST), effective from 1 July 2025. The implementation timeline is two months later than the originally proposed date of 1 May 2025, as tabled in the Budget 2025.
- The revision is a part of a broader fiscal reform aimed at strengthening public finances by increasing tax revenue and broadening the tax base. **It is projected to generate RM5 billion in tax revenue in 2025, and RM10 billion annually on a full-year basis**, helping to maintain the fiscal deficit target of 3.8% of GDP for 2025.
- However, many businesses and industry associations have voiced concerns over the **SST expansion**. Key issues raised include the timing of implementation, higher compliance and operational costs, disproportionate impact on consumers, lack of clarity, and insufficient lead time for preparation. Stakeholders also highlighted that the application of service tax on construction services must carefully consider transitional rules, particularly exemptions for contracts that extend beyond the implementation date.

Key Changes (Based on 28 Jun 2025): For more information, please refer to this [report](#).



Sales Tax		7,969 items (69.6% of total) Remain exempted, 5% and 10%	
1,839 items Exempted	4,066 items At 5%	3,170 items (27.7%) From exempted to 5%	168 items (1.5%) From exempted to 10%
5,521 items At 10%	25 items Ad Hoc	64 items (0.6%) From 5% to 10%	70 items (0.6%) Others

Category	Exempted	5%	10%
Animals & Animal Products	289	331	4
Fruits & Vegetables	217	294	2
Processed Foods & Beverages	108	397	98
Raw Materials & Intermediate Goods	651	1,863	1,598
Consumer Goods	109	219	1,473
Machinery, Transport & Electronics	453	962	2,298
Miscellaneous & Special Categories	12	0	48

Note: Items are based on 6-digit HS code, and this is a rough grouping based on 2-digit HS code due to many entries.

New Service Tax

A. Leasing or Rental Services

8% on rental or leasing of tangible asset services provided by registered services having annual leasing or rental revenue from taxable services exceeding the threshold of RM1 million.

B. Construction Services

6% on any construction works services provided by contractors with total revenue from taxable services exceeding the threshold of RM1.5 million.

C. Financial Services

8% on fee- or commission-based financial services, with certain taxable services exceeding the threshold of RM1 million.

D. Private Healthcare Services

6% on taxable services provided by private healthcare, traditional and complementary medicine, and allied health services providers to non-citizens, where the service providers exceed the threshold of RM1.5 million from taxable services.

E. Education Services

6% on the following services charged when provided by registered providers: (1) Private preschools, primary schools, and secondary schools with annual tuition fees exceeding RM60,000 per student; (2) Higher education services provided to non-citizens

Note: Beauty services have been exempted.

Source: Royal Malaysian Customs Department



Discussion

- 





Recommendations

- **Review the threshold exemption for SST: 45.5% of respondents hoped for an increase in the threshold to RM3 million across the board, which could ease the burden on SMEs.** A higher threshold is better aligned with the definition of SMEs for the services and other sectors – the upper bound of the MSME is RM3 million in annual revenue for small enterprises.
- **Lower the service tax rate for the newly introduced services to 4% for an initial period of two years until 2027, such as construction services and leasing and rental services.** This temporary reduction would help facilitate a smoother transition, reduce the tax burden on businesses and consumers, and allow time for adjustment. A subsequent review of the rate can be conducted based on prevailing economic conditions.
- **Grant a 36-month exemption and expand to cover all project types other than non-reviewable contracts:** Due to the type of projects and project cycles, in particular, large-scale infrastructure projects or property development have project cycles which often exceed one year. Additionally, the SST shall not be applied retrospectively to protect pre-existing contracts from unexpected cost increases.
- **Undertake a comprehensive review:** The Government shall have active and wider engagements with all stakeholders, considering the industry stakeholders' interests in ensuring clear and smooth implementation, especially when the concerns raised by business groups in the construction, services and manufacturing sectors over the timing of the SST expansion, increased business costs, lack of clarity and insufficient time for preparation

Appendix 1: Survey Methodology

A1.1 Survey Methodology

Survey Period: 10 July 2025 – 11 August 2025

Distribution Channels:

1. Online via SurveyMonkey
2. Physical questionnaires distributed through ACCCIM's 17 Constituent , 52 Associate Members and other associations.

Data Cleaning & Validation:

1. Sector-Specific Questions

- **Agriculture, Mining, Manufacturing, and Electricity & Water:** capacity utilisation, production volume, inventory levels.
- **Trading (Import & Export), Wholesale & Retail Trade and Repair of Motor Vehicle & Motorcycle:** inventory levels.
- **The "Not Applicable" option for all sectors in selected questions** is included to reduce forced-response bias.

2. Sales Orientation Adjustment

- **Ensure consistency between reported domestic and foreign sales and responses in business-condition modules.**

3. Incomplete Responses

- **Drop respondents missing core respondent- and business-profile items** (industry type, turnover, employee count).
- **Retain completed sections;** discard blank sections.

4. Duplicate Removal

- **Matched on respondent identifiers** (i.e. name, email, phone) **and business profiles** (i.e. company name, chamber).
- **Respondents who are not owners, senior management, middle management, or secretaries were excluded to ensure data quality,** given their limited understanding of the business's performance.
- **Kept the most recent entry or highest designation (if any) per respondent;** retained separate entries for distinct business entities.

17 Constituent Members



A1.2 Survey Structure

The questionnaire is organised into three sections. (Full questionnaire in Appendix 4)

Section A “Respondents and Business Profile”

- Respondent’s profile, type of principal business activity, and its size of business operations;
- Share of total sales in domestic vs. overseas market; and
- Number of employees and the proportion of local vs. foreign workers to total employment.

Section B “Overall Assessment”

- Economic and business conditions and outlook;
- Key factors affecting performance; and
- Past six-month performance vs. next six-month outlook.

Section C “Current Issues”

- Budget 2026
- Sales and Service Tax (SST) Expansion



A1.3 Business Condition Index (BCI) & Business Sentiment Index (BSI)

Overview

The Business Conditions Index (BCI) and Business Sentiment Index (BSI) are introduced in M-BECS 1H 2025 and are designed to track key trends in business performance and expectations. Component indicators are equally weighted to enhance clarity, consistency, and comparability across sectors and over time.

Index Structure & Groupings

Industry Group	BCI Components (Current & Past)	BSI Components (Future)
Agriculture, Mining, Manufacturing, Electricity & Water	(Domestic Sales + Production) / 2	(Domestic Sales + Production + Capital Expenditure) / 3
Construction	(Domestic Sales + Number of Employees) / 2	(Domestic Sales + Number of Employees) / 2
Wholesale & Retail Trade (inc. Motor Repair and Trading)	(Business Condition + Domestic Sales - Inventory) / 3	(Business Condition + Domestic Sales) / 2
Other Services	(Business Condition + Domestic Sales) / 2	

Scoring & Weights

- **A three-point scale to capture directional sentiment:** Better (+1), Neutral (0), Worse (–1).
- **The index is calculated using the formula:** Index = (% Better – % Worse) × 100.
- Sectoral weights are applied based on **the three-year average GDP** contribution (2022–2024), ensuring that each sector's influence reflects its relative economic size.

Interpretation & Benchmarking

- **The index ranges from 0 to 200, with a reading of:** >100 indicating expansion; <100 indicating contraction.
- **The Business Condition Index (BCI) shows strong alignment with other leading indicators since M-BECS 2H 2018:** 0.8 correlation with RAM-CTOS Business Confidence Index; 0.7 correlation with Department of Statistics Malaysia’s (DOSM) Business Tendency Survey (BTS); and 0.2 correlation with the MIER Business Conditions Index (BCI).
- **Future editions will refine the benchmarking framework,** including alignment with selected international indices to improve global comparability.

A1.4 Enhancements & New Features in M-BECS 1H 2025

In line with international best practices, such as the OECD Guidelines for Business Tendency Surveys and Malaysia's Business Tendency Survey framework, **this Malaysia's Business and Economic Conditions Survey (M-BECS) introduced several enhancements to improve data quality and address previous gaps:**

1. Mandatory Profile Verification

- Introduced questions on senior management designation to **ensure that responses reflect input from key decision-makers, thereby enhancing data validity and credibility.**

2. Expanded Sector Classification

- **Refined sector classifications to align with the Malaysia Standard Industrial Classification (MSIC).** Introduced more granular classification, particularly for Repair of Motor Vehicles and Motorcycles.

3. Focused Time Horizon

- **Narrowed the reference periods in sentiment-related questions to the past six months and the next six months only.** This approach helps reduce recall bias and avoids overlapping indicators, ensuring sharper and more actionable insights.

A1.5 Significance of M-BECS

- **A complementary role to other surveys.** M-BECS serves to complement as well as fill the gaps of existing market and industry surveys conducted by various private organisations, namely the Federation of Malaysian Manufacturing (FMM), RAM Holdings Berhad, etc. It can be used to supplement the Department of Statistics, Malaysia (DOSM) to gauge Malaysia's overall economic and business conditions.
- **An important input for the national development process.** ACCCIM is a major national organisation representing the Malaysian Chinese business community and has been playing an effective contributory role in providing our perspectives on current economic and business conditions, as well as our expectations.
- **Gathering of feedback, inputs and suggestions.** The respondents' feedback and suggestions concerning pertinent business and economic issues, as well as problems faced, will provide a basis for the preparation of memoranda and policy papers/notes for onward submission to the Government and relevant Ministries and agencies for their consideration.
- **Reference sources for both public and private sectors.** M-BECS 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.

In particular, it helps the Government to gauge the effectiveness of public policies implemented and hence, would consider making the necessary adjustments for future policy formulation.



A1.6 Limitations & Considerations

Several methodological limitations should be taken into account when interpreting the survey results:

- **Sampling Bias:** The survey is based on a quota sample of ACCCIM member businesses, which may not fully reflect the structure of the broader business population.
- **Voluntary Response:** Participation was voluntary, introducing the potential for self-selection bias, where more engaged or affected businesses may be overrepresented.
- **Unweighted Estimates:** Results are based on direct respondent proportions and are not weighted to reflect population benchmarks. As such, caution is advised when making wave-to-wave comparisons, especially in periods of shifting response profiles.
- **Non-official Statistics:** The indicators are intended for timely insights rather than exhaustive coverage, and should be interpreted as supplementary to official economic statistics.

A1.7 Future Enhancement

To strengthen the quality, relevance, and usability of the M-BECS, several improvements are planned for future iterations:

- **Timelier Data Collection:** Adjust the data collection period to better capture real-time business conditions and sentiments, reducing biases for the Business Condition and Sentiment Index.
- **Improved Sampling and Credibility:** Explore techniques to reduce potential biases and improve representativeness, such as applying appropriate sample weights to the quota sample.
- **Ongoing Questionnaire Refinement:** Continue gathering feedback from members to further refine the questionnaire's structure, ensuring clarity, relevance, and ease of response.
- **Enhanced Data Presentation:** Improve the presentation of findings and accompanying information, including more intuitive visualisations and clearer communication of insights to support decision-making.

