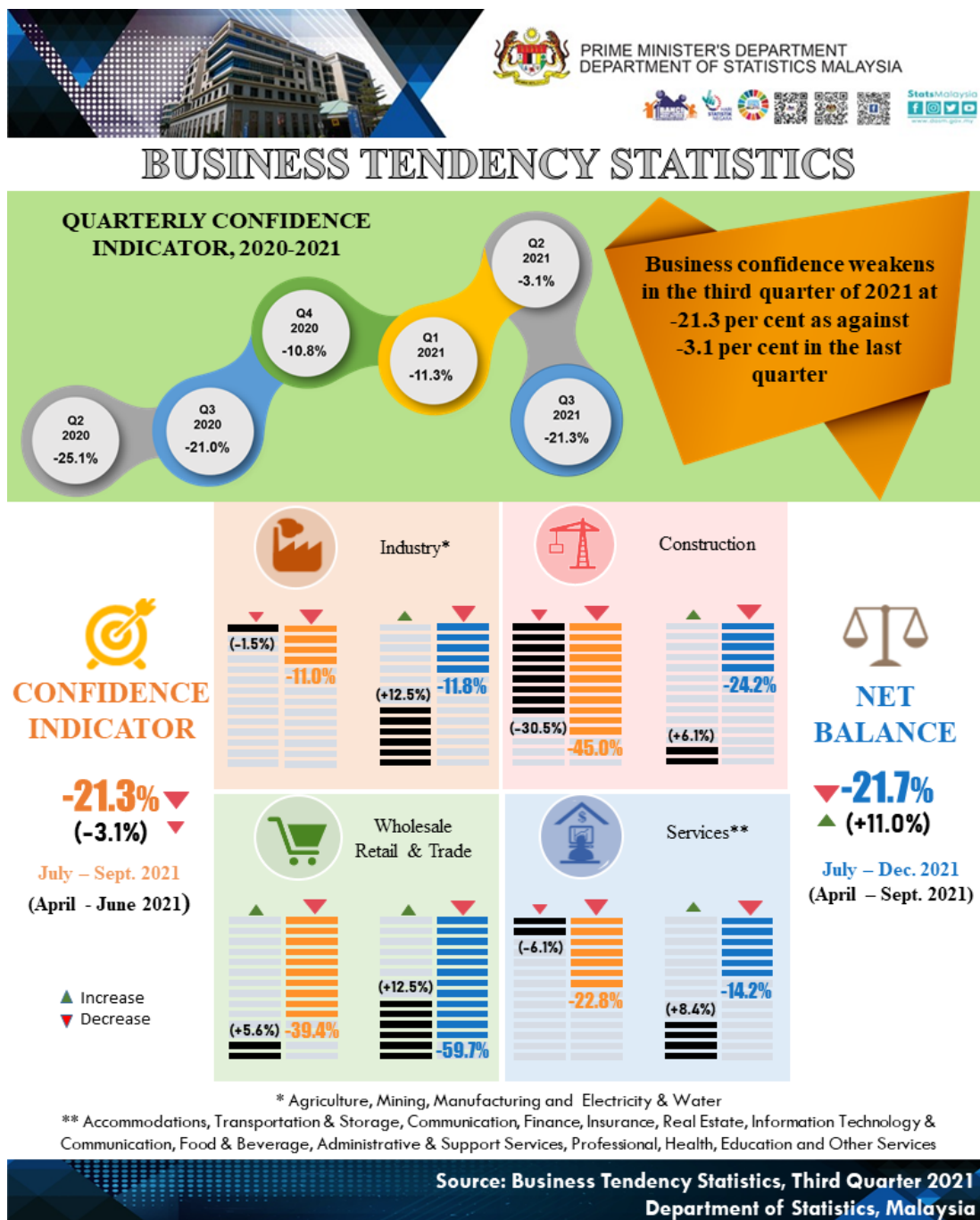




MINISTRY OF ECONOMY
DEPARTMENT OF STATISTICS MALAYSIA

BUSINESS TENDENCY STATISTICS THIRD QUARTER 2021



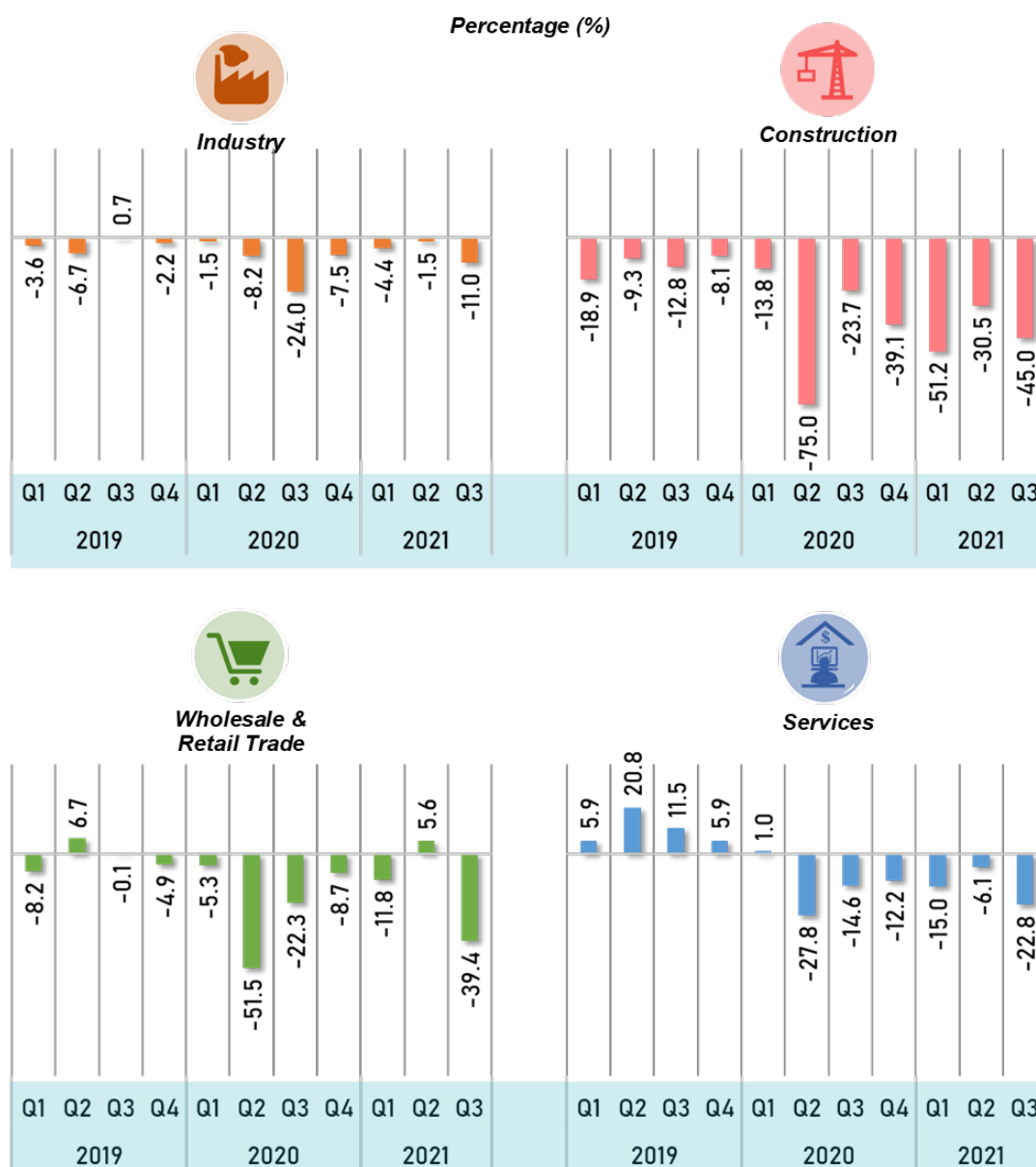
FORECAST OF BUSINESS PERFORMANCE FOR THE THIRD QUARTER 2021

Businesses are more pessimistic towards their business condition in the third quarter of 2021. The confidence indicator further dipped to -21.3 per cent in the reference quarter as against -3.1 per cent in the preceding quarter.

Within the sectors covered, all sectors anticipate unfavourable business conditions for the third quarter 2021 in light of severe and prolonged COVID-19 pandemic in this country. The confidence indicator of the Wholesale & Retail Trade sector plunge to negative trajectory with -39.4 per cent as compared to +5.6 per cent in the second quarter of 2021 due to both subsectors namely Wholesale Trade and Retail Trade are less confident towards their business situation in the next three months. Meanwhile, the Industry and Services sectors indicate more pessimistic with confidence indicator dropped to -11.0 per cent and -22.8 per cent respectively in the third quarter from -1.5 per cent and -6.1 per cent recorded in the previous quarter.

Concurrently, Construction sector also anticipates their business situation to recede in this reference quarter with -45.0 per cent as against -30.5 per cent recorded in the past quarter.

