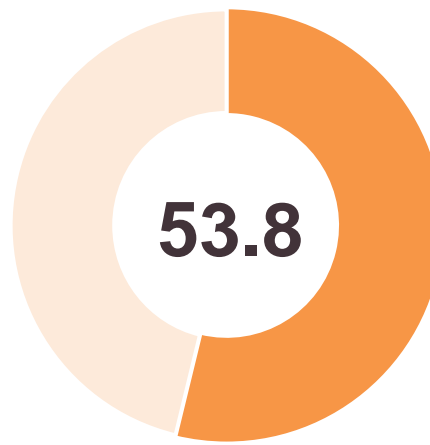


SME SENTIMENT INDEX



What is SME Sentiment Index?

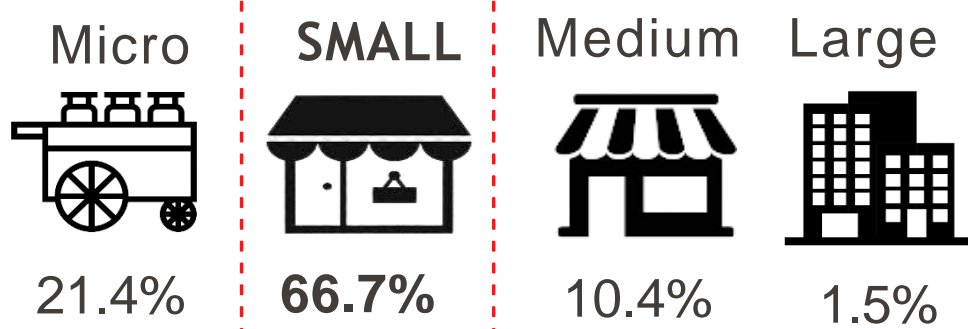
A leading economic indicator, the Index serves to gauge SMEs' sentiment on the economic outlook and business environment, providing a glimpse into the reality of SMEs on the ground.



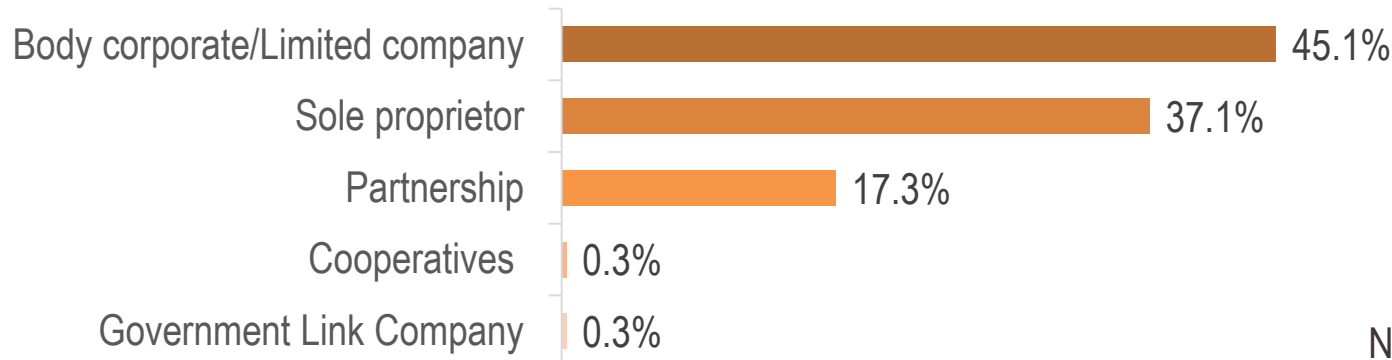
SME Sentiment Index 2022 recorded a **positive reading of 53.8**, suggesting that most businesses are relatively optimistic, resilient and adaptive about their finances and the state of the overall economy.