Appendix 2: Summary of Guidelines for SMEs Definition & Respondents' Profile by Turnover and Employees

Size of Enterprise		Criteria	Manufacturing Sector	Services and Other Sectors
SME	Micro	Sales Turnover	Below RM300,000 <u>OR</u>	Below RM300,000 <u>OR</u>
		Number of Full-Time Employees	Less than 5	Less than 5
	Small	Sales Turnover	RM300,000 to less than RM15 million <u>OR</u>	RM300,000 to less than RM3 million <u>OR</u>
		Number of Full-Time Employees	5 to less than 75	5 to less than 75
	Medium	Sales Turnover	RM15 million to RM50 million <u>OR</u>	RM3 million to RM20 million <u>OR</u>
		Number of Full-Time Employees	75 to 200	30 to 75
Large		Sales Turnover	Above RM50 million <u>OR</u>	Above RM20 million <u>OR</u>
		Number of Full-Time Employees	Above 200	Above 75

Respondents' profile: Annual turnover and number of employees by major sectors:

	Primary	Manufacturing	Construction	Services	Total
Annual turnover:					
Less than RM300k	12.0%	3.9%	6.8%	15.3%	12.4%
RM300k to < RM3mil	28.0%	22.7%	33.0%	40.1%	36.0%
RM3mil to < RM15mil	40.0%	35.2%	31.8%	22.6%	26.3%
RM15mil to < RM20mil	4.0%	9.4%	9.1%	5.4%	6.4%
RM20mil to ≤ RM50mil	8.0%	14.8%	6.8%	7.8%	8.9%
More than RM50mil	8.0%	14.1%	12.5%	8.8%	10.0%
Number of full-time employees:					
Less than 5	20.0%	7.8%	14.8%	30.2%	24.5%
5 to < 30	52.0%	32.8%	56.8%	46.8%	45.8%
30 to < 75	16.0%	28.1%	19.3%	12.3%	15.8%
75 to ≤ 200	8.0%	19.5%	8.0%	4.9%	7.7%
More than 200	4.0%	11.7%	1.1%	5.8%	6.2%



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

This survey aims to assess **Malaysia's business and economic conditions in the first half-year of 2025** (1H 2025: Jan – Jun 2025) and **prospects for the second half-year of 2025** (2H 2025: Jul – Dec 2025) and beyond.

The survey results will be used as input to **prepare memoranda concerning domestic economic and industrial issues, including public policies impacting the business community, for submission to the Government and relevant Ministries for their consideration. ALL INFORMATION WILL BE TREATED IN THE STRICTEST CONFIDENCE.**

We seek your kind cooperation to return the duly completed questionnaire to ACCCIM Secretariat by **31 July 2025** (Email: commerce@accim.org.my). Thank you for your support and cooperation.

SECTION A: RESPONDENT AND BUSINESS PROFILE

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

A1. Respondent Profile

- i. Company name:

- ii. Respondent's name:

- iii. Email address:

- iv. Contact number:

- v. Job designation:
 - ☐ ₁ Owner
 - ☐ ₂ Senior Management
 - ☐ ₃ Middle Management
 - ☐ ₄ Personal Assistant (PA) / Secretary
 - ☐ ₅ Other: _____

A2. Constituent Members:

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

More at the next page...

Associate Members:

- | | |
|--|--|
| ☐ 18 Federation of Chinese Physicians and Medicine Dealers Associations of Malaysia | ☐ 36 Malaysian Wood Moulding & Joinery Council |
| ☐ 19 Malaysian Wood Industries Association | ☐ 37 Malaysia Stationery Importers and Exporters Association |
| ☐ 20 Malaysian Textile Manufacturers Association | ☐ 38 Malaysia Printers Association |
| ☐ 21 Malaysia Mobile Technology Association | ☐ 39 Federation of Sundry Goods Merchants Associations of Malaysia |
| ☐ 22 Malaysian Furniture Council | ☐ 40 Branding Association of Malaysia |
| ☐ 23 Federation of Goldsmith and Jewellers Association of Malaysia | ☐ 41 Persatuan Pemborong Malaysia |
| ☐ 24 The Federation of Malaysia Hardware, Machinery & Building Materials Dealers' Association | ☐ 42 Malaysia-China Chamber of Commerce for Traditional Medicines & Health Products |
| ☐ 25 Malaysia Fujian Chamber of Commerce and Industry | ☐ 43 Malaysia International Vocational Association |
| ☐ 26 Pawnbroker's Association of Malaysia | ☐ 44 Malaysia Aquaculture Development Association |
| ☐ 27 Malaysia Retailers Association | ☐ 45 Malaysia Retail Chain Association |
| ☐ 28 Malaysian Association of Convention & Exhibition Organisers & Suppliers | ☐ 46 Malaysia Fish Industries General Association |
| ☐ 29 Malaysia Teochew Chamber of Commerce | ☐ 47 Malaysia Woodworking Machinery Association |
| ☐ 30 Malaysian Photovoltaic Industry Association | ☐ 48 Malaysia Pallet Association |
| ☐ 31 Malaysian Nail Technicians & Make Up Association | ☐ 49 Companies of Industry and Trade Association |
| ☐ 32 Malaysian Hairdressing Association | ☐ 50 Malaysian Interior Industry Partners Association |
| ☐ 33 Automotive Accessories Traders Association of Malaysia | ☐ 51 Malaysia Hakka Chamber of Commerce and Industry |
| ☐ 34 Malaysia Guangxi Chamber of Commerce | ☐ 52 Malaysian Gifts & Premium Association |
| ☐ 35 Persatuan Anggun Menawan Malaysia | Other: |
| | ☐ 53 _____ |
| | _____ |

A3. Type of principal industry or sub-sector: [Please select only ONE (1)]

- | | |
|---|---|
| ☐ 1 Agriculture, forestry, and fisheries | ☐ 9 Hotels, restaurants, recreation, and entertainment |
| ☐ 2 Mining and quarrying | ☐ 10 Transportation, forwarding, and warehousing |
| ☐ 3 Manufacturing | ☐ 11 Information and Communications Technology (ICT) |
| ☐ 4 Electricity and water industry | ☐ 12 Financial and insurance |
| ☐ 5 Trading (imports and exports) | ☐ 13 Real estate |
| ☐ 6 Construction | ☐ 14 Professional and business services |
| ☐ 7 Wholesale and retail trade | ☐ 15 Health and education |
| ☐ 8 Repair of motor vehicles and motorcycles | |

A4. 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

A5. Number of full-time employees:

- ☐ ₁ Less than 5
☐ ₂ 5 to 29
☐ ₃ 30 to 74
☐ ₄ 75 to 200
☐ ₅ More than 200

A6. Please indicate the share of total sales generated from export market:

- ☐ ₁ 0%
☐ ₂ 1% to 25%
☐ ₃ 26% to 50%
☐ ₄ 51% to 75%
☐ ₅ 76% to 99%
☐ ₆ 100%

A7. Please indicate the share of foreign employees to total employees:

- ☐ ₁ 0%
☐ ₂ 1% to 25%
☐ ₃ 26% to 50%
☐ ₄ 51% to 75%
☐ ₅ 76% to 99%
☐ ₆ 100%

SECTION B: OVERALL ASSESSMENT

B1. Overall economic conditions and outlook:				B2. Overall business conditions and outlook:			
(Tick ✓ per row)	<u>Better</u>	<u>Neutral</u>	<u>Worse</u>	(Tick ✓ per row)	<u>Better</u>	<u>Neutral</u>	<u>Worse</u>
1H 2025	☐ 1	☐ 2	☐ 3	1H 2025	☐ 1	☐ 2	☐ 3
2H 2025	☐ 1	☐ 2	☐ 3	2H 2025	☐ 1	☐ 2	☐ 3
Estimation for 2025	☐ 1	☐ 2	☐ 3	Estimation for 2025	☐ 1	☐ 2	☐ 3
Forecast for 2026	☐ 1	☐ 2	☐ 3	Forecast for 2026	☐ 1	☐ 2	☐ 3

B3. Which of the following factors adversely affected your business performance in 1H 2025?
(Select all that apply)

- | | |
|--|---|
| ☐ 1 Changing consumer behaviour | ☐ 11 Declining business & consumer sentiment |
| ☐ 2 High operating cost | ☐ 12 Regulatory change |
| ☐ 3 Supply chain disruptions | ☐ 13 Lower external demand |
| ☐ 4 Shortage of raw materials | ☐ 14 Lower domestic demand |
| ☐ 5 Increase in prices of raw materials | ☐ 15 Cash flow problem |
| ☐ 6 Shortage of workers | ☐ 16 Rising bad debts & delayed receivables |
| ☐ 7 Technology disruptions | ☐ 17 ESG compliance |
| ☐ 8 Access to financing | ☐ 18 Climate-related risk |
| ☐ 9 Skilled manpower shortage | ☐ 19 Geopolitical tensions |
| ☐ 10 The Ringgit's fluctuation | ☐ 20 Political climate |

B4. Performance and Forecast

Note: N/A = Not Applicable
N/R = Not Relevant

	<u>Current Performance</u> 1H 2025 (Jan – Jun) vs. 2H 2024 (Jul – Dec)			<u>Forecast</u> 2H 2025 (Jul – Dec) vs. 1H 2025 (Jan – Jun)		
	<u>Better</u>	<u>Neutral</u>	<u>Worse</u>	<u>Better</u>	<u>Neutral</u>	<u>Worse</u>
<u>B4.1 Overall</u>						
i. Cash flows conditions	☐	☐	☐	☐	☐	☐
ii. Debtors' conditions	☐	☐	☐	☐	☐	☐
iii. Capacity utilisation level	☐ Less than 50%			☐ Less than 50%		
◇ N/A or N/R	☐ 50% to 74%			☐ 50% to 74%		
	☐ 75% to 90%			☐ 75% to 90%		
	☐ More than 90%			☐ More than 90%		
<u>B4.2 Domestic sales</u>	<u>Increase</u>	<u>Unchanged</u>	<u>Decrease</u>	<u>Increase</u>	<u>Unchanged</u>	<u>Decrease</u>
i. Sales revenue	☐ 1-5%	☐	☐ 1-5%	☐ 1-5%	☐	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
ii. Price level	☐ 1-5%	☐	☐ 1-5%	☐ 1-5%	☐	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%

Note: N/A = Not Applicable
N/R = Not Relevant

	<u>Current Performance</u> 1H 2025 (Jan – Jun) vs. 2H 2024 (Jul – Dec)			<u>Forecast</u> 2H 2025 (Jul – Dec) vs. 1H 2025 (Jan – Jun)		
	Increase	Unchanged	Decrease	Increase	Unchanged	Decrease
<u>B4.3 Export sales</u>						
i. Sales revenue ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
ii. Price level ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
<u>B4.4 Business production</u>						
i. Production volume ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
ii. Inventory or stock level ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
<u>B4.5 Cost of inputs</u>						
i. Local ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
ii. Imported ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
<u>B4.6 Manpower</u>						
i. Number of employees	☐ 1-5 ☐ 6-10 ☐ > 10	☐	☐ 1-5 ☐ 6-10 ☐ > 10	☐ 1-5 ☐ 6-10 ☐ > 10	☐	☐ 1-5 ☐ 6-10 ☐ > 10
ii. Wage growth	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%
<u>B4.7 Investment</u>						
i. Capital expenditure ◇ N/A or N/R	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%	☐ 1-5% ☐ 6-10% ☐ > 10%	☐	☐ 1-5% ☐ 6-10% ☐ > 10%

SECTION C: CURRENT ISSUES**Budget 2026****C1. Which broad areas should Budget 2026 focus on?** *(Select up to 5)*

- ☐ 1 Regulatory reform
- ☐ 2 Conducive tax reform
- ☐ 3 Tax credits & investment incentives
- ☐ 4 SMEs financing & capacity building
- ☐ 5 Trade facilitation
- ☐ 6 Expanding domestic demand
- ☐ 7 Skills development
- ☐ 8 Digitalisation & automation
- ☐ 9 Green transition
- ☐ 10 Public-private partnership (PPP)
- ☐ 11 Innovation & startup ecosystem
- ☐ 12 Other: _____

C2. Which areas of investments should be prioritised in Budget 2026? *(Select up to 5)*

- ☐ 1 Road and rail network
- ☐ 2 Port and logistics hub
- ☐ 3 Smart city infrastructure
- ☐ 4 AI & digital infrastructure
- ☐ 5 Special economic & financial zones / corridors
- ☐ 6 Renewable energy
- ☐ 7 Food security
- ☐ 8 Flood mitigation
- ☐ 9 Education
- ☐ 10 Healthcare
- ☐ 11 Public housing
- ☐ 12 Tourism
- ☐ 13 Other: _____

