

Key findings

- Over 3 in 5 firms expect present uncertain business condition to persist with economic activities continuing at current pace for next 12 months
- Nearly 9 in 10 big firms and 2 in 3 SMEs can keep business going with thinner profits or small operating losses till then
- 29% of SMEs and 11% of big firms are likely to downsize by folding some business or shutting operations entirely
- 3 in 5 businesses find government support schemes at least 40% effective in cushioning business costs but worry they can't cope after support is withdrawn
- 58% of SMEs and 43% of big firms find Jobs Support Scheme useful in delaying retrenchment considerations
- 62% of businesses expect to maintain staff level for next 12 months, while 1 in 5 is likely to reduce headcount
- If businesses hire in next 12 months, 32% are more inclined to hire PMETs
- If businesses cut hiring in next 12 months, 19% are more likely to hire fewer clerical support, service and sales staff
- Nearly 3 in 4 businesses saw a drop in productivity
- Nearly 3 in 4 big firms are channeling more resources to digitalisation and automation to boost productivity, while SMEs resort to many approaches by looking at building financial resilience (like restructuring of business, innovation and digitalisation and automation)
- Businesses face challenges on multiple fronts in business transformation (uncertain demand, staff shortage with apt skills, operational issues when adopting new solutions)
- Over 2 in 3 businesses say resumption of business travel is critical to expand overseas and diversify market risks
- Nearly 3 in 4 say Covid-19 remains a challenge to go international, 57% also indicate travel restrictions and 1 in 3 big firms are worried about increasing protectionism
- China and Asean remain key markets for overseas expansion – Indonesia (41%), Thailand (28%) and Vietnam (27%), in addition to Malaysia