



BUSINESS TENDENCY STATISTICS FOURTH QUARTER 2018

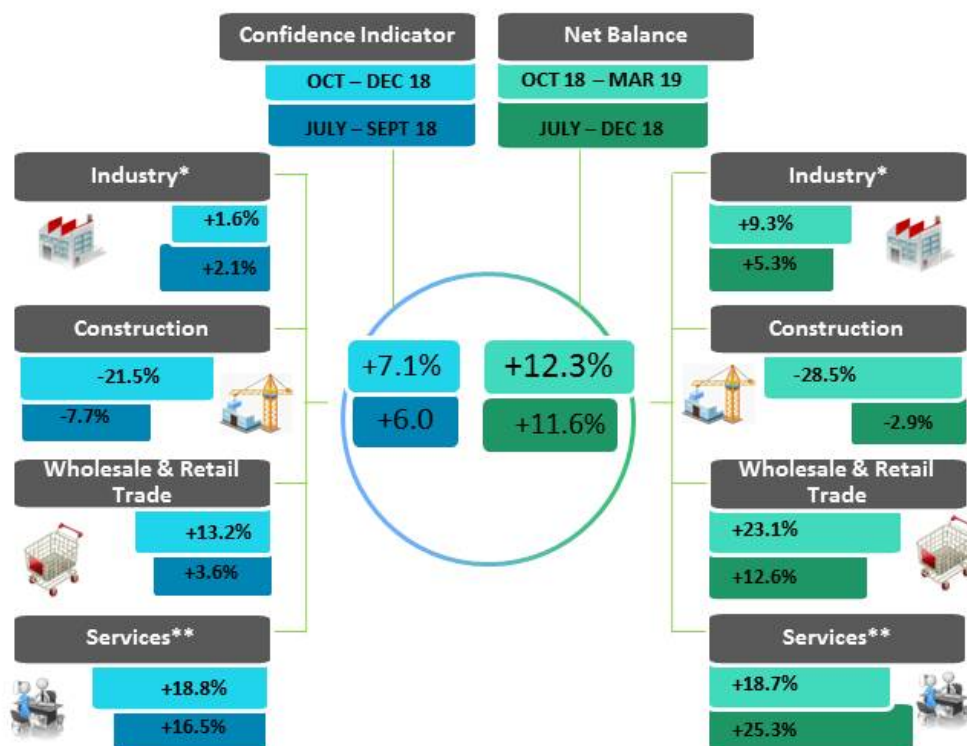


BUSINESS TENDENCY STATISTICS FOURTH QUARTER 2018

BUSINESSES ESPECIALLY IN WHOLESALE & RETAIL TRADE SECTOR
REMAIN OPTIMISTIC FOR THE FOURTH QUARTER OF 2018

Business Performance Expectation

**Businesses expect more favourable performance in the fourth quarter of 2018
with confidence indicator of +7.1 per cent as against +6.0 per cent in the
previous quarter**