C3. Which are the following measures to consider in Budget 2026? *(Select up to 5)*

- ☐ ₁ Enhance public access to key business application data with real-time transparency (e.g. available grant balance)
- ☐ ₂ Develop a centralised business support portal (e.g. Singapore GoBusiness Portal)
- ☐ ₃ Gradually reduce corporate tax rate to 20%
- ☐ ₄ Increase the chargeable income threshold to RM1 million for SME preferential tax rate of 15%
- ☐ ₅ SME corporate income tax rebate of 25%, capped at RM20,000
- ☐ ₆ Allow multiple claims for government incentives (e.g. Digital Grant)
- ☐ ₇ Increase fiscal allocation and claim limit for Digital Grant
- ☐ ₈ Increase the Market Development Grant (MDG) lifetime limit to RM500,000 and per-claim threshold to RM35,000
- ☐ ₉ Reintroduce the Smart Automation Grant (SAG)
- ☐ ₁₀ Refundable R&D tax credit for SMEs
- ☐ ₁₁ Conduct a study on regional minimum wage policy
- ☐ ₁₂ Implement an Integrated Single Window System for international trade
- ☐ ₁₃ Corporate EV fleet grants or rebate
- ☐ ₁₄ Net Energy Metering (NEM) without quota
- ☐ ₁₅ Reduce System Access Charge for Corporate Renewable Energy Supply Scheme (CRESS)
- ☐ ₁₆ Allow sharing of excess solar energy with non-wholly owned subsidiaries under the NOVA programme
- ☐ ₁₇ Raise stamp duty threshold on employment contracts to RM10,000 monthly salary
- ☐ ₁₈ Phased implementation for SME when implementing multi-tiered foreign worker levy
- ☐ ₁₉ Reintroduce hiring incentives for TVET graduates
- ☐ ₂₀ Co-share maternity benefits
- ☐ ₂₁ Other: _____

C4. What challenges have you faced when applying for government benefits or assistance programs? *(Select all that apply)*

- ☐ ₁ Complexity and lengthy processes
- ☐ ₂ Lack of understanding of eligibility requirements
- ☐ ₃ Inconsistent treatment
- ☐ ₄ Insufficient funding allocation
- ☐ ₅ Non-transparent approval
- ☐ ₆ Lack of awareness about available programs
- ☐ ₇ No suitable scheme
- ☐ ₈ Other: _____

C5. (Optional) Please share your suggestions for Budget 2026. Kindly be as specific as possible.

Sales and Service Tax (SST) Expansion
--

C6. How has the expanded SST affected your businesses? *(Select all that apply)*

- ☐ ₁ Insignificant impact
- ☐ ₂ Increase in business costs
- ☐ ₃ Reduce profit margins
- ☐ ₄ Supply chain disruption
- ☐ ₅ Lower customer demand
- ☐ ₆ Increased administrative burden
- ☐ ₇ Other: _____

C7. What are the main challenges faced in complying with the expanded SST? *(Select all that apply)*

- ☐ ₁ No major challenges encountered
- ☐ ₂ Ambiguous terms and definitions in the regulations
- ☐ ₃ Confusion across various announcements and documents
- ☐ ₄ Short timeline for preparation
- ☐ ₅ Difficulty in understanding the SST guidelines
- ☐ ₆ Limited stakeholder engagement / consultation
- ☐ ₇ Complex categorisation of taxable vs. non-taxable items / services
- ☐ ₈ Other: _____

C8. How does your business plan respond to the expanded SST? *(Select all that apply)*

- ☐ ₁ Absorb costs internally
- ☐ ₂ Pass increased costs onto consumers
- ☐ ₃ Re-negotiate suppliers' / tenants' contracts
- ☐ ₄ Reduce workforce or freeze hiring
- ☐ ₅ Cautious business expansion / investment approach
- ☐ ₆ Restructure operations or relocation
- ☐ ₇ Seek tax / accounting advisory services
- ☐ ₈ Other: _____

C9. What is an appropriate annual sales threshold for SST registration?

- ☐ ₁ Remain the current threshold
- ☐ ₂ Standardise all sectors at RM1.5 million
- ☐ ₃ Increase the threshold to RM3 million across the board
- ☐ ₄ Other: _____

Closing Date: 31 July 2025

Disclaimer: The information provided in this survey will be treated in the strictest confidence