Profile of Respondents

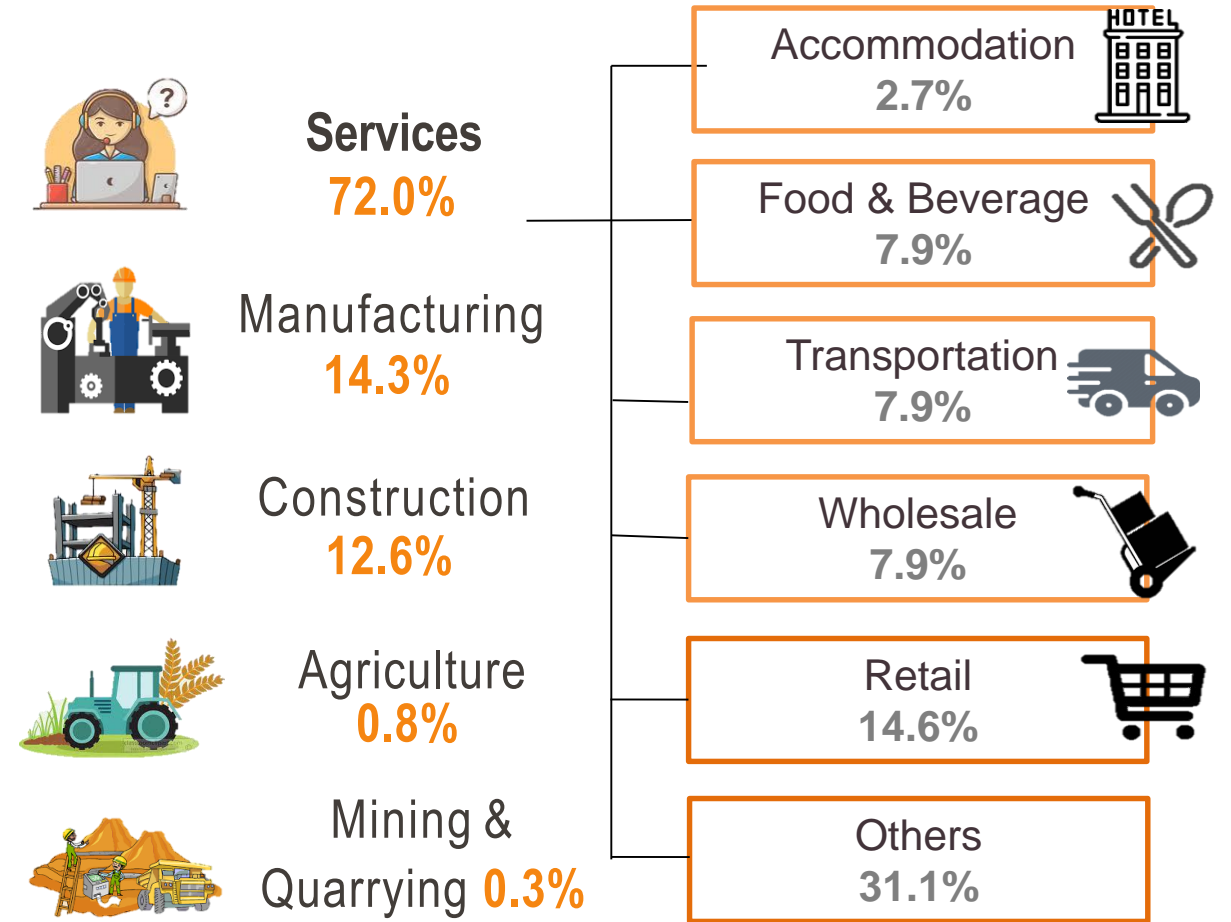
1 Firm Size*



2 Ownership



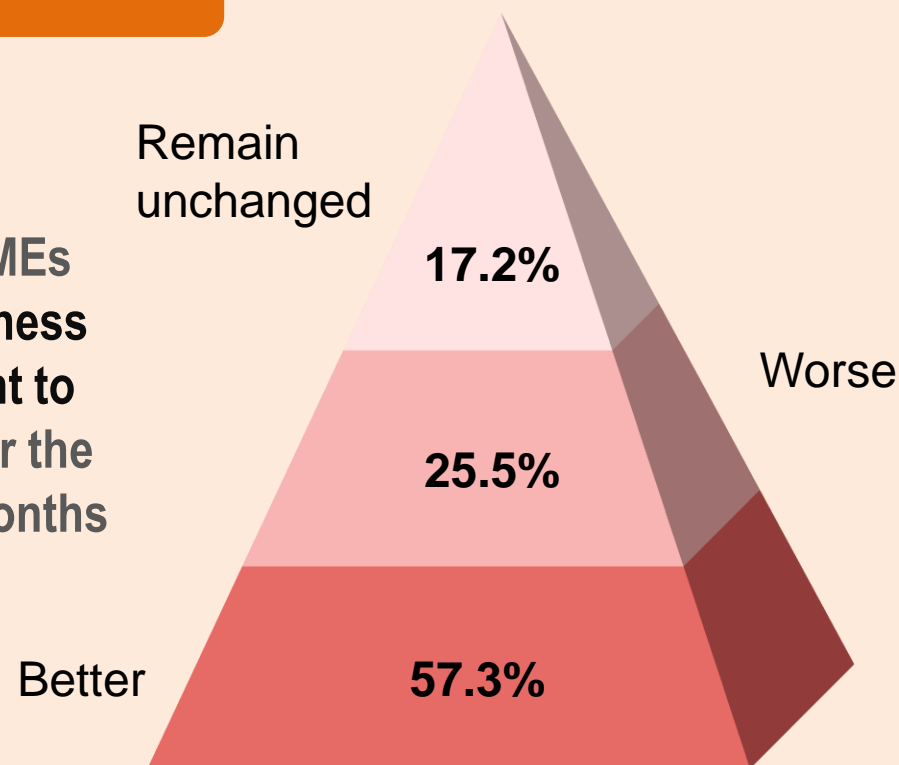