* Agriculture, Mining, Manufacturing and Water & Electricity

** Hotels, Transportation, Communication, Finance, Insurance, Real Estate and Information Technology & Communication

Source: Business Tendency Statistics, Fourth Quarter 2018

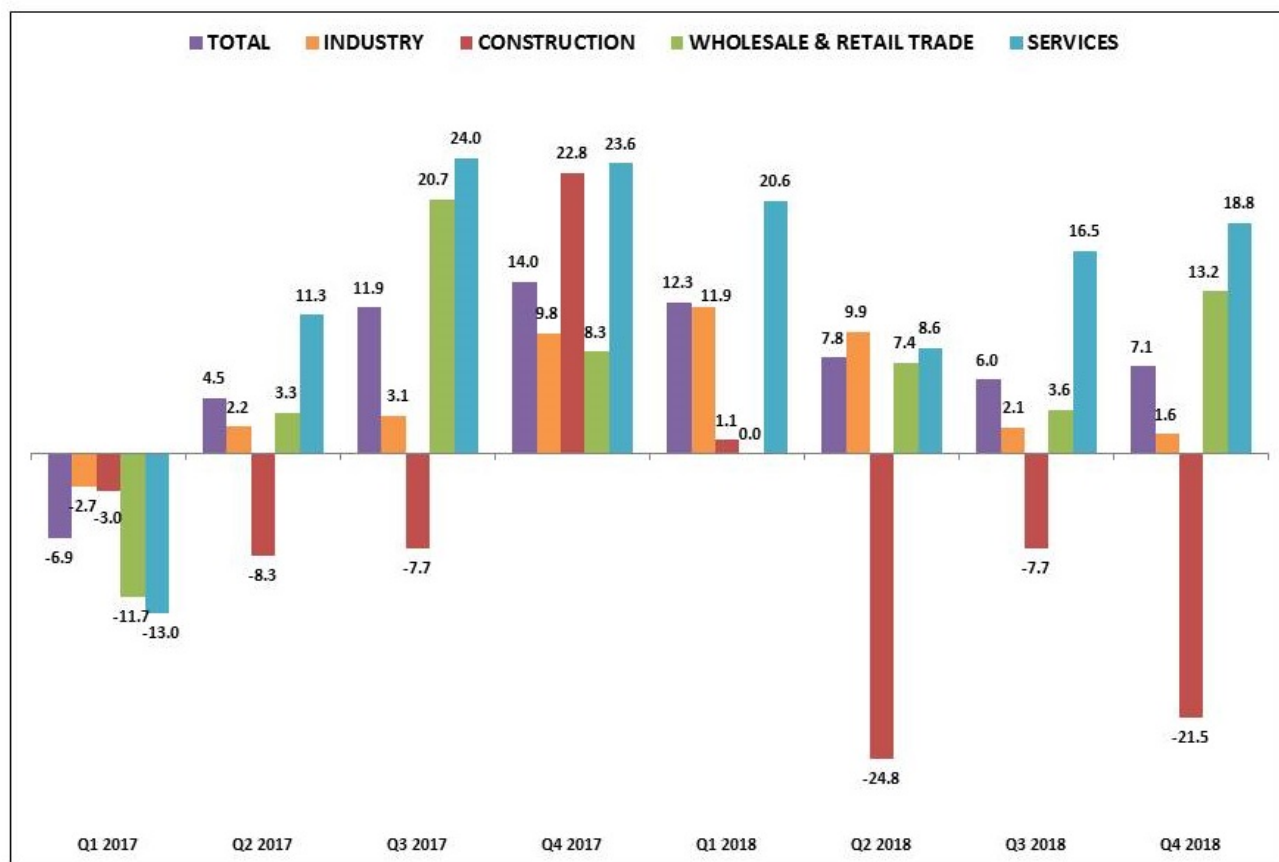
FORECAST OF BUSINESS PERFORMANCE FOR THE FOURTH QUARTER 2018

Businesses expect more favourable performance in the fourth quarter of 2018 compared with third quarter of 2018. The confidence indicator edging up marginally in the fourth quarter of 2018 to +7.1 per cent as against +6.0 per cent recorded in the previous quarter.

Confidence indicator for the Services sector increases for a second consecutive quarter, recording +18.8 per cent in the fourth quarter of 2018 from +16.5 per cent in the preceding quarter. Confidence indicator

for the Wholesale & Retail Trade sector also climbs relatively strong in the fourth quarter of 2018 to +13.2 per cent from +3.6 per cent. In contrast, confidence indicator for Construction sector slips further to -21.5 per cent for the fourth quarter 2018 compared to -7.7 per cent in the previous quarter.

Chart I: Quarterly Confidence Indicator by Sector, Malaysia, 2017-2018



Expectations of Gross Revenue and Number of Employees

A total of 42.6 per cent of respondents in all surveyed sectors expect their gross revenue to increase, while 14.8 per cent of the respondents anticipate a decrease in gross revenue.

In terms of employment, 8.6 per cent of the establishments predict an increase while 7.2 per cent of the establishments expect a decrease in the fourth quarter of 2018, which leads to a net balance of +1.4 per cent.