~ Thank you very much for your cooperation ~

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Hotels, restaurants, recreation and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
Section A: Business Background																
A Size of business operations																
	SME	95.0%	80.0%	89.8%	83.3%	88.2%	94.3%	92.1%	96.4%	84.0%	92.6%	90.0%	89.2%	93.6%	95.7%	91.9%
	Large enterprise	5.0%	20.0%	10.2%	16.7%	11.8%	5.7%	7.9%	3.6%	16.0%	7.4%	10.0%	10.8%	6.4%	4.3%	8.1%
	Sample size (n)	20	5	128	6	34	88	189	55	25	27	30	37	110	23	777
A6 Market orientation																
	100% sales from domestic market	70.0%	80.0%	31.3%	50.0%	32.4%	78.4%	76.2%	80.0%	48.0%	63.0%	76.7%	78.4%	72.7%	69.6%	65.1%
	76%-99% sales from domestic market	15.0%	20.0%	35.9%	50.0%	41.2%	18.2%	17.5%	12.7%	32.0%	25.9%	20.0%	18.9%	24.5%	17.4%	23.4%
	51%-75% sales from domestic market	5.0%	0.0%	10.9%	0.0%	2.9%	0.0%	3.7%	7.3%	12.0%	0.0%	0.0%	2.7%	1.8%	0.0%	4.2%
	26%-50% sales from domestic market	10.0%	0.0%	10.2%	0.0%	11.8%	2.3%	2.6%	0.0%	0.0%	3.7%	0.0%	0.0%	0.9%	4.3%	3.7%
	1%-25% sales from domestic market	0.0%	0.0%	9.4%	0.0%	11.8%	1.1%	0.0%	0.0%	8.0%	3.7%	0.0%	0.0%	0.0%	4.3%	2.7%
	100% sales from overseas market	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.7%	3.3%	0.0%	0.0%	4.3%	0.8%
	Sample size (n)	20	5	128	6	34	88	189	55	25	27	30	37	110	23	777
A7 Share of total employees																
	100% local employees	30.0%	60.0%	22.7%	83.3%	61.8%	35.2%	79.9%	49.1%	68.0%	70.4%	83.3%	81.1%	90.9%	95.7%	62.5%
	76%-99% local employees	25.0%	20.0%	30.5%	16.7%	32.4%	31.8%	15.3%	25.5%	28.0%	22.2%	6.7%	13.5%	6.4%	4.3%	20.1%
	51%-75% local employees	5.0%	20.0%	21.1%	0.0%	2.9%	11.4%	3.2%	14.5%	0.0%	3.7%	3.3%	0.0%	0.9%	0.0%	7.3%
	25%-50% local employees	40.0%	0.0%	21.1%	0.0%	2.9%	15.9%	1.1%	10.9%	4.0%	3.7%	0.0%	5.4%	0.0%	0.0%	8.0%
	1%-25% local employees	0.0%	0.0%	3.9%	0.0%	0.0%	5.7%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%	0.0%	1.7%
	100% foreign employees	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	0.0%	0.0%	0.0%	0.4%
	Sample size (n)	20	5	128	6	34	88	189	55	25	27	30	37	110	23	777
Section B: Overall Assessment																
B1 Economic conditions and prospects																
1H 2025																
	Better	5.6%	0.0%	10.7%	0.0%	6.1%	11.8%	5.6%	14.3%	12.5%	11.1%	6.9%	14.3%	7.5%	0.0%	8.7%
	Neutral	72.2%	40.0%	57.9%	80.0%	63.6%	57.6%	62.4%	59.2%	70.8%	55.6%	62.1%	68.6%	67.9%	75.0%	62.6%
	Worse	22.2%	60.0%	31.4%	20.0%	30.3%	30.6%	32.0%	26.5%	16.7%	33.3%	31.0%	17.1%	24.5%	25.0%	28.7%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
2H 2025																
	Better	5.6%	60.0%	10.7%	20.0%	12.1%	14.1%	5.6%	14.3%	16.7%	18.5%	17.2%	8.6%	9.4%	5.0%	10.7%
	Neutral	61.1%	0.0%	43.8%	60.0%	48.5%	41.2%	43.3%	34.7%	54.2%	55.6%	55.2%	62.9%	62.3%	55.0%	48.3%
	Worse	33.3%	40.0%	45.5%	20.0%	39.4%	44.7%	51.1%	51.0%	29.2%	25.9%	27.6%	28.6%	28.3%	40.0%	41.0%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
Estimation for 2025																
	Better	0.0%	0.0%	13.2%	20.0%	9.1%	10.6%	5.1%	12.2%	8.3%	11.1%	20.7%	8.6%	10.4%	0.0%	9.4%
	Neutral	66.7%	60.0%	44.6%	60.0%	45.5%	49.4%	49.4%	46.9%	58.3%	63.0%	48.3%	68.6%	62.3%	60.0%	52.7%
	Worse	33.3%	40.0%	42.1%	20.0%	45.5%	40.0%	45.5%	40.8%	33.3%	25.9%	31.0%	22.9%	27.4%	40.0%	38.0%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
Forecast for 2026																
	Better	27.8%	20.0%	19.0%	20.0%	18.2%	21.2%	15.7%	16.3%	20.8%	29.6%	24.1%	22.9%	19.8%	20.0%	19.5%
	Neutral	55.6%	80.0%	47.9%	60.0%	36.4%	36.5%	43.3%	40.8%	45.8%	48.1%	62.1%	45.7%	54.7%	55.0%	46.5%
	Worse	16.7%	0.0%	33.1%	20.0%	45.5%	42.4%	41.0%	42.9%	33.3%	22.2%	13.8%	31.4%	25.5%	25.0%	34.0%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
B2 Business conditions and prospects																
1H 2025																
	Better	5.6%	0.0%	9.9%	0.0%	12.1%	10.6%	6.2%	10.2%	12.5%	11.1%	10.3%	14.3%	10.4%	0.0%	9.1%
	Neutral	72.2%	80.0%	54.5%	80.0%	45.5%	57.6%	60.7%	55.1%	66.7%	59.3%	58.6%	65.7%	62.3%	75.0%	59.7%
	Worse	22.2%	20.0%	35.5%	20.0%	42.4%	31.8%	33.1%	34.7%	20.8%	29.6%	31.0%	20.0%	27.4%	25.0%	31.2%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
2H 2025																
	Better	11.1%	20.0%	11.6%	20.0%	15.2%	11.8%	7.3%	20.4%	25.0%	14.8%	20.7%	11.4%	13.2%	5.0%	12.4%
	Neutral	55.6%	60.0%	43.0%	60.0%	36.4%	47.1%	39.9%	34.7%	45.8%	66.7%	51.7%	65.7%	60.4%	55.0%	47.6%
	Worse	33.3%	20.0%	45.5%	20.0%	48.5%	41.2%	52.8%	44.9%	29.2%	18.5%	27.6%	22.9%	26.4%	40.0%	40.0%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
Estimation for 2025																
	Better	5.6%	0.0%	14.0%	20.0%	9.1%	10.6%	8.4%	10.2%	16.7%	11.1%	24.1%	14.3%	14.2%	0.0%	11.6%
	Neutral	66.7%	60.0%	43.8%	60.0%	54.5%	49.4%	45.5%	49.0%	50.0%	70.4%	48.3%	60.0%	57.5%	65.0%	51.2%
	Worse	27.8%	40.0%	42.1%	20.0%	36.4%	40.0%	46.1%	40.8%	33.3%	18.5%	27.6%	25.7%	28.3%	35.0%	37.3%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
Forecast for 2026																
	Better	27.8%	40.0%	18.2%	20.0%	18.2%	25.9%	18.5%	18.4%	29.2%	29.6%	37.9%	28.6%	21.7%	20.0%	22.2%
	Neutral	55.6%	60.0%	47.1%	60.0%	42.4%	32.9%	41.6%	40.8%	33.3%	55.6%	48.3%	45.7%	52.8%	55.0%	44.8%
	Worse	16.7%	0.0%	34.7%	20.0%	39.4%	41.2%	39.9%	40.8%	37.5%	14.8%	13.8%	25.7%	25.5%	25.0%	33.1%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (excluding motor vehicle and motorcycle)	Hotels, restaurants, recreation and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
B3	Which of the following factor(s) may adversely affect your business performance in 1H 2025? (Select all that apply)															
	Changing consumer behaviour	38.9%	0.0%	25.6%	20.0%	36.4%	22.4%	50.6%	49.0%	29.2%	48.1%	48.3%	17.1%	39.6%	40.0%	37.3%
	High operating cost	55.6%	60.0%	64.5%	60.0%	39.4%	52.9%	59.6%	53.1%	58.3%	44.4%	37.9%	51.4%	52.8%	40.0%	54.8%
	Supply chain disruptions	11.1%	0.0%	8.3%	20.0%	18.2%	9.4%	6.2%	4.1%	20.8%	11.1%	6.9%	8.6%	1.9%	0.0%	7.5%
	Shortage of raw materials	16.7%	0.0%	9.9%	20.0%	6.1%	8.2%	4.5%	4.1%	8.3%	0.0%	10.3%	5.7%	0.9%	5.0%	6.0%
	Increase in prices of raw materials	61.1%	60.0%	47.1%	40.0%	51.5%	58.8%	46.6%	63.3%	20.8%	18.5%	20.7%	45.7%	18.9%	15.0%	42.0%
	Shortage of workers	55.6%	20.0%	26.4%	20.0%	15.2%	36.5%	16.9%	26.5%	16.7%	18.5%	10.3%	14.3%	23.6%	35.0%	23.4%
	Technology disruptions	0.0%	0.0%	6.6%	0.0%	15.2%	7.1%	7.3%	6.1%	0.0%	14.8%	13.8%	2.9%	9.4%	5.0%	7.5%
	Access to financing	5.6%	0.0%	11.6%	20.0%	6.1%	15.3%	16.3%	8.2%	0.0%	22.2%	13.8%	25.7%	11.3%	15.0%	13.3%
	Skilled manpower shortage	44.4%	80.0%	33.1%	20.0%	12.1%	35.3%	12.9%	28.6%	16.7%	40.7%	20.7%	14.3%	31.1%	30.0%	25.7%
	The Ringgit's fluctuation	27.8%	0.0%	28.9%	20.0%	27.3%	22.4%	23.0%	24.5%	25.0%	18.5%	37.9%	25.7%	23.6%	20.0%	24.8%
	Declining business & consumer sentiment	22.2%	20.0%	38.0%	20.0%	54.5%	31.8%	40.4%	40.8%	20.8%	22.2%	41.4%	54.3%	33.0%	35.0%	37.1%
	Regulatory change	11.1%	0.0%	29.8%	20.0%	30.3%	32.9%	21.9%	30.6%	29.2%	14.8%	27.6%	34.3%	32.1%	15.0%	27.1%
	Lower external demand	16.7%	20.0%	32.2%	0.0%	18.2%	4.7%	6.2%	8.2%	8.3%	7.4%	10.3%	17.1%	5.7%	5.0%	12.0%
	Lower domestic demand	50.0%	60.0%	47.1%	40.0%	33.3%	32.9%	44.4%	18.4%	37.5%	29.6%	6.9%	17.1%	20.8%	30.0%	34.1%
	Cash flow problem	55.6%	60.0%	26.4%	40.0%	30.3%	51.8%	36.5%	28.6%	33.3%	22.2%	41.4%	34.3%	29.2%	30.0%	34.7%
	Rising bad debts & delayed receivables	22.2%	40.0%	24.0%	40.0%	30.3%	38.8%	26.4%	2.0%	25.0%	22.2%	24.1%	17.1%	20.8%	20.0%	24.4%
	ESG compliance	27.8%	0.0%	14.9%	0.0%	9.1%	18.8%	15.2%	8.2%	0.0%	3.7%	6.4%	8.6%	5.7%	0.0%	11.4%
	Climate-related risk	27.8%	0.0%	1.7%	0.0%	6.1%	4.7%	2.2%	4.1%	8.3%	0.0%	3.9%	2.9%	1.9%	5.0%	3.7%
	Geopolitical tensions	22.2%	0.0%	29.8%	60.0%	15.2%	10.6%	19.7%	8.2%	12.5%	25.9%	27.6%	34.3%	12.3%	10.0%	19.2%
	Political climate	27.8%	20.0%	28.9%	40.0%	12.1%	23.5%	23.6%	28.6%	20.8%	14.8%	24.1%	42.9%	24.5%	20.0%	25.0%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
B4	Performance and forecast															
	Performance: 1H 2025 (Jan-Jun 2025) compared to 2H 2024 (Jul-Dec 2024)															
I	Overall															
i	Cash flows conditions															
	Better	0.0%	0.0%	7.4%	0.0%	12.1%	7.1%	2.8%	10.2%	8.3%	3.7%	3.4%	17.1%	4.7%	0.0%	6.0%
	Neutral	72.2%	60.0%	76.0%	80.0%	72.7%	62.4%	68.0%	69.4%	70.8%	85.2%	75.9%	65.7%	73.6%	80.0%	71.2%
	Worse	27.8%	40.0%	16.5%	20.0%	15.2%	30.6%	29.2%	20.4%	20.8%	11.1%	20.7%	17.1%	21.7%	20.0%	22.9%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
ii	Debtors' conditions															
	Better	0.0%	0.0%	1.7%	20.0%	6.1%	4.7%	2.2%	8.2%	4.2%	0.0%	3.4%	8.6%	1.9%	0.0%	3.3%
	Neutral	72.2%	80.0%	72.7%	80.0%	66.7%	62.4%	64.0%	75.5%	62.5%	81.5%	69.0%	71.4%	81.1%	80.0%	70.5%
	Worse	27.8%	20.0%	25.6%	20.0%	27.3%	32.9%	33.7%	16.3%	33.3%	18.5%	27.6%	20.0%	17.0%	20.0%	26.3%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
iii	Capacity utilisation level															
	Less than 50%	25.0%	25.0%	17.8%	40.0%											19.7%
	50% to 74%	66.7%	50.0%	53.5%	40.0%											54.1%
	75% to 90%	8.3%	25.0%	21.8%	20.0%											20.5%
	More than 90%	0.0%	0.0%	6.9%	0.0%											5.7%
	Sample size (n)	12	4	101	5											122
II	Domestic sales															
I	Sales revenue															
	Increased 1%-5%	11.1%	60.0%	10.3%	20.0%	18.8%	12.8%	11.4%	15.2%	5.0%	27.3%	18.5%	21.2%	13.7%	6.3%	13.6%
	Increased 6%-10%	11.1%	0.0%	8.5%	0.0%	3.1%	3.8%	8.6%	4.3%	10.0%	13.6%	7.4%	6.1%	9.5%	0.0%	7.4%
	Increased >10%	0.0%	0.0%	4.3%	20.0%	0.0%	15.4%	7.4%	4.3%	15.0%	4.5%	14.8%	9.1%	9.5%	12.5%	8.0%
	Unchanged	38.9%	20.0%	26.5%	0.0%	21.9%	24.4%	22.3%	37.0%	35.0%	13.6%	22.2%	51.5%	36.8%	31.3%	28.2%
	Decreased 1%-5%	16.7%	0.0%	11.1%	20.0%	6.3%	14.1%	20.6%	13.0%	5.0%	18.2%	22.2%	3.0%	11.6%	31.3%	14.5%
	Decreased 6%-10%	16.7%	0.0%	17.9%	0.0%	28.1%	10.3%	8.6%	13.0%	15.0%	4.5%	3.7%	3.0%	8.4%	6.3%	11.2%
	Decreased >10%	5.6%	20.0%	21.4%	40.0%	21.9%	19.2%	21.1%	13.0%	15.0%	18.2%	11.1%	6.1%	10.5%	12.5%	17.1%
	Sample size (n)	18	5	117	5	32	78	175	46	20	22	27	33	95	16	689
II	Price level															
	Increased 1%-5%	29.4%	80.0%	12.2%	40.0%	34.4%	15.8%	19.8%	20.0%	20.0%	27.3%	20.0%	17.6%	11.6%	13.3%	18.4%
	Increased 6%-10%	0.0%	0.0%	10.4%	20.0%	6.3%	9.2%	10.5%	6.7%	20.0%	22.7%	12.0%	14.7%	11.6%	0.0%	10.5%
	Increased >10%	5.9%	0.0%	9.6%	0.0%	9.4%	15.8%	19.8%	13.3%	20.0%	9.1%	16.0%	14.7%	10.5%	6.7%	13.7%
	Unchanged	41.2%	20.0%	37.4%	0.0%	34.4%	35.5%	30.6%	44.4%	25.0%	31.6%	44.0%	47.1%	52.6%	60.0%	38.3%
	Decreased 1%-5%	5.9%	0.0%	10.4%	0.0%	12.5%	7.9%	8.7%	6.7%	15.0%	0.0%	4.0%	0.0%	7.4%	13.3%	8.0%
	Decreased 6%-10%	11.8%	0.0%	8.7%	0.0%	0.0%	5.3%	3.5%	4.4%	0.0%	4.5%	4.0%	2.9%	3.2%	0.0%	4.4%
	Decreased >10%	5.9%	0.0%	11.3%	40.0%	3.1%	10.5%	7.0%	4.4%	0.0%	4.5%	0.0%	2.9%	3.2%	6.7%	6.6%
	Sample size (n)	17	5	115	5	32	76	172	45	20	22	25	34	95	15	678