3 Type of Sectors



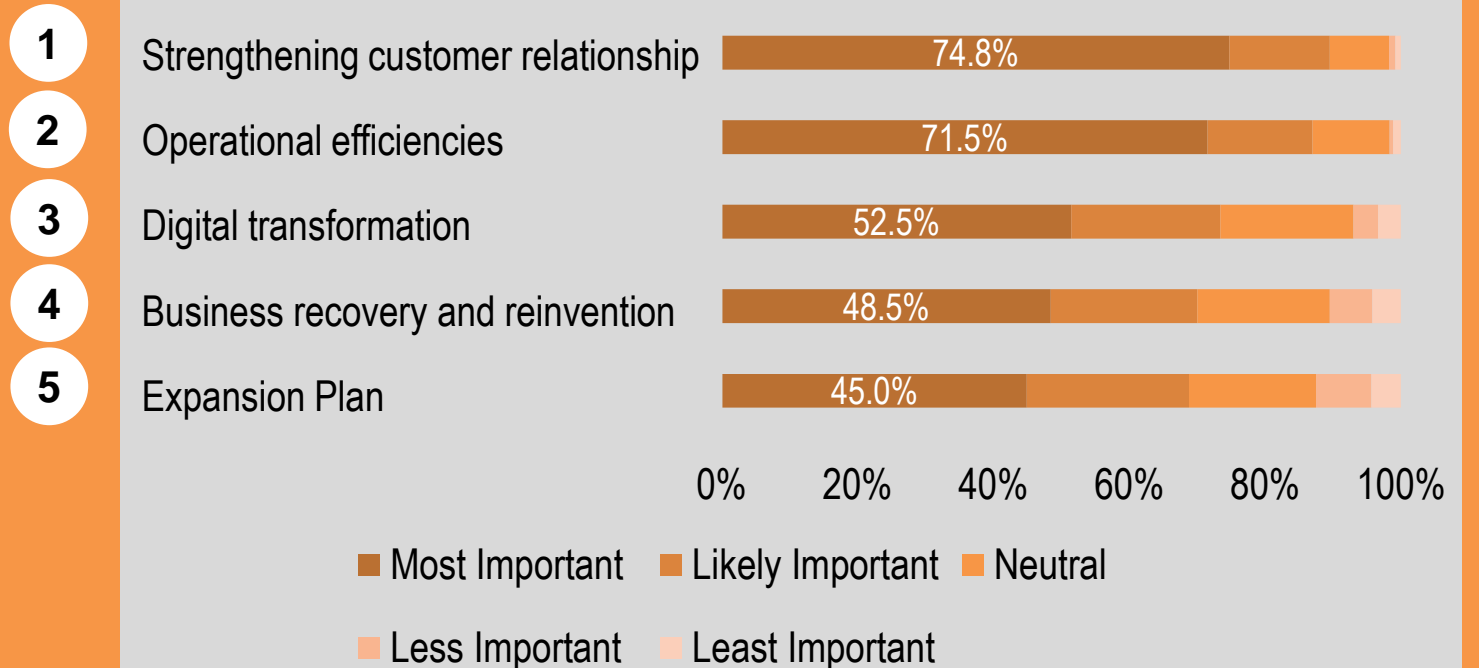
Note: Amid recovery, we zoom into analysing vulnerable segments of the services sub-sectors