Exhibit I: Quarterly Confidence Indicator by Sector, Malaysia, 2019-2021

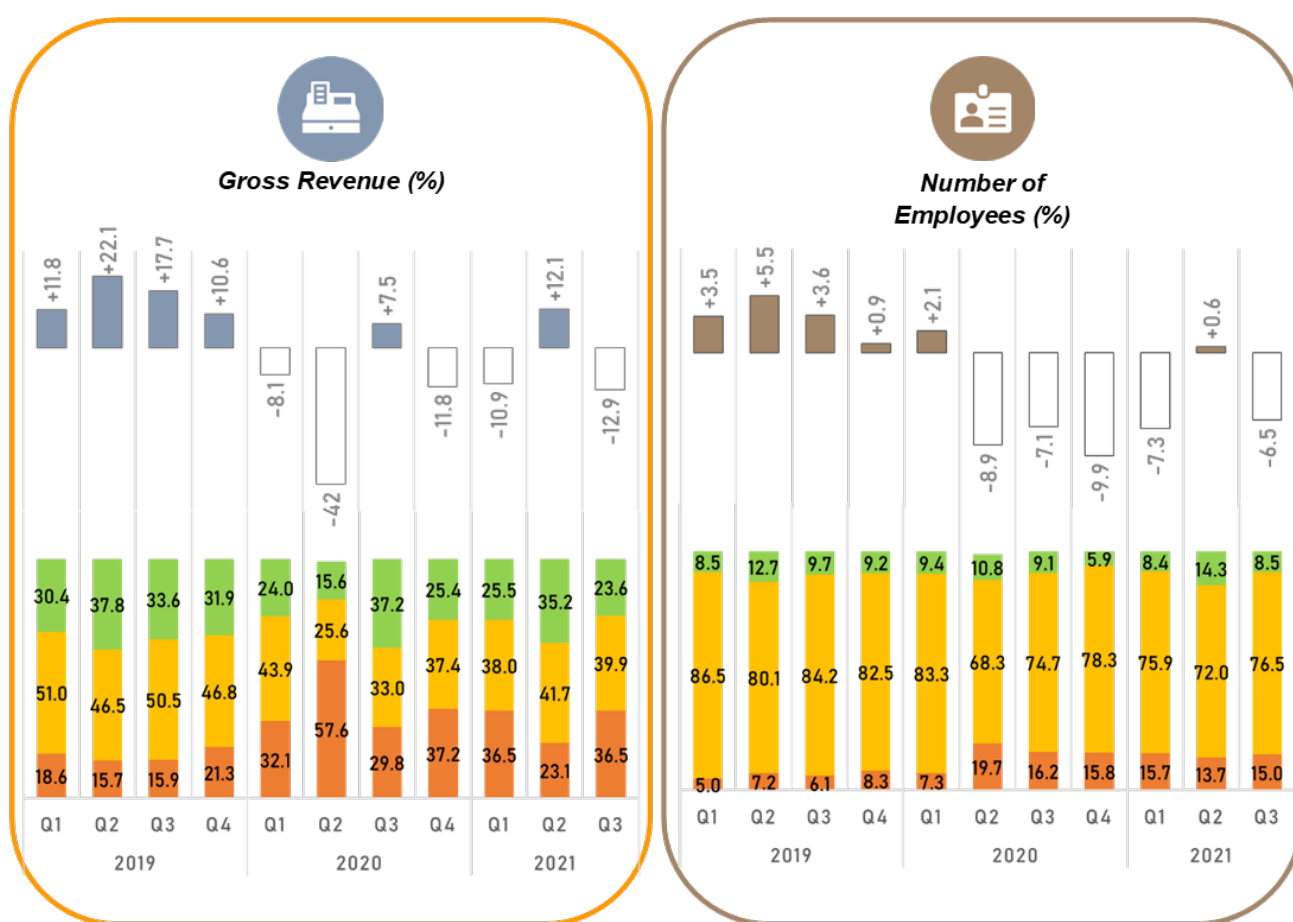


Expectations of Gross Revenue and Number of Employees

In overall, a net balance of -12.9 per cent indicates that establishments foresee their gross revenue to decrease of which, 23.6 per cent of establishments expect higher gross revenue for the third quarter while 36.5 per cent demonstrate otherwise. Simultaneously, 39.9 per cent of establishments predict their gross revenue will remain the same.

In terms of employment, majority of the establishments (76.5%) anticipate to retain their employees for the reference quarter. About 8.5 per cent of respondents expect to hire more, whereas 15.0 per cent intend to reduce their headcount which induced to a net balance of -6.5 per cent for the third quarter of 2021.