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
III Export sales																
I Sales revenue																
	Increased 1%-5%	20.0%	0.0%	12.5%	0.0%	10.5%	9.1%	5.6%	0.0%	20.0%	25.0%	25.0%	0.0%	35.3%	25.0%	13.7%
	Increased 6%-10%	0.0%	0.0%	1.3%	0.0%	5.3%	18.2%	2.8%	20.0%	10.0%	12.5%	0.0%	0.0%	5.9%	0.0%	4.4%
	Increased >10%	0.0%	0.0%	12.5%	0.0%	0.0%	9.1%	0.0%	0.0%	20.0%	12.5%	25.0%	0.0%	5.9%	25.0%	8.3%
	Unchanged	40.0%	100.0%	33.8%	100.0%	31.6%	36.4%	52.8%	40.0%	20.0%	37.5%	50.0%	100.0%	35.3%	0.0%	38.5%
	Decreased 1%-5%	20.0%	0.0%	12.5%	0.0%	21.1%	18.2%	13.9%	20.0%	10.0%	12.5%	0.0%	0.0%	0.0%	25.0%	12.7%
	Decreased 6%-10%	20.0%	0.0%	12.5%	0.0%	10.5%	0.0%	11.1%	20.0%	10.0%	0.0%	0.0%	0.0%	5.9%	0.0%	9.8%
	Decreased >10%	0.0%	0.0%	15.0%	0.0%	21.1%	9.1%	13.9%	0.0%	10.0%	0.0%	0.0%	0.0%	11.8%	25.0%	12.7%
	Sample size (n)	5	1	80	3	19	11	36	5	10	8	4	2	17	4	205
II Price level																
	Increased 1%-5%	20.0%	0.0%	11.4%	0.0%	16.7%	0.0%	5.6%	20.0%	10.0%	0.0%	25.0%	0.0%	23.5%	0.0%	10.9%
	Increased 6%-10%	20.0%	0.0%	5.1%	0.0%	5.6%	9.1%	0.0%	0.0%	0.0%	12.5%	0.0%	0.0%	5.9%	0.0%	4.5%
	Increased >10%	0.0%	0.0%	1.3%	0.0%	0.0%	27.3%	13.9%	0.0%	10.0%	12.5%	25.0%	0.0%	5.9%	33.3%	6.9%
	Unchanged	40.0%	100.0%	50.6%	66.7%	44.4%	36.4%	52.8%	60.0%	30.0%	62.5%	50.0%	100.0%	47.1%	33.3%	49.5%
	Decreased 1%-5%	0.0%	0.0%	12.7%	0.0%	33.3%	18.2%	5.6%	20.0%	20.0%	12.5%	0.0%	0.0%	0.0%	33.3%	12.4%
	Decreased 6%-10%	20.0%	0.0%	10.1%	33.3%	0.0%	9.1%	13.9%	0.0%	20.0%	0.0%	0.0%	0.0%	5.9%	0.0%	9.4%
	Decreased >10%	0.0%	0.0%	8.9%	0.0%	0.0%	0.0%	8.3%	0.0%	10.0%	0.0%	0.0%	0.0%	11.8%	0.0%	6.4%
	Sample size (n)	5	1	79	3	18	11	36	5	10	8	4	2	17	3	202
IV Business production																
I Production volume																
	Increased 1%-5%	12.5%	50.0%	10.1%	25.0%	0.0%		0.0%								11.3%
	Increased 6%-10%	0.0%	0.0%	6.7%	0.0%	0.0%		0.0%								5.3%
	Increased >10%	0.0%	0.0%	7.6%	0.0%	0.0%		0.0%								6.0%
	Unchanged	56.3%	25.0%	27.7%	25.0%	100.0%		50.0%								32.5%
	Decreased 1%-5%	25.0%	0.0%	19.3%	25.0%	0.0%		33.3%								19.9%
	Decreased 6%-10%	6.3%	0.0%	13.4%	0.0%	0.0%		16.7%								11.9%
	Decreased >10%	0.0%	25.0%	15.1%	25.0%	0.0%		0.0%								13.2%
	Sample size (n)	16	4	119	4	2		6								151
II Inventory or stock level																
	Increased 1%-5%	23.1%	20.0%	12.8%	25.0%	14.3%		12.5%								13.6%
	Increased 6%-10%	0.0%	40.0%	9.2%	0.0%	14.3%		7.8%								8.9%
	Increased >10%	0.0%	20.0%	11.9%	0.0%	19.0%		11.7%								11.8%
	Unchanged	53.8%	20.0%	39.4%	50.0%	38.1%		40.6%								40.4%
	Decreased 1%-5%	23.1%	0.0%	11.9%	25.0%	0.0%		10.2%								10.7%
	Decreased 6%-10%	0.0%	0.0%	11.0%	0.0%	9.5%		10.2%								9.6%
	Decreased >10%	0.0%	0.0%	3.7%	0.0%	4.8%		7.0%								5.0%
	Sample size (n)	13	5	109	4	21		128								280
V Cost of inputs																
I Local																
	Increased 1%-5%	18.8%	40.0%	29.1%	40.0%	32.3%	20.5%	22.4%	22.2%	28.6%	30.4%	16.0%	23.3%	18.0%	23.5%	23.7%
	Increased 6%-10%	18.8%	60.0%	25.6%	20.0%	19.4%	24.1%	19.4%	22.2%	14.3%	34.8%	16.0%	20.0%	16.9%	29.4%	21.7%
	Increased >10%	6.3%	0.0%	23.1%	0.0%	12.9%	27.7%	30.9%	31.1%	19.0%	17.4%	24.0%	30.0%	28.1%	23.5%	25.6%
	Unchanged	43.8%	0.0%	13.7%	40.0%	22.6%	18.1%	18.2%	15.6%	23.8%	17.4%	32.0%	26.7%	32.6%	23.5%	21.1%
	Decreased 1%-5%	6.3%	0.0%	3.4%	0.0%	6.5%	6.0%	3.6%	6.7%	4.8%	0.0%	12.0%	0.0%	4.5%	0.0%	4.3%
	Decreased 6%-10%	6.3%	0.0%	4.3%	0.0%	3.2%	1.2%	1.8%	2.2%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%
	Decreased >10%	0.0%	0.0%	0.9%	0.0%	3.2%	2.4%	3.6%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%
	Sample size (n)	16	5	117	5	31	83	165	45	21	23	25	30	89	17	672
II Imported																
	Increased 1%-5%	25.0%	33.3%	23.2%	20.0%	33.3%	10.9%	13.4%	13.6%	6.3%	11.8%	16.7%	23.5%	15.6%	9.1%	17.2%
	Increased 6%-10%	0.0%	33.3%	13.7%	40.0%	4.2%	17.4%	15.5%	18.2%	18.8%	5.9%	0.0%	5.9%	13.3%	9.1%	13.4%
	Increased >10%	25.0%	33.3%	23.2%	0.0%	12.5%	26.1%	22.7%	27.3%	18.8%	23.5%	33.3%	35.3%	13.3%	36.4%	22.7%
	Unchanged	37.5%	0.0%	31.6%	20.0%	37.5%	34.8%	28.9%	22.7%	43.8%	52.9%	50.0%	35.3%	51.1%	36.4%	35.2%
	Decreased 1%-5%	12.5%	0.0%	4.2%	0.0%	4.2%	6.5%	7.2%	9.1%	6.3%	5.9%	0.0%	0.0%	2.2%	0.0%	5.0%
	Decreased 6%-10%	0.0%	0.0%	2.1%	0.0%	8.3%	0.0%	5.2%	4.5%	0.0%	0.0%	0.0%	0.0%	4.4%	9.1%	3.1%
	Decreased >10%	0.0%	0.0%	2.1%	20.0%	0.0%	4.3%	7.2%	4.5%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%
	Sample size (n)	8	3	95	5	24	46	97	22	16	17	12	17	45	11	418
VI Manpower																
I Number of employees																
	Increased 1-5	0.0%	20.0%	10.7%	20.0%	12.1%	11.8%	11.8%	20.4%	25.0%	25.9%	20.7%	17.1%	16.0%	15.0%	14.3%
	Increased 6-10	0.0%	0.0%	2.5%	0.0%	0.0%	5.9%	3.4%	6.1%	0.0%	7.4%	6.9%	5.7%	3.8%	10.0%	3.9%
	Increased >10	11.1%	0.0%	4.1%	20.0%	6.1%	7.1%	4.5%	12.2%	8.3%	7.4%	6.9%	5.7%	5.7%	5.0%	6.1%
	Unchanged	77.8%	80.0%	56.2%	60.0%	69.7%	63.5%	65.2%	46.9%	66.7%	55.6%	55.2%	68.6%	61.3%	60.0%	61.6%
	Decreased 1-5	11.1%	0.0%	19.0%	0.0%	12.1%	9.4%	11.2%	12.2%	0.0%	3.7%	3.4%	2.9%	11.3%	5.0%	10.7%
	Decreased 6-10	0.0%	0.0%	5.8%	0.0%	0.0%	1.2%	1.1%	2.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	1.6%
	Decreased >10	0.0%	0.0%	1.7%	0.0%	0.0%	1.2%	2.8%	0.0%	0.0%	0.0%	6.9%	0.0%	0.9%	5.0%	1.6%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
II Wage growth																
	Increased 1%-5%	33.3%	40.0%	24.0%	20.0%	27.3%	27.1%	25.8%	24.5%	29.2%	33.3%	27.6%	14.3%	18.9%	35.0%	25.0%
	Increased 6%-10%	5.6%	40.0%	28.9%	40.0%	9.1%	17.6%	15.2%	24.5%	20.8%	22.2%	13.8%	20.0%	18.9%	10.0%	19.2%
	Increased >10%	16.7%	0.0%	19.0%	0.0%	6.1%	11.8%	21.9%	24.5%	20.8%	11.1%	10.3%	14.3%	21.7%	10.0%	17.7%
	Unchanged	38.9%	20.0%	21.5%	40.0%	57.6%	38.8%	29.8%	24.5%	29.2%	33.3%	41.4%	48.6%	38.7%	45.0%	33.7%
	Decreased 1%-5%	5.6%	0.0%	3.3%	0.0%	0.0%	2.4%	5.1%	2.0%	0.0%	0.0%	0.0%	0.0%	0.9%	0.0%	2.4%
	Decreased 6%-10%	0.0%	0.0%	2.5%	0.0%	0.0%	2.4%	1.1%	0.0%	0.0%	0.0%	3.4%	2.9%	0.0%	0.0%	1.2%
	Decreased >10%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	3.4%	0.0%	0.9%	0.0%	0.7%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (durable goods, motor vehicle and motorcycle)	Hotels, restaurants, recreation and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
VII Investment																
I Capital expenditure																
	Increased 1%-5%	7.7%	40.0%	18.7%	0.0%	26.9%	15.5%	14.0%	11.8%	5.9%	14.3%	5.0%	9.1%	13.9%	7.7%	14.5%
	Increased 6%-10%	7.7%	20.0%	12.1%	20.0%	7.7%	12.7%	10.3%	26.5%	17.6%	23.8%	25.0%	18.2%	10.1%	7.7%	13.4%
	Increased >10%	15.4%	0.0%	11.2%	0.0%	11.5%	26.8%	20.6%	14.7%	11.8%	4.8%	10.0%	27.3%	22.8%	15.4%	17.8%
	Unchanged	53.8%	40.0%	44.9%	80.0%	42.3%	39.4%	45.6%	41.2%	52.9%	52.4%	55.0%	45.5%	50.6%	61.5%	46.6%
	Decreased 1%-5%	7.7%	0.0%	6.5%	0.0%	3.8%	4.2%	5.1%	5.9%	5.9%	4.8%	5.0%	0.0%	2.5%	0.0%	4.5%
	Decreased 6%-10%	7.7%	0.0%	2.8%	0.0%	3.8%	0.0%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%
	Decreased >10%	0.0%	0.0%	3.7%	0.0%	3.8%	1.4%	2.2%	0.0%	5.9%	0.0%	0.0%	0.0%	0.0%	7.7%	1.9%
	Sample size (n)	13	5	107	5	26	71	136	34	17	21	20	33	79	13	580
Forecast: 2H 2025 (Jul-Dec 2025) compared to 1H 2025 (Jan-Jun 2025)																
I Overall																
i Cash flows conditions																
	Better	0.0%	20.0%	9.9%	40.0%	12.1%	12.9%	3.4%	14.3%	16.7%	18.5%	24.1%	17.1%	8.5%	5.0%	10.2%
	Neutral	72.2%	60.0%	60.3%	40.0%	57.6%	52.9%	60.1%	57.1%	70.8%	74.1%	44.8%	62.9%	73.6%	75.0%	61.9%
	Worse	27.8%	20.0%	29.8%	20.0%	30.3%	34.1%	36.5%	28.6%	12.5%	7.4%	31.0%	20.0%	17.9%	20.0%	27.9%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
ii Debtors' conditions																
	Better	0.0%	0.0%	3.3%	60.0%	6.1%	9.4%	3.4%	6.1%	8.3%	11.1%	10.3%	14.3%	6.6%	5.0%	6.4%
	Neutral	83.3%	80.0%	63.6%	40.0%	54.5%	57.6%	54.5%	67.3%	58.3%	74.1%	55.2%	62.9%	74.5%	75.0%	62.7%
	Worse	16.7%	20.0%	33.1%	0.0%	39.4%	32.9%	42.1%	26.5%	33.3%	14.8%	34.5%	22.9%	18.9%	20.0%	30.9%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
iii Capacity utilisation level																
	Less than 50%	25.0%	25.0%	23.6%	40.0%											24.6%
	50% to 74%	41.7%	50.0%	45.5%	20.0%											44.3%
	75% to 90%	33.3%	0.0%	24.8%	40.0%											25.4%
	More than 90%	0.0%	25.0%	5.9%	0.0%											5.7%
	Sample size (n)	12	4	101	5											122
II Domestic sales																
i Sales revenue																
	Increase 1%-5%	16.7%	0.0%	11.1%	0.0%	18.8%	7.9%	11.4%	17.4%	15.0%	22.7%	18.5%	11.8%	16.8%	12.5%	13.2%
	Increase 6%-10%	5.6%	60.0%	7.7%	20.0%	15.6%	6.6%	5.7%	4.3%	15.0%	22.7%	14.8%	8.8%	6.3%	0.0%	8.3%
	Increase >10%	11.1%	0.0%	9.4%	0.0%	3.1%	14.5%	8.0%	2.2%	10.0%	4.5%	11.1%	17.6%	12.6%	12.5%	9.6%
	Unchanged	33.3%	20.0%	30.8%	20.0%	21.9%	23.7%	26.3%	34.8%	20.0%	27.3%	25.9%	35.3%	32.6%	31.3%	28.5%
	Decrease 1%-5%	5.6%	0.0%	12.0%	0.0%	0.0%	18.4%	17.1%	10.9%	10.0%	4.5%	14.8%	2.9%	15.8%	31.3%	13.4%
	Decrease 6%-10%	22.2%	20.0%	10.3%	0.0%	21.9%	11.8%	11.4%	15.2%	10.0%	9.1%	7.4%	14.7%	9.5%	0.0%	11.6%
	Decrease >10%	5.6%	0.0%	18.6%	60.0%	18.8%	17.1%	20.0%	15.2%	20.0%	9.1%	7.4%	8.8%	6.3%	12.5%	15.4%
	Sample size (n)	18	5	117	5	32	76	175	46	20	22	27	34	95	16	688
ii Price level																
	Increase 1%-5%	23.5%	60.0%	13.0%	20.0%	34.4%	15.8%	17.4%	11.1%	15.0%	18.2%	20.0%	20.6%	13.7%	13.3%	17.0%
	Increase 6%-10%	5.9%	20.0%	13.9%	40.0%	12.5%	10.5%	14.5%	8.9%	20.0%	27.3%	12.0%	8.8%	12.6%	0.0%	13.1%
	Increase >10%	5.9%	0.0%	8.7%	0.0%	15.6%	22.4%	23.8%	15.6%	25.0%	9.1%	20.0%	26.5%	10.5%	6.7%	16.7%
	Unchanged	35.3%	20.0%	36.5%	0.0%	25.0%	23.7%	27.3%	46.7%	30.0%	36.4%	40.0%	35.3%	47.4%	46.7%	34.1%
	Decrease 1%-5%	11.8%	0.0%	7.8%	0.0%	3.1%	11.8%	5.8%	4.4%	10.0%	0.0%	4.0%	2.9%	8.4%	20.0%	7.1%
	Decrease 6%-10%	17.6%	0.0%	4.3%	0.0%	6.3%	6.6%	4.7%	4.4%	0.0%	4.5%	4.0%	2.9%	3.2%	6.7%	4.7%
	Decrease >10%	0.0%	0.0%	15.7%	40.0%	3.1%	9.2%	6.4%	8.9%	0.0%	4.5%	0.0%	2.9%	4.2%	6.7%	7.4%
	Sample size (n)	17	5	115	5	32	76	172	45	20	22	25	34	95	15	678
III Export sales																
i Sales revenue																
	Increase 1%-5%	20.0%	0.0%	11.3%	0.0%	21.1%	9.1%	8.3%	0.0%	30.0%	37.5%	25.0%	0.0%	23.5%	0.0%	14.1%
	Increase 6%-10%	20.0%	0.0%	5.0%	0.0%	5.3%	18.2%	2.8%	0.0%	10.0%	0.0%	0.0%	0.0%	5.9%	0.0%	5.4%
	Increase >10%	0.0%	0.0%	7.5%	0.0%	5.3%	9.1%	0.0%	0.0%	20.0%	0.0%	25.0%	50.0%	17.6%	25.0%	8.3%
	Unchanged	20.0%	100.0%	31.3%	66.7%	21.1%	45.5%	47.2%	40.0%	10.0%	37.5%	50.0%	50.0%	35.3%	25.0%	34.6%
	Decrease 1%-5%	20.0%	0.0%	17.5%	33.3%	15.8%	9.1%	13.9%	0.0%	0.0%	25.0%	0.0%	0.0%	5.9%	25.0%	14.1%
	Decrease 6%-10%	20.0%	0.0%	8.8%	0.0%	15.8%	9.1%	13.9%	20.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	9.8%
	Decrease >10%	0.0%	0.0%	18.6%	0.0%	15.8%	0.0%	13.9%	20.0%	10.0%	0.0%	0.0%	0.0%	11.8%	25.0%	13.7%
	Sample size (n)	5	1	80	3	19	11	36	5	10	8	4	2	17	4	205
ii Price level																
	Increase 1%-5%	25.0%	0.0%	11.4%	0.0%	22.2%	9.1%	2.8%	40.0%	20.0%	0.0%	25.0%	0.0%	11.8%	0.0%	11.4%
	Increase 6%-10%	25.0%	0.0%	3.8%	0.0%	11.1%	9.1%	8.3%	0.0%	0.0%	25.0%	0.0%	0.0%	17.6%	0.0%	7.5%
	Increase >10%	0.0%	0.0%	1.3%	0.0%	0.0%	27.3%	8.3%	0.0%	20.0%	0.0%	25.0%	0.0%	5.9%	0.0%	5.5%
	Unchanged	50.0%	100.0%	48.1%	33.3%	44.4%	27.3%	50.0%	40.0%	20.0%	50.0%	50.0%	100.0%	47.1%	33.3%	45.8%
	Decrease 1%-5%	0.0%	0.0%	15.2%	33.3%	16.7%	9.1%	5.6%	0.0%	10.0%	12.5%	0.0%	0.0%	5.9%	66.7%	11.9%
	Decrease 6%-10%	0.0%	0.0%	8.9%	33.3%	5.6%	18.2%	13.9%	20.0%	30.0%	12.5%	0.0%	0.0%	0.0%	0.0%	10.4%
	Decrease >10%	0.0%	0.0%	11.4%	0.0%	0.0%	0.0%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	11.8%	0.0%	7.5%
	Sample size (n)	4	1	79	3	18	11	36	5	10	8	4	2	17	3	201