Survey Results

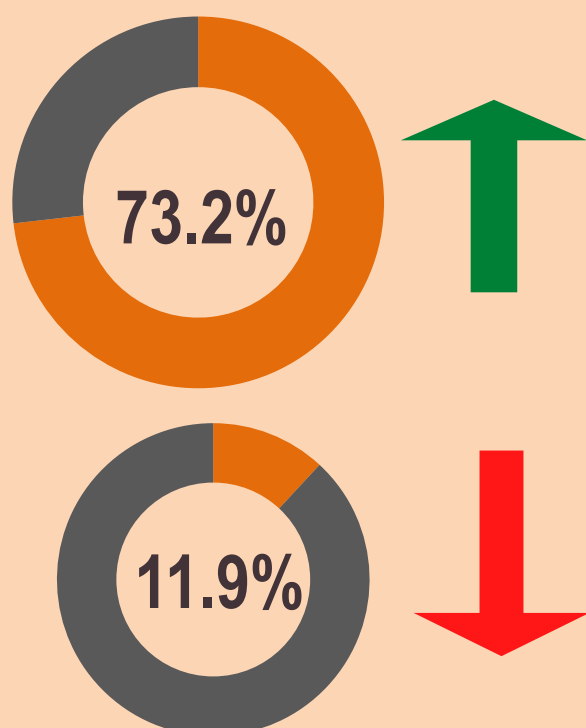
57.3% of SMEs expect business environment to improve over the next 6 – 12 months



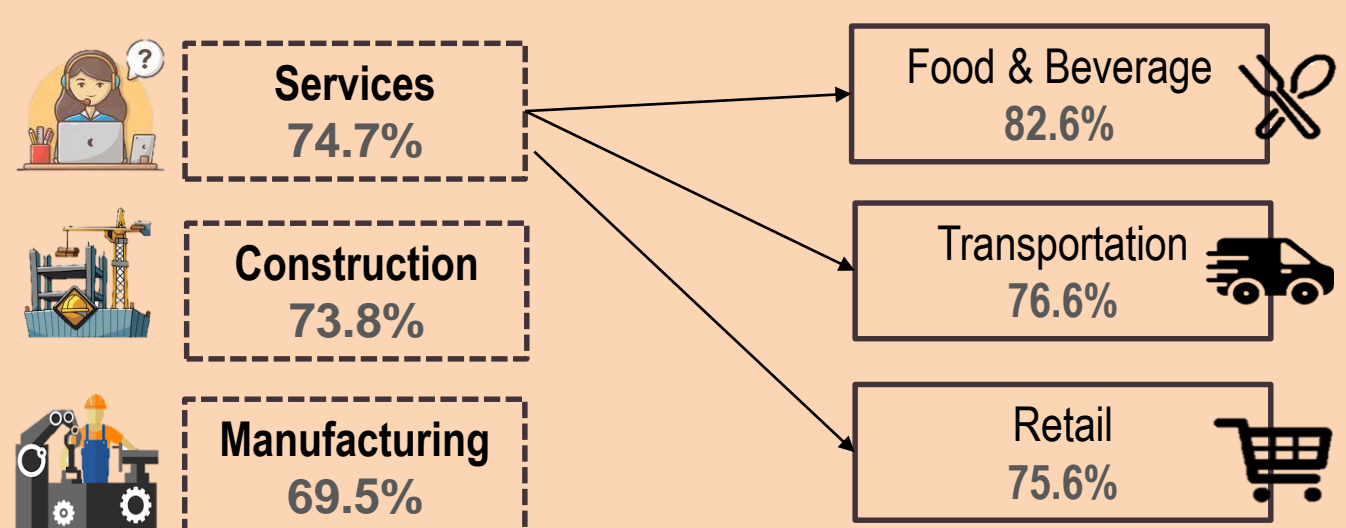
SMEs' most important focus areas in the next 6 – 12 months



Majority of respondents expect company's profitability to improve over the next 6 – 12 months



