

### **Significance of the survey**

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

### **Profile of respondents**

1. The respondents are mainly from wholesale and retail, manufacturing as well as professional & business services.
2. 85% of the respondents are from small and medium-scale enterprises (SME).
3. 70% of the respondents are domestic market oriented whereas 30% 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 2<sup>nd</sup> half of 2007?
  1. Sales were stable
  2. Stable output
  3. Stock level maintained
  4. Collections improved
  5. New orders from abroad generally stable, but there were signs of weakness
  6. Local orders generally stable
  7. Local sales prices were stable
  8. Employment remained soft
  9. Wages were stable
  10. Undesired capacity utilization
  11. Investment in new resources or plant turned weaker

The Malaysian economy had remained stable in the 2<sup>nd</sup> half of 2007
- ii. What is the major factors adversely affecting business performance in the 2<sup>nd</sup> half of 2007?
  1. Increase in operating cost and price of raw materials
  2. Domestic competition
  3. Government policies

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

1. The Chinese business community is turning less optimistic about the economic outlook for the 1st half of 2008.
2. 55% (73% 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 44% (26% 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. 56% of the respondents opined that the appreciation of the Ringgit has no impact on their business.
2. Nearly half (47% as with the last period) of the respondents opined that the increase in salary of the public servants has no impact on their business.
3. 60% of the respondents opined that the increase in the salary of the public servants would partly add on to the inflationary pressure in this country.
4. 68% (64% in previous period) of the respondents surveyed said that the rising inflationary pressure had a negative impact on their business.
5. Increasingly more respondents (63% vs. 61% previously) were able to pass on part of the rising cost to the end-users.
6. Half (51%) of the respondents opined that the strong surge in private consumption has no impact on their business whereas 37% said that it had positive impact.
7. Half (53%) of the respondents said that slowdown in export has no impact on their business whereas 35% said that the impact is negative.
8. 37% (33% in the 1st half of 2007) of the respondents opined that the 9th Malaysia Plan would have a positive impact on their business whereas 57% of them said that there is no impact.