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (durable goods, motor vehicle and motorcycle)	Hotels, restaurants, recreation and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
IV Business production																
i Production volume																
	Increase 1%-5%	25.0%	75.0%	13.4%	25.0%	0.0%		0.0%								15.9%
	Increase 6%-10%	6.3%	0.0%	5.0%	0.0%	0.0%		0.0%								4.6%
	Increase >10%	0.0%	0.0%	12.6%	0.0%	0.0%		0.0%								9.9%
	Unchanged	37.5%	0.0%	22.7%	25.0%	100.0%		50.0%								25.8%
	Decrease 1%-5%	12.5%	0.0%	19.3%	25.0%	0.0%		33.3%								18.5%
	Decrease 6%-10%	18.8%	25.0%	11.8%	0.0%	0.0%		16.7%								12.6%
	Decrease >10%	0.0%	0.0%	15.1%	25.0%	0.0%		0.0%								12.6%
	Sample size (n)	16	4	119	4	2		6								151
ii Inventory or stock level																
	Increase 1%-5%	38.5%	20.0%	15.6%	0.0%	14.3%		8.7%								13.3%
	Increase 6%-10%	0.0%	40.0%	6.4%	25.0%	4.8%		8.7%								7.9%
	Increase >10%	0.0%	20.0%	15.6%	0.0%	28.6%		11.8%								14.0%
	Unchanged	38.5%	20.0%	37.6%	50.0%	28.6%		35.4%								35.8%
	Decrease 1%-5%	15.4%	0.0%	12.8%	25.0%	4.8%		11.0%								11.5%
	Decrease 6%-10%	7.7%	0.0%	8.3%	0.0%	9.5%		15.0%								11.1%
	Decrease >10%	0.0%	0.0%	3.7%	0.0%	9.5%		9.4%								6.5%
	Sample size (n)	13	5	109	4	21		127								279
V Cost of inputs																
i Local																
	Increase 1%-5%	31.3%	20.0%	20.5%	40.0%	35.5%	16.9%	18.8%	22.2%	23.8%	34.8%	16.0%	26.7%	15.7%	17.6%	20.8%
	Increase 6%-10%	12.5%	80.0%	27.4%	20.0%	19.4%	27.7%	19.4%	24.4%	23.8%	26.1%	20.0%	23.3%	22.5%	11.8%	23.2%
	Increase >10%	6.3%	0.0%	27.4%	20.0%	16.1%	32.5%	33.9%	28.9%	14.3%	21.7%	20.0%	30.0%	28.1%	29.4%	27.8%
	Unchanged	31.3%	0.0%	15.4%	20.0%	19.4%	13.3%	15.2%	15.6%	28.6%	17.4%	32.0%	20.0%	30.3%	41.2%	19.5%
	Decrease 1%-5%	0.0%	0.0%	4.3%	0.0%	3.2%	4.8%	4.8%	4.4%	4.8%	0.0%	12.0%	0.0%	3.4%	0.0%	4.0%
	Decrease 6%-10%	12.5%	0.0%	5.1%	0.0%	3.2%	2.4%	3.0%	4.4%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	2.8%
	Decrease >10%	6.3%	0.0%	0.0%	0.0%	3.2%	2.4%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.8%
	Sample size (n)	16	5	117	5	31	83	165	45	21	23	25	30	89	17	672
ii Imported																
	Increase 1%-5%	25.0%	33.3%	23.2%	20.0%	33.3%	10.6%	10.3%	8.7%	18.8%	5.9%	25.0%	17.6%	24.4%	0.0%	17.1%
	Increase 6%-10%	12.5%	33.3%	21.1%	20.0%	8.3%	14.9%	15.5%	26.1%	12.5%	5.9%	8.3%	17.6%	13.3%	18.2%	16.2%
	Increase >10%	25.0%	33.3%	18.9%	40.0%	16.7%	31.9%	25.8%	26.1%	18.8%	29.4%	25.0%	35.3%	13.3%	45.5%	24.0%
	Unchanged	25.0%	0.0%	28.4%	0.0%	29.2%	31.9%	29.9%	21.7%	43.8%	52.9%	41.7%	29.4%	46.7%	36.4%	32.4%
	Decrease 1%-5%	0.0%	0.0%	4.2%	0.0%	4.2%	4.3%	5.2%	4.3%	6.3%	5.9%	0.0%	0.0%	0.0%	0.0%	3.6%
	Decrease 6%-10%	12.5%	0.0%	2.1%	0.0%	8.3%	2.1%	7.2%	8.7%	0.0%	0.0%	0.0%	0.0%	2.2%	0.0%	3.8%
	Decrease >10%	0.0%	0.0%	2.1%	20.0%	0.0%	4.3%	6.2%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%
	Sample size (n)	8	3	95	5	24	47	97	23	16	17	12	17	45	11	420
VI Manpower																
i Number of employees																
	Increase 1-5	11.1%	0.0%	12.4%	20.0%	18.2%	10.6%	14.0%	20.4%	25.0%	22.2%	17.2%	17.1%	20.8%	10.0%	15.6%
	Increase 6-10	5.6%	20.0%	2.5%	0.0%	0.0%	7.1%	3.4%	10.2%	8.3%	7.4%	13.8%	11.4%	5.7%	0.0%	5.4%
	Increase >10	0.0%	0.0%	6.6%	20.0%	6.1%	8.2%	6.2%	6.1%	4.2%	11.1%	6.9%	8.6%	6.6%	10.0%	6.8%
	Unchanged	77.8%	80.0%	51.2%	60.0%	57.6%	60.0%	60.7%	49.0%	62.5%	59.3%	58.6%	60.0%	59.4%	70.0%	58.6%
	Decrease 1-5	5.6%	0.0%	18.2%	0.0%	18.2%	12.9%	10.7%	10.2%	0.0%	0.0%	0.0%	2.9%	6.6%	5.0%	9.9%
	Decrease 6-10	0.0%	0.0%	5.8%	0.0%	0.0%	1.2%	2.2%	4.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.9%
	Decrease >10	0.0%	0.0%	3.3%	0.0%	0.0%	0.0%	2.8%	0.0%	0.0%	0.0%	3.4%	0.0%	0.9%	5.0%	1.6%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
ii Wage growth																
	Increase 1%-5%	27.8%	40.0%	19.8%	40.0%	42.4%	21.2%	23.6%	22.4%	33.3%	29.6%	17.2%	20.0%	22.6%	30.0%	23.9%
	Increase 6%-10%	11.1%	40.0%	19.8%	20.0%	6.1%	16.5%	13.5%	16.3%	16.7%	25.9%	20.7%	20.0%	19.8%	10.0%	16.9%
	Increase >10%	11.1%	0.0%	23.1%	0.0%	9.1%	12.9%	20.8%	28.6%	16.7%	7.4%	10.3%	17.1%	23.6%	15.0%	18.8%
	Unchanged	44.4%	20.0%	30.6%	20.0%	42.4%	44.7%	34.3%	32.7%	33.3%	33.3%	48.3%	40.0%	33.0%	45.0%	36.1%
	Decrease 1%-5%	5.6%	0.0%	3.3%	20.0%	0.0%	3.5%	5.6%	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	0.0%	2.7%
	Decrease 6%-10%	0.0%	0.0%	2.5%	0.0%	0.0%	1.2%	1.1%	0.0%	0.0%	0.0%	0.0%	2.9%	0.0%	0.0%	1.0%
	Decrease >10%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	1.1%	0.0%	0.0%	0.0%	3.4%	0.0%	0.9%	0.0%	0.7%
	Sample size (n)	18	5	121	5	33	85	178	49	24	27	29	35	106	20	735
VII Investment																
i Capital expenditure																
	Increase 1%-5%	7.7%	20.0%	18.7%	0.0%	23.1%	12.7%	12.4%	14.3%	5.9%	9.5%	15.0%	9.1%	12.7%	15.4%	13.7%
	Increase 6%-10%	7.7%	20.0%	9.3%	20.0%	3.8%	18.3%	10.9%	20.0%	11.8%	23.8%	20.0%	21.2%	11.4%	7.7%	13.2%
	Increase >10%	15.4%	40.0%	18.7%	20.0%	11.5%	23.9%	21.9%	17.1%	17.6%	9.5%	10.0%	30.3%	24.1%	7.7%	20.3%
	Unchanged	53.8%	20.0%	39.3%	60.0%	53.8%	38.0%	42.3%	40.0%	52.9%	52.4%	50.0%	36.4%	49.4%	61.5%	43.8%
	Decrease 1%-5%	7.7%	0.0%	3.7%	0.0%	0.0%	7.0%	2.9%	0.0%	5.9%	4.8%	5.0%	0.0%	1.3%	0.0%	3.1%
	Decrease 6%-10%	0.0%	0.0%	3.7%	0.0%	3.8%	0.0%	5.8%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%
	Decrease >10%	7.7%	0.0%	6.5%	0.0%	3.8%	0.0%	3.6%	2.9%	5.9%	0.0%	0.0%	3.0%	1.3%	7.7%	3.3%
	Sample size (n)	13	5	107	5	26	71	137	35	17	21	20	33	79	13	582