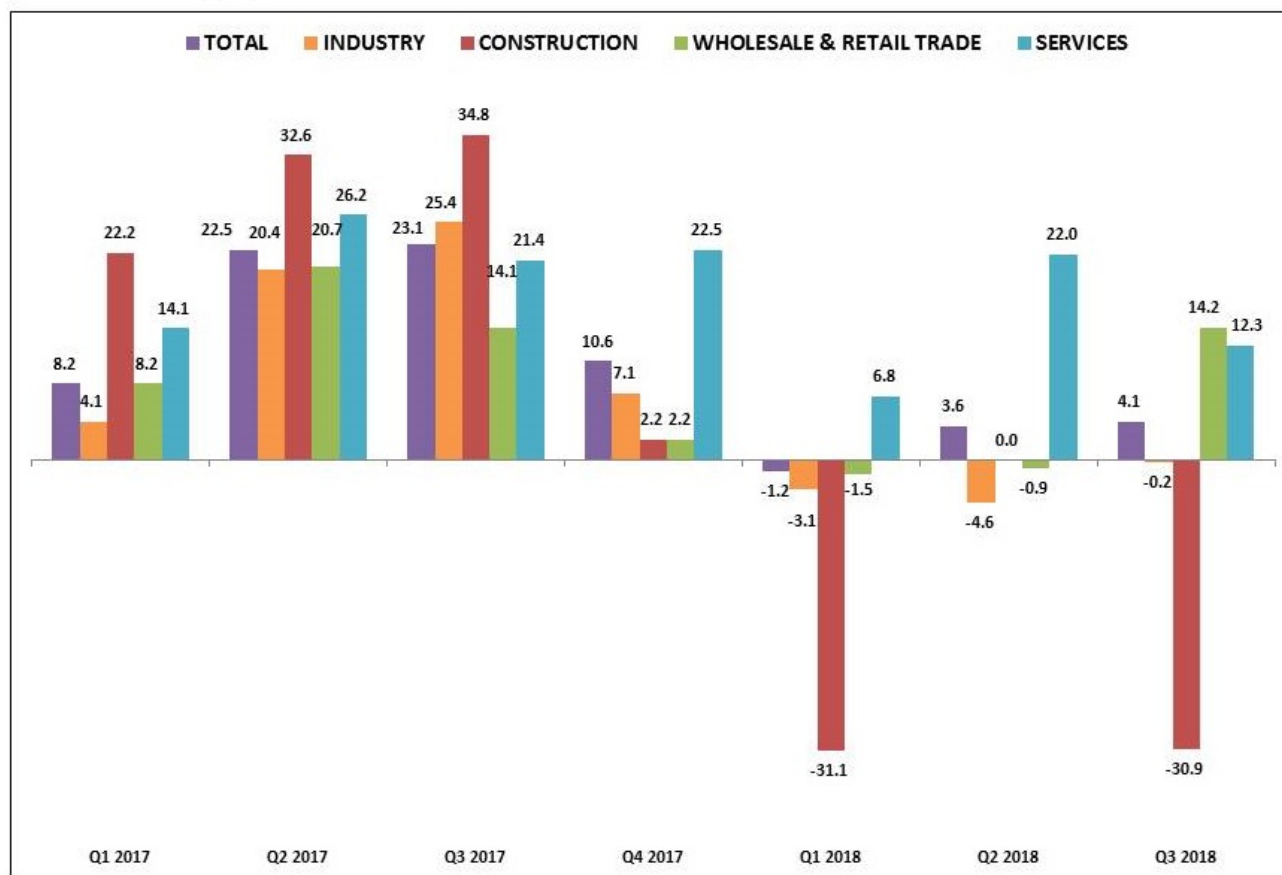
Table 1: Expected of Net Balance Gross Revenue and Number of Employees, 2017-2018

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2017	Q1	24.0	44.8	31.2	-7.2	16.3	70.0	13.7	2.7
	Q2	35.1	45.9	19.0	16.1	20.3	72.0	7.7	12.6
	Q3	33.9	53.7	12.4	21.5	25.6	70.4	4.0	21.6
	Q4	42.4	49.5	8.1	34.2	28.2	64.7	7.1	21.2
2018	Q1	30.4	57.3	12.3	18.1	25.2	61.6	13.2	12.0
	Q2	34.0	54.6	11.4	22.6	8.7	83.4	7.9	0.8
	Q3	45.1	44.4	10.5	34.6	11.5	80.3	8.2	3.3
	Q4	42.6	42.6	14.8	27.8	8.6	84.2	7.2	1.4

CURRENT SITUATION OF BUSINESS PERFORMANCE IN THE THIRD QUARTER 2018

Business performance has strengthened in the third quarter of 2018 with an overall net balance of +4.1 per cent. Wholesale & Retail Trade sector (+14.2%) was the main contributor to the increase.

Chart II: Net Balance of Current Situation for Business Performance by Sector, Malaysia, 2017-2018



Gross Revenue and Number of Employees

A net balance of +13.9 per cent establishments stated gross revenue to increase in the third quarter of 2018. A total of 39.4 per cent of the respondents reported an escalation while 25.5 per cent of them stated otherwise.

In overall, most of the businesses (74.9%) indicated that the number of employees remained unchanged in the third quarter of 2018. Meanwhile, 17.4 per cent of the establishments stated that they hired more employees and the rest of 7.7 per cent establishment reported a decrease.