Exhibit II: Expected of Net Balance Gross Revenue and Number of Employees, 2019-2021



Net Balance

Higher

Same

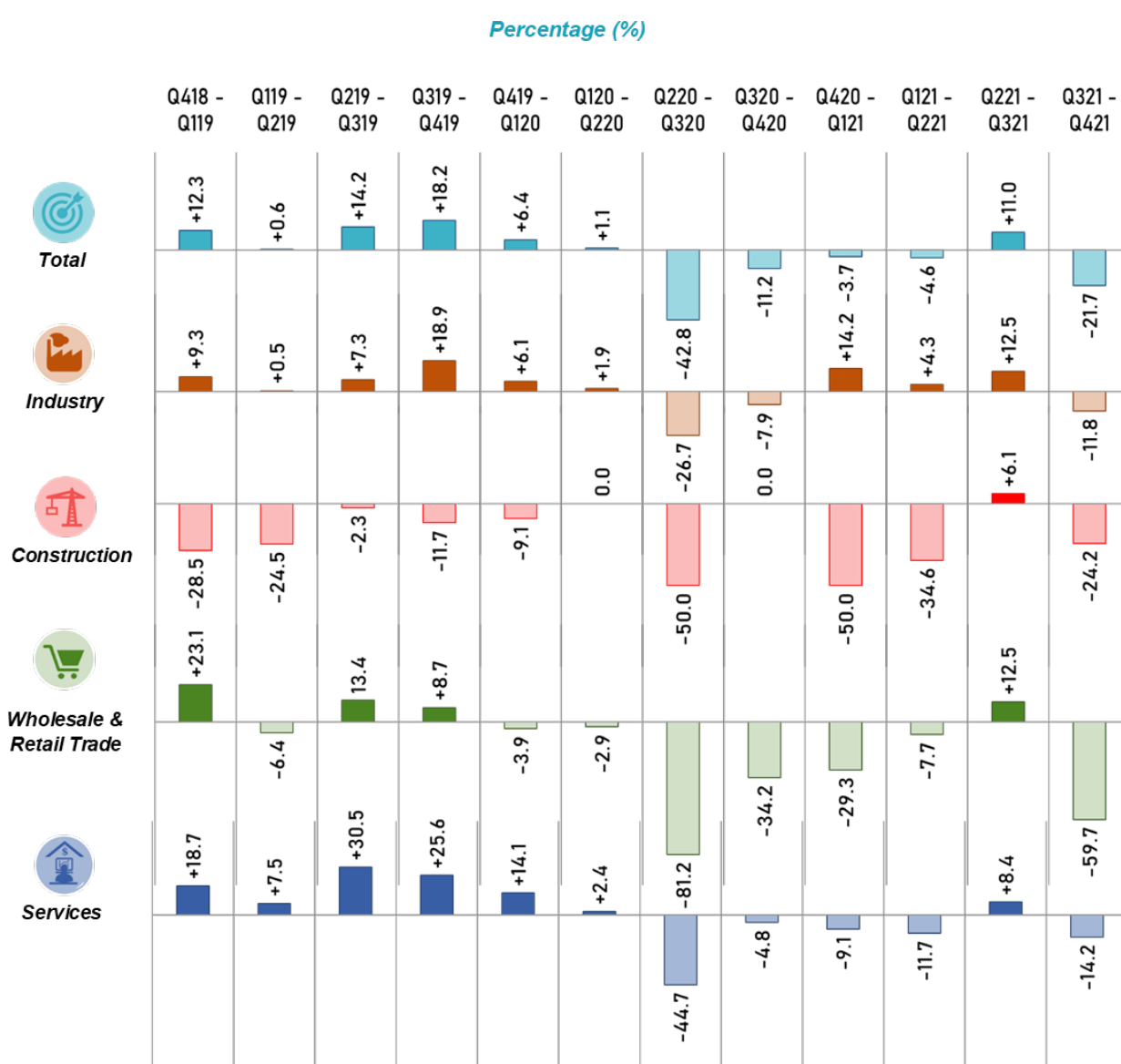
Lower

EXPECTATIONS OF BUSINESS PERFORMANCE IN JULY TO DECEMBER 2021

Looking at the sentiment for six months ahead, businesses turn pessimism on their business outlook for the period of July to December 2021 with an overall net balance of -21.7 per cent compared to +11.0 per cent recorded for the period of April to September 2021. Similar to the three months outlook, all sectors anticipate negative prospects with the least pessimistic sector is Industry. The Industry sector expects business conditions to slip from +12.5 per cent to -11.8 per cent for the second half of 2021. Simultaneously, the Services and Construction sectors expect business situation to be less favourable for the next six months with a net balance of -14.2 per cent and -24.2 per cent as against +8.4 per cent and +6.1 per cent recorded for the period of April to September 2021 respectively.

The Wholesale & Retail Trade sector also foresees a challenging business performance in the forthcoming six months with a net balance of -59.7 per cent from +12.5 per cent recorded previously.

Exhibit III: Net Balance of Business Performance Expectation for Upcoming Six Month by Sector, Malaysia, 2018-2021



The full publication of the Business Tendency Statistics Third Quarter 2021 can be downloaded through [eStatistik](#) portal.

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