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
	Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (excluding motor vehicle and motorcycle)	Hotels, restaurants, recreation and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL	
Section C: Current Issues																
Issue 1: Budget 2026																
C1 Which broad areas should Budget 2026 focus on? (Select up to 5)																
Regulatory reform	40.0%	20.0%	32.8%	16.7%	25.0%	33.7%	22.8%	26.4%	20.8%	11.1%	23.3%	27.8%	38.9%	13.0%	28.2%	
Conducive tax reform	65.0%	60.0%	56.8%	66.7%	50.0%	59.3%	51.6%	56.6%	62.5%	59.3%	43.3%	52.8%	43.5%	43.5%	53.1%	
Tax credits & investment incentives	60.0%	40.0%	53.6%	50.0%	43.8%	55.8%	62.0%	50.9%	54.2%	51.9%	66.7%	63.9%	50.0%	56.5%	55.9%	
SMEs financing & capacity building	65.0%	40.0%	48.8%	66.7%	46.9%	62.8%	66.8%	54.7%	66.7%	48.1%	53.3%	58.3%	44.4%	52.2%	56.3%	
Trade facilitation	50.0%	20.0%	36.0%	33.3%	43.8%	23.3%	43.5%	15.1%	37.5%	11.1%	10.0%	25.0%	22.2%	21.7%	30.7%	
Expanding domestic demand	55.0%	60.0%	46.4%	83.3%	40.6%	38.4%	43.5%	54.7%	33.3%	25.9%	36.7%	33.3%	30.6%	39.1%	41.1%	
Skills development	20.0%	40.0%	28.8%	33.3%	31.3%	24.4%	15.8%	18.9%	16.7%	37.0%	13.3%	30.6%	33.3%	39.1%	24.8%	
Digitalisation & automation	20.0%	60.0%	36.8%	50.0%	34.4%	18.6%	25.0%	28.3%	33.3%	59.3%	46.7%	22.2%	30.6%	17.4%	29.9%	
Green transition	15.0%	0.0%	15.2%	50.0%	18.8%	20.9%	7.6%	11.3%	4.2%	18.5%	13.3%	8.3%	14.8%	4.3%	13.0%	
Public-private partnership (PPP)	5.0%	0.0%	5.6%	16.7%	9.4%	8.1%	4.3%	5.7%	8.3%	18.5%	20.0%	19.4%	8.3%	8.7%	8.0%	
Innovation & startup ecosystem	25.0%	0.0%	14.4%	16.7%	12.5%	24.4%	17.9%	17.0%	4.2%	48.1%	13.3%	19.4%	14.8%	30.4%	18.3%	
Other	0.0%	0.0%	3.2%	0.0%	3.1%	1.2%	2.7%	1.9%	0.0%	0.0%	0.0%	8.3%	0.9%	8.7%	2.4%	
Sample size (n)	20	5	125	6	32	86	184	53	24	27	30	36	108	23	759	
C2 Which areas of investments should be prioritised in Budget 2026? (Select up to 5)																
Road and rail network	45.0%	80.0%	30.4%	66.7%	46.9%	37.2%	38.6%	35.8%	37.5%	25.9%	16.7%	47.2%	28.7%	8.7%	34.7%	
Port and logistics hub	45.0%	40.0%	42.4%	16.7%	43.8%	33.7%	28.3%	20.8%	75.0%	11.1%	10.0%	25.0%	16.7%	13.0%	29.8%	
Smart city infrastructure	15.0%	60.0%	23.2%	66.7%	34.4%	32.6%	22.3%	22.6%	16.7%	51.9%	20.0%	47.2%	21.3%	8.7%	26.0%	
AI & digital infrastructure	30.0%	0.0%	48.8%	50.0%	50.0%	39.5%	42.9%	34.0%	50.0%	77.8%	50.0%	30.6%	46.3%	34.8%	44.0%	
Special economic & financial zones / corridors	35.0%	60.0%	38.4%	33.3%	31.3%	39.5%	45.1%	20.8%	33.3%	51.9%	60.0%	50.0%	33.3%	21.7%	39.1%	
Renewable energy	15.0%	20.0%	36.0%	66.7%	12.5%	30.2%	13.6%	20.8%	12.5%	25.9%	23.3%	25.0%	25.0%	17.4%	23.2%	
Food security	55.0%	0.0%	25.6%	16.7%	18.8%	15.1%	23.9%	32.1%	12.5%	18.5%	23.3%	16.7%	20.4%	26.1%	22.8%	
Flood mitigation	25.0%	40.0%	11.2%	16.7%	6.3%	16.3%	10.9%	11.3%	12.5%	11.1%	10.0%	16.7%	8.3%	8.7%	11.9%	
Education	40.0%	40.0%	38.4%	50.0%	37.5%	48.8%	39.7%	39.6%	29.2%	40.7%	36.7%	41.7%	51.9%	69.6%	42.8%	
Healthcare	20.0%	20.0%	37.6%	50.0%	31.3%	34.9%	37.5%	35.8%	16.7%	29.6%	50.0%	38.9%	40.7%	65.2%	37.3%	
Public housing	10.0%	20.0%	7.2%	16.7%	18.8%	19.8%	10.3%	3.8%	0.0%	3.7%	6.7%	30.6%	13.9%	0.0%	11.3%	
Tourism	40.0%	40.0%	28.8%	16.7%	28.1%	38.4%	34.2%	67.9%	29.2%	14.6%	13.3%	19.4%	38.9%	34.8%	34.3%	
Other	0.0%	0.0%	1.6%	33.3%	0.0%	0.0%	2.2%	1.9%	0.0%	0.0%	6.7%	0.0%	1.9%	4.3%	1.8%	
Sample size (n)	20	5	125	6	32	86	184	53	24	27	30	36	108	23	759	
C3 Which are the following measures to consider in Budget 2026? (Select up to 5)																
Enhance public access to key business application data with real-time transparency (e.g. available grant balance)	15.0%	0.0%	16.0%	33.3%	9.4%	23.3%	14.7%	13.2%	8.3%	25.9%	23.3%	33.3%	17.6%	4.3%	17.1%	
Develop a centralised business support portal (e.g. Singapore GoBusiness Portal)	10.0%	0.0%	14.4%	16.7%	18.8%	11.6%	16.3%	7.5%	0.0%	25.9%	13.3%	19.4%	17.6%	17.4%	14.8%	
Gradually reduce corporate tax rate to 20%	65.0%	40.0%	59.2%	100.0%	46.9%	62.8%	53.3%	58.5%	58.3%	63.0%	40.0%	66.7%	56.5%	43.5%	56.8%	
Increase the chargeable income threshold to RM1 million for SME preferential tax rate of 15%	50.0%	20.0%	29.6%	50.0%	40.6%	40.7%	45.1%	41.5%	37.5%	18.5%	33.3%	50.0%	38.9%	30.4%	38.9%	
SME corporate income tax rebate of 25%, capped at RM20,000	60.0%	60.0%	40.8%	50.0%	37.5%	52.3%	58.7%	54.7%	62.5%	25.9%	30.0%	50.0%	52.8%	43.5%	49.9%	
Allow multiple claims for government incentives (e.g. Digital Grant)	25.0%	20.0%	27.2%	33.3%	15.6%	24.4%	28.8%	18.9%	16.7%	33.3%	16.7%	27.8%	25.9%	21.7%	25.3%	
Increase fiscal allocation and claim limit for Digital Grant	10.0%	40.0%	17.6%	33.3%	3.1%	10.5%	19.0%	13.2%	0.0%	29.6%	20.0%	8.3%	14.8%	8.7%	15.2%	
Increase the Market Development Grant (MDG) lifetime limit to RM500,000 and per-claim threshold to RM35,000	25.0%	0.0%	20.0%	33.3%	31.3%	15.1%	16.8%	1.9%	12.5%	22.2%	26.7%	11.1%	13.0%	26.1%	16.9%	
Reintroduce the Smart Automation Grant (SAG)	10.0%	0.0%	21.6%	50.0%	0.0%	4.7%	9.8%	11.3%	12.5%	18.5%	6.7%	5.6%	9.3%	4.3%	10.9%	
Refundable R&D tax credit for SMEs	15.0%	40.0%	27.2%	50.0%	18.8%	32.6%	23.9%	17.0%	16.7%	25.9%	26.7%	16.7%	17.6%	26.1%	23.6%	
Conduct a study on regional minimum wage policy	35.0%	0.0%	25.6%	16.7%	18.8%	18.6%	16.8%	24.5%	25.0%	14.8%	10.0%	13.9%	17.6%	13.0%	19.2%	
Implement an integrated single window system for international trade	10.0%	20.0%	10.4%	16.7%	6.3%	2.3%	5.4%	5.7%	25.0%	14.8%	6.7%	0.0%	1.9%	0.0%	6.3%	
Corporate EV fleet grants or rebate	10.0%	60.0%	7.2%	33.3%	15.6%	12.8%	11.4%	11.3%	16.7%	3.7%	6.7%	5.6%	9.3%	13.0%	10.7%	
Net Energy Metering (NEM) without quota	5.0%	20.0%	16.0%	50.0%	9.4%	7.0%	4.3%	9.4%	4.2%	11.1%	6.7%	13.9%	6.5%	0.0%	8.6%	
Reduce System Access Charge for Corporate Renewable Energy Supply Scheme (CRESS)	5.0%	0.0%	7.2%	16.7%	0.0%	3.5%	7.1%	3.8%	4.2%	11.1%	3.3%	2.8%	3.7%	8.7%	5.4%	
Allow sharing of excess solar energy with non-wholly owned subsidiaries under the NOVA programme	5.0%	0.0%	7.2%	16.7%	12.5%	8.1%	8.2%	5.7%	8.3%	7.4%	16.7%	5.6%	4.6%	4.3%	7.5%	
Raise stamp duty threshold on employment contracts to RM10,000 monthly salary	30.0%	20.0%	22.4%	50.0%	21.9%	26.7%	17.9%	18.9%	12.5%	7.4%	23.3%	25.0%	25.9%	8.7%	21.3%	
Phased implementation for SME when implementing multi-tiered foreign worker levy	35.0%	20.0%	26.4%	16.7%	6.3%	12.8%	12.5%	18.9%	8.3%	11.1%	13.3%	11.1%	9.3%	4.3%	14.8%	
Reintroduce hiring incentives for TVET graduates	5.0%	20.0%	13.6%	16.7%	6.3%	10.5%	7.6%	13.2%	16.7%	18.5%	3.3%	16.7%	13.0%	17.4%	11.3%	
Co-share maternity benefits	25.0%	20.0%	12.8%	33.3%	21.9%	11.6%	19.0%	17.0%	8.3%	14.8%	13.3%	11.1%	16.7%	26.1%	16.2%	
Other	0.0%	0.0%	0.8%	16.7%	0.0%	2.3%	2.2%	1.9%	0.0%	0.0%	6.7%	2.8%	0.9%	8.7%	2.0%	
Sample size (n)	20	5	125	6	32	86	184	53	24	27	30	36	108	23	759	
C4 What challenges have you faced when applying for government benefits or assistance programs? (Select all that apply)																
Complexity and lengthy processes	60.0%	60.0%	70.4%	100.0%	53.1%	61.6%	62.5%	64.2%	66.7%	63.0%	43.3%	55.6%	53.7%	52.2%	61.1%	
Lack of understanding of eligibility requirements	50.0%	80.0%	49.6%	66.7%	53.1%	59.3%	53.8%	54.7%	66.7%	55.6%	43.3%	58.3%	55.6%	56.5%	54.5%	
Inconsistent treatment	55.0%	80.0%	37.6%	33.3%	37.5%	34.9%	37.5%	24.5%	37.5%	33.3%	23.3%	44.4%	30.6%	26.1%	35.3%	
Insufficient funding allocation	40.0%	20.0%	42.4%	16.7%	18.8%	33.7%	37.5%	30.2%	37.5%	44.4%	20.0%	33.3%	31.5%	34.8%	34.8%	
Non-transparent approval	45.0%	40.0%	32.8%	50.0%	40.6%	43.0%	47.8%	28.3%	25.0%	44.4%	30.0%	50.0%	41.7%	30.4%	40.2%	
Lack of awareness about available programs	20.0%	60.0%	44.8%	66.7%	53.1%	48.8%	42.4%	39.6%	29.2%	48.1%	26.7%	44.4%	47.2%	47.8%	43.6%	
No suitable scheme	15.0%	20.0%	16.0%	0.0%	31.3%	27.9%	24.5%	26.4%	12.5%	18.5%	33.3%	27.8%	35.2%	21.7%	24.8%	
Other	0.0%	0.0%	3.2%	16.7%	9.4%	0.0%	1.1%	3.8%	0.0%	0.0%	3.3%	0.0%	1.9%	4.3%	2.1%	
Sample size (n)	20	5	125	6	32	86	184	53	24	27	30	36	108	23	759	
C5 (Optional) Please share your suggestions for Budget 2026. Kindly be as specific as possible.																
Taxation measures																66.7%
SME & business support																38.3%
Government effectiveness & public infrastructure																28.3%
Human resource																15.0%
Other specific																8.3%
Sample size (n)																60