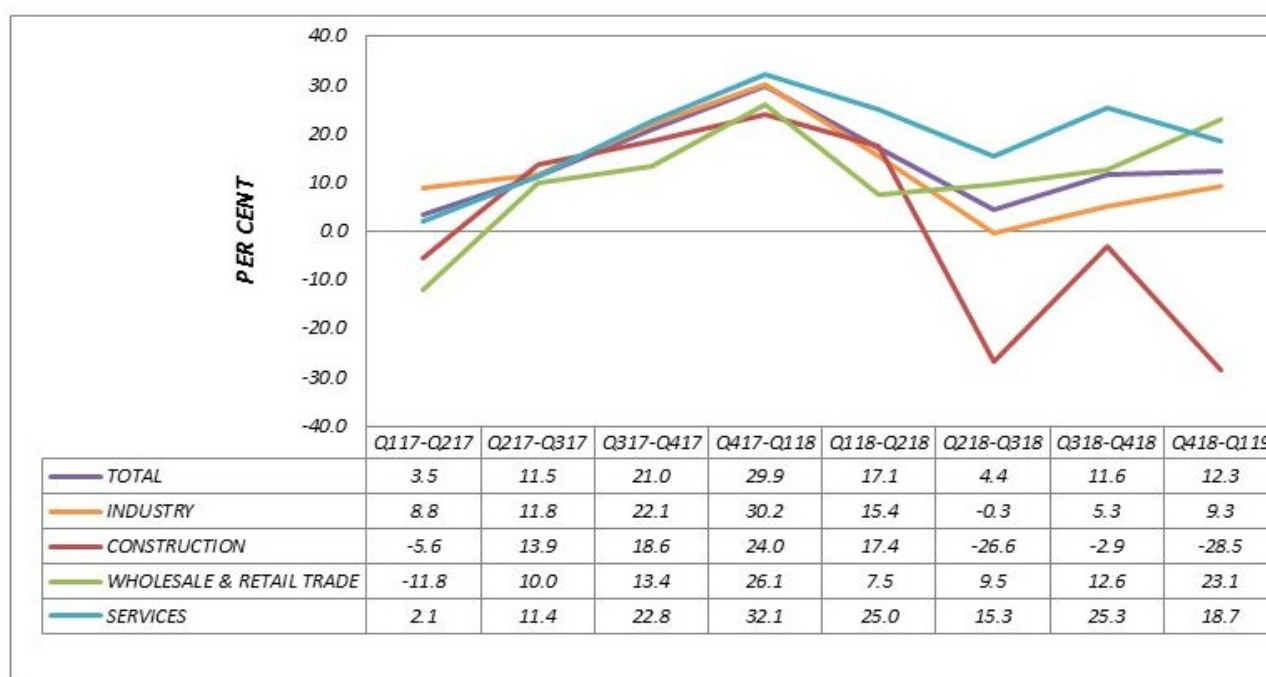
Table 2: Net Balance of Current Situation for Gross Revenue and Number of Employees, 2017-2018

Period		Gross Revenue (%)				Number of Employees (%)			
		Up	Same	Down	Net Balance	Up	Same	Down	Net Balance
2017	Q1	40.8	36.6	22.6	18.2	23.0	64.7	12.3	10.7
	Q2	47.9	36.2	15.9	32.0	27.3	63.4	9.3	17.9
	Q3	43.8	46.4	9.8	33.0	29.2	59.6	11.2	18.0
	Q4	34.3	53.5	12.2	22.1	25.6	59.6	14.8	10.8
2018	Q1	26.0	50.6	23.4	2.6	11.8	75.3	12.9	-1.1
	Q2	38.5	36.5	25.0	13.5	13.8	72.2	14.0	-0.2
	Q3	39.4	35.1	25.5	13.9	17.4	74.9	7.7	9.7

EXPECTATIONS OF BUSINESS PERFORMANCE IN OCTOBER 2018 TILL MARCH 2019

A net balance of +12.3 per cent indicates that the establishments expect business performance to be more favourable for the period of October 2018 till March 2019 compared with April to September 2018. Businesses in Industry (+9.3%), Wholesale & Retail Trade (+23.1%) and Services (+18.7%) sectors are optimistic on the business conditions for the next six months. Meanwhile, respondents in Construction sector anticipate the business situation will deteriorate with a net balance of -28.5 per cent.

Chart III: Net Balance of Business Performance Expectation for Upcoming Six Months by Sector, Malaysia, 2017-2018



Released By:

DATO' SRI DR. MOHD UZIR MAHIDIN
CHIEF STATISTICIAN MALAYSIA
DEPARTMENT OF STATISTICS, MALAYSIA

DrUzir_Mahidin **Dr_Uzir**

#myHariBulan# #myBulan# #myTahun#

Contact person:

Ho Mei Kei
 Public Relation Officer
 Strategic Communication and International Division
 Department of Statistics, Malaysia
Tel : +603-8885 7942
Fax : +603-8888 9248
Email : mkho[at]dosm.gov.my

Contact person:

Baharudin Mohamad

Public Relation Officer

Strategic Communication and International Division

Department of Statistics Malaysia

Tel : +603-8090 4681

Fax : +603-8888 9248

Email : baharudin[at]dosm.gov.my

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