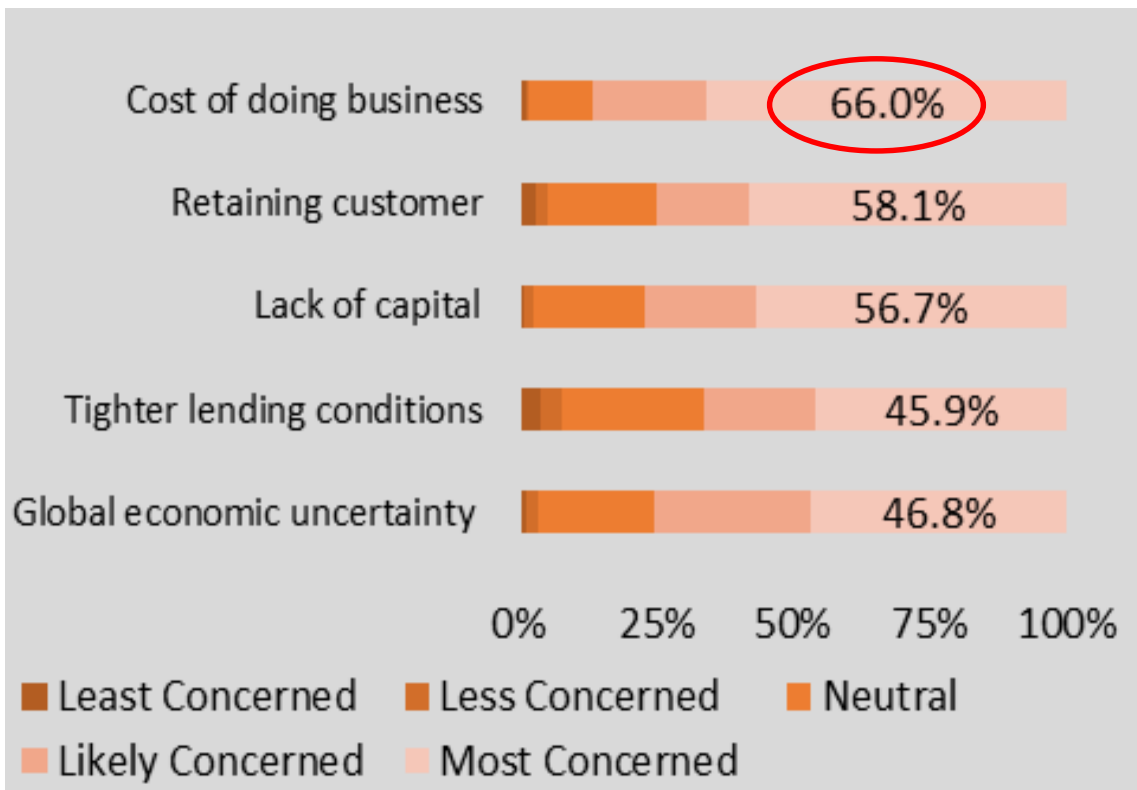
Expectation for gross revenue to increase led by the services sector



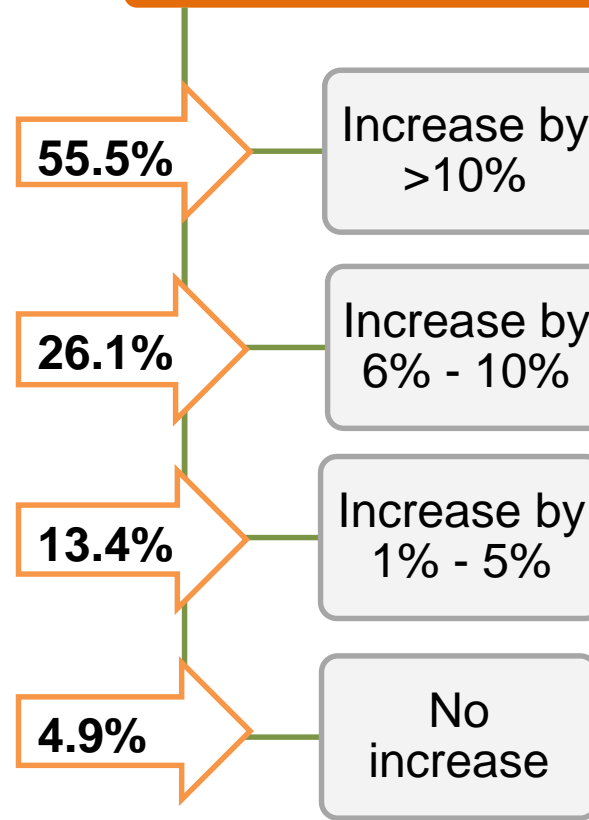
*Firm size based on revenue: 1) Manufacturing sector - Micro (<RM300,000), Small (RM300,000 < RM15 mil), Medium (RM15 mil ≤ RM50 mil), Large (>RM50 mil)
2) Services and Other sectors - Micro (<RM300,000), Small (RM300,000 < RM3 mil), Medium (RM3 mil ≤ RM20 mil), Large (>RM20 mil)