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS																
FOR THE 1ST HALF-YEAR OF 2025 (JAN-JUN 2025) AND OUTLOOK FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025)																
		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water industry	Trading (imports and exports)	Construction	Wholesale and retail trade (except motor vehicle and motorcycle)	Hotels, restaurants, recreation and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
Issue 2: Sales and Service Tax (SST) Expansion																
C6	How has the expanded SST affected your businesses? (Select all that apply)															
	Insignificant impact	0.0%	0.0%	3.2%	0.0%	3.0%	2.3%	4.9%	5.7%	4.0%	8.7%	0.0%	0.0%	8.3%	4.5%	4.3%
	Increase in business costs	84.2%	75.0%	83.1%	100.0%	75.8%	86.0%	85.3%	79.2%	72.0%	60.9%	72.4%	82.9%	65.7%	81.8%	79.5%
	Reduce profit margins	73.7%	75.0%	66.1%	66.7%	69.7%	79.1%	71.2%	67.9%	72.0%	52.2%	58.6%	82.9%	56.5%	50.0%	67.8%
	Supply chain disruption	15.8%	0.0%	14.5%	16.7%	18.2%	17.4%	14.7%	9.4%	4.0%	21.7%	0.0%	20.0%	6.5%	9.1%	12.9%
	Lower customer demand	31.6%	25.0%	47.6%	50.0%	54.5%	53.5%	53.8%	47.2%	44.0%	52.2%	37.9%	40.0%	39.8%	18.2%	46.9%
	Increased administrative burden	36.8%	25.0%	54.0%	16.7%	54.5%	64.0%	50.0%	41.5%	48.0%	52.2%	24.1%	57.1%	44.4%	31.8%	49.1%
	Other	0.0%	0.0%	0.8%	16.7%	3.0%	3.5%	0.5%	1.9%	4.0%	0.0%	6.9%	0.0%	0.9%	9.1%	1.9%
	Sample size (n)	19	4	124	6	33	86	184	53	25	23	29	35	108	22	751
C7	What are the main challenges faced in complying with the expanded SST? (Select all that apply)															
	No major challenges encountered	10.5%	0.0%	3.2%	0.0%	3.0%	2.3%	6.5%	15.1%	4.0%	8.7%	10.3%	2.9%	8.3%	13.6%	6.4%
	Ambiguous terms and definitions in the regulations	63.2%	50.0%	59.7%	50.0%	51.5%	62.8%	60.3%	45.3%	48.0%	56.5%	41.4%	62.9%	49.1%	54.5%	56.1%
	Confusion across various announcements and documents	57.9%	50.0%	53.2%	50.0%	63.6%	58.1%	41.8%	43.4%	60.0%	39.1%	44.8%	60.0%	50.9%	36.4%	49.8%
	Short timeline for preparation	57.9%	25.0%	50.8%	50.0%	39.4%	57.0%	37.5%	34.0%	60.0%	47.8%	31.0%	40.0%	38.0%	31.8%	43.1%
	Difficulty in understanding the SST guidelines	36.8%	25.0%	41.9%	83.3%	33.3%	58.1%	50.5%	34.0%	48.0%	39.1%	34.5%	40.0%	45.4%	27.3%	44.9%
	Limited stakeholder engagement / consultation	31.6%	0.0%	36.3%	16.7%	21.2%	43.0%	28.3%	26.4%	32.0%	26.1%	17.2%	42.9%	30.6%	18.2%	31.0%
	Complex categorisation of taxable vs. non-taxable items / services	52.6%	25.0%	56.5%	83.3%	48.5%	74.4%	51.6%	43.4%	52.0%	47.8%	48.3%	54.3%	47.2%	31.8%	53.1%
	Other	0.0%	0.0%	0.8%	0.0%	3.0%	1.2%	1.6%	1.9%	0.0%	0.0%	3.4%	2.9%	0.0%	4.5%	1.3%
	Sample size (n)	19	4	124	6	33	86	184	53	25	23	29	35	108	22	751
C8	How does your business plan respond to the expanded SST? (Select all that apply)															
	Absorb costs internally	57.9%	50.0%	55.6%	33.3%	33.3%	47.7%	44.0%	60.4%	24.0%	30.4%	37.9%	40.0%	34.3%	50.0%	44.6%
	Pass increased costs onto consumers	42.1%	25.0%	50.0%	66.7%	63.6%	66.3%	57.6%	37.7%	64.0%	73.9%	51.7%	62.9%	50.0%	31.8%	54.6%
	Re-negotiate suppliers' / tenants' contracts	26.3%	0.0%	20.2%	33.3%	33.3%	41.9%	24.5%	18.9%	36.0%	26.1%	13.8%	42.9%	21.3%	22.7%	26.1%
	Reduce workforce or freeze hiring	10.5%	25.0%	23.4%	16.7%	27.3%	25.6%	27.2%	17.0%	12.0%	13.0%	10.3%	20.0%	17.6%	22.7%	21.7%
	Cautious business expansion / investment approach	31.6%	0.0%	41.9%	50.0%	60.6%	44.2%	41.3%	26.4%	32.0%	43.5%	27.6%	37.1%	25.0%	27.3%	37.4%
	Restructure operations or relocation	10.5%	0.0%	20.2%	16.7%	15.2%	24.4%	18.5%	11.3%	20.0%	21.7%	6.9%	14.3%	18.5%	9.1%	17.7%
	Seek tax / accounting advisory services	63.2%	50.0%	37.9%	33.3%	33.3%	55.8%	33.7%	20.8%	24.0%	39.1%	20.7%	42.9%	34.3%	13.6%	36.1%
	Other	0.0%	0.0%	0.8%	0.0%	0.0%	1.2%	1.6%	0.0%	0.0%	0.0%	3.4%	0.0%	0.9%	0.0%	0.9%
	Sample size (n)	19	4	124	6	33	86	184	53	25	23	29	35	108	22	751
C9	What is an appropriate annual sales threshold for SST registration?															
	Remain the current threshold	42.1%	0.0%	29.0%	0.0%	36.4%	22.1%	28.3%	39.6%	44.0%	39.1%	34.5%	28.6%	23.1%	40.9%	29.6%
	Standardise all sectors at RM1.5 million	10.5%	25.0%	15.3%	16.7%	15.2%	19.8%	12.0%	15.1%	12.0%	30.4%	27.6%	25.7%	26.9%	22.7%	18.1%
	Increase the threshold to RM3 million across the board	42.1%	50.0%	47.6%	50.0%	39.4%	50.0%	50.5%	43.4%	40.0%	26.1%	34.5%	37.1%	48.1%	31.8%	45.5%
	Other	5.3%	25.0%	8.1%	33.3%	9.1%	8.1%	9.2%	1.9%	4.0%	4.3%	3.4%	8.6%	1.9%	4.5%	6.8%
	Sample size (n)	19	4	124	6	33	86	184	53	25	23	29	35	108	22	751

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



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2025上半年及2025下半年预测
1H 2025 and 2H 2025F