

**ACCCIM SURVEY REPORT ON ECONOMIC SITUATION OF MALAYSIA  
FOR THE 1<sup>ST</sup> HALF OF 2009**

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## EXECUTIVE SUMMARY

### Significance of the survey

- ❖ To assist the Government in gauging the economic situation facing the Chinese business community.
- ❖ To collect feedback and opinion on various measures undertaken by the Government to enable them to evaluate the effectiveness of those measures.
- ❖ This survey would be helpful to the Government either in making adjustments to the existing policies or in the formulation of new policies.
- ❖ Provide a basis for ACCCIM to submit relevant memoranda to the Government.

### Profile of respondents

- ❖ The respondents are mainly from **wholesale and retail, manufacturing, professional & business services as well as construction.**
- ❖ **85% of the respondents are from small and medium-scale enterprises (SME).**
- ❖ **69% of the respondents are domestic market oriented whereas 31% focuses on export or both domestic and export markets.**

### Major survey questions and findings

The major survey questions are as follows :

- i. Was the Malaysian economy deteriorating, remain unchanged or growing in the 1<sup>st</sup> half of 2009 ?
  - Poorer sales performance**
  - Production volume shrank slightly**
  - Drawdown of inventory**
  - Poorer collections**
  - New orders from abroad fell further**
  - Drop in local orders**
  - Local sales prices on a downward trend**
  - A slight pick-up in retrenchment**
  - Wages were stable**
  - Undesired capacity utilisation**
  - Investment in new resources or plant shrank**

**The Malaysian economy continued to deteriorate in the 1<sup>st</sup> half of 2009**

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*Major survey questions and findings (Cont' d)*

- ii. What are the major factors adversely affecting business performance in the 1<sup>st</sup> half of 2009 ?

- ☆ Government policies
- ☆ Increase in operating cost and price of raw materials
- ☆ Drop in foreign & domestic demand
- ☆ Domestic competition

- iii. Are the Chinese business community optimistic or pessimistic about the Malaysian economic outlook ?

- ☆ The Chinese business community is cautiously optimistic about the economic outlook for the 2<sup>nd</sup> half of 2009

- ☆ 60% (22% in previous period) of the respondents are optimistic or somewhat optimistic with regard to the Malaysian economic outlook in the medium term, i.e. in the next two to three years, whereas 39% (77% in previous period) are pessimistic or somewhat pessimistic.

- iv. Current issues facing the Chinese businessmen in relation to trade, investment and industrial development in Malaysia.

- ① fewer respondents, i.e. 58% (73% surveyed previously) opined that the recessions in United States, Japan and Europe has affected their businesses. 41% of the respondents said no impact.

- ② 79% of the respondents said that the government's RM10 billion guarantee program to help companies secure bank loans did not benefit them.