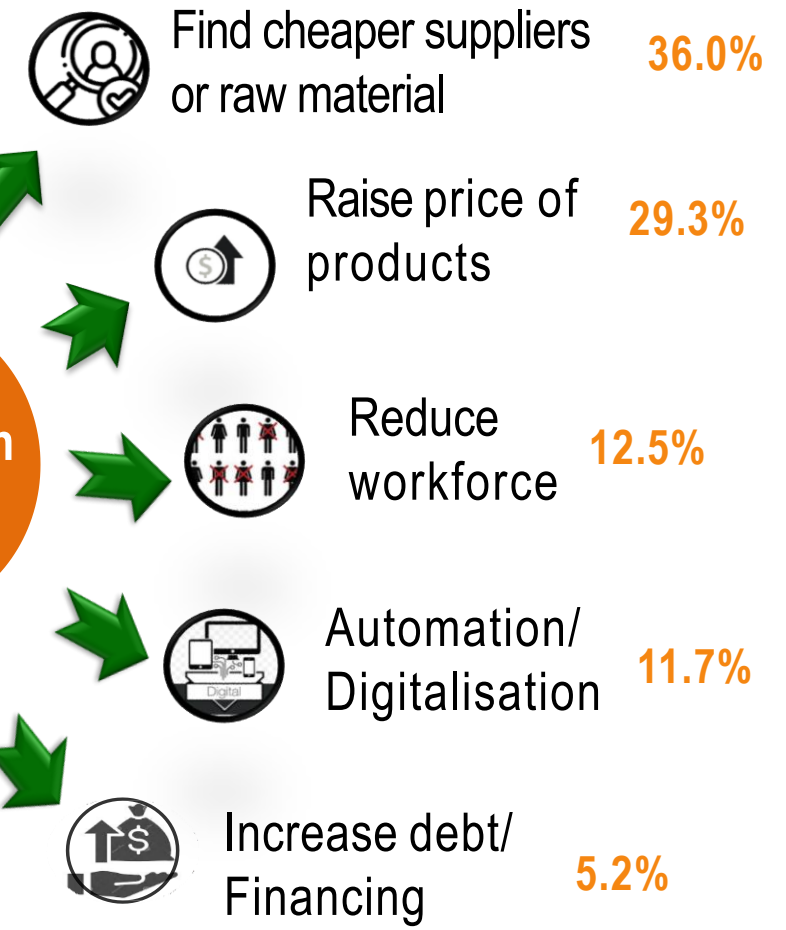
Top factors that will affect business performance



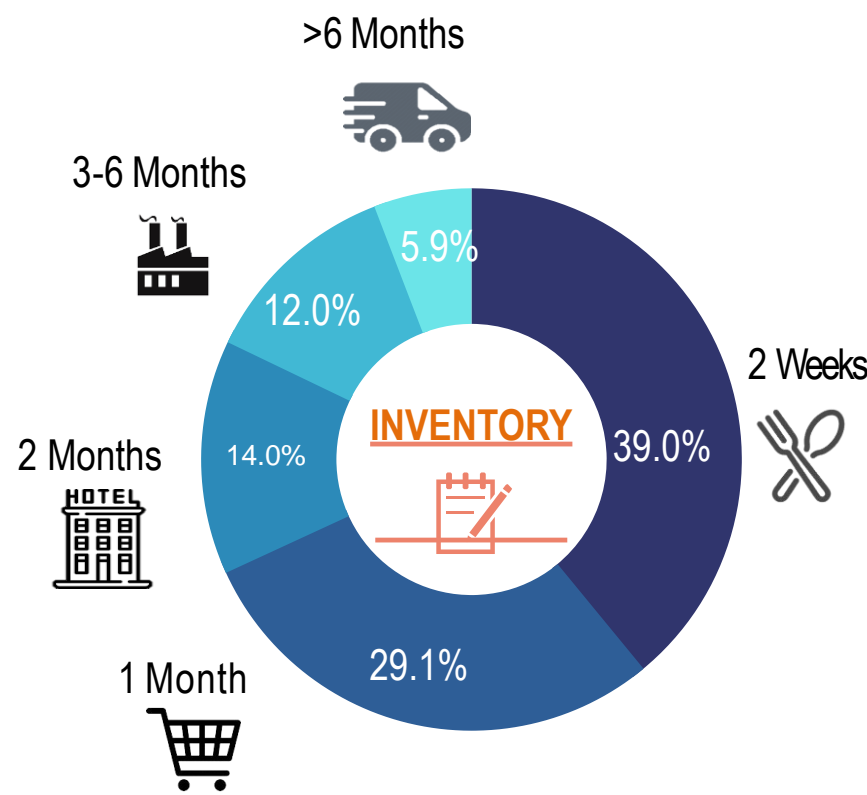
Cost of doing business expected to rise



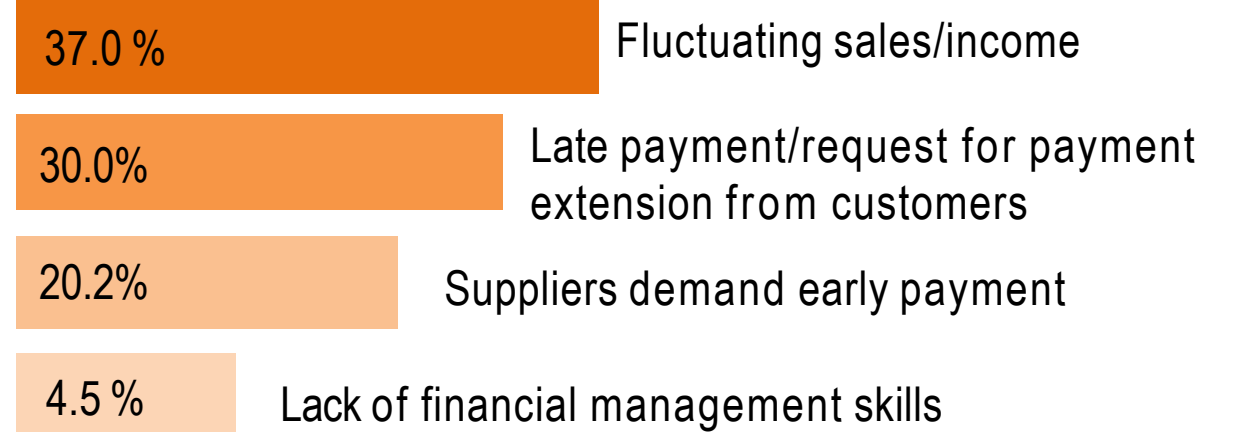
Mitigation plans



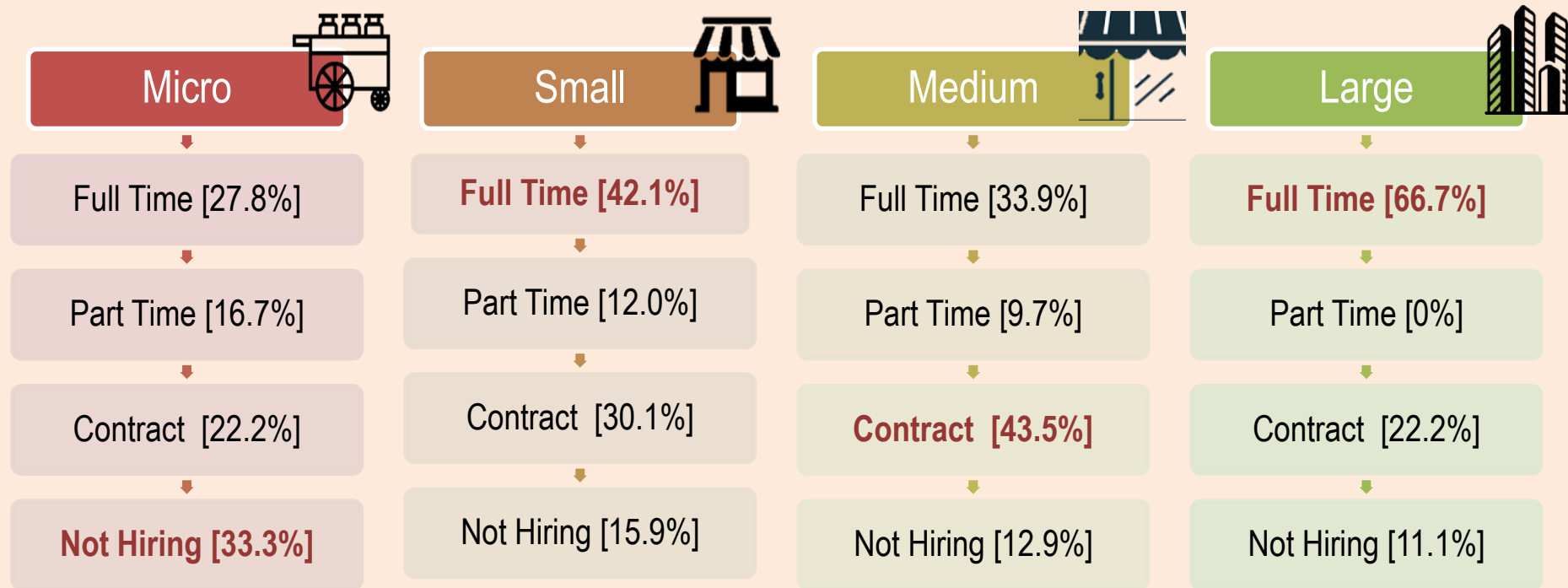
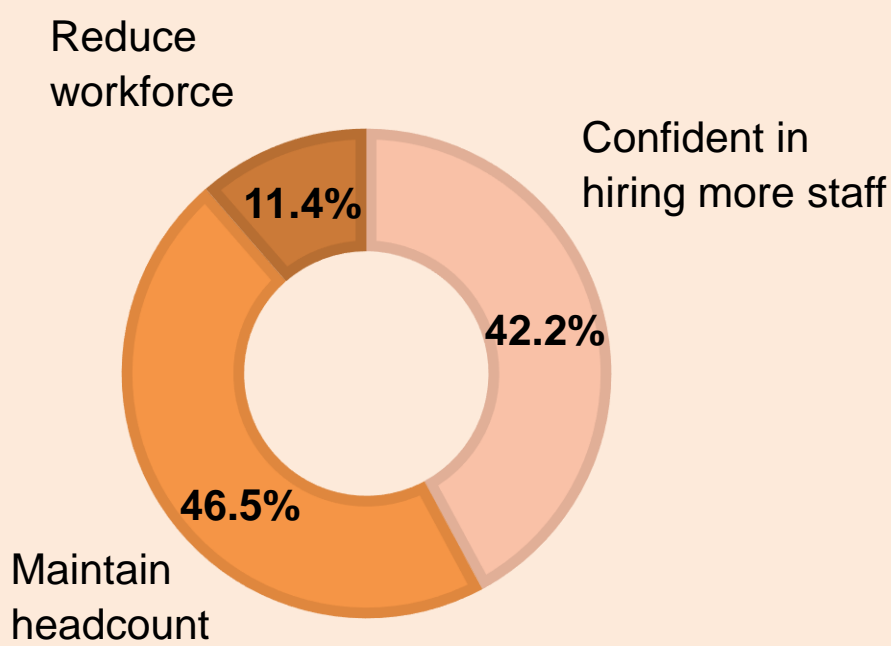
A majority (39.0%) of businesses prefer to keep their inventory small i.e. only 2 weeks. This is predominantly true for the F&B sector where their stocks could be perishable items



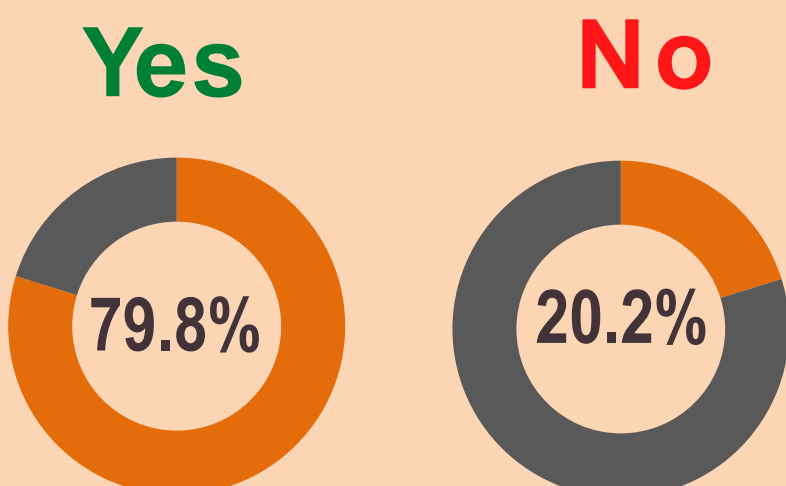
Causes of cash flow difficulties



Positive hiring expectations for SMEs



Most SMEs need additional financing mainly for working capital purposes, followed by machinery & equipment purchases



Resilient SMEs financing growth in Apr 2022

