

4. Please indicate your company's performance in April – Jun 2012 versus January – March 2012 based on the following areas: (Tick only one for each area).

Area of Business	Decreased by -5% and more	Decreased slightly (< -5%)	Same Performance (0%)	Increased slightly (up to +5%)	Increased by 5% - 20%	Increased by more than +20%
a. Total sales						
b. Profit margin						
c. Average selling price						
d. Production (if applicable)						
e. Exports (if applicable)						
f. New orders / bookings of products or services from customers (if applicable)		Lower orders / bookings	Same	Higher orders / bookings		

SECTION D: COMPANY GROWTH OUTLOOK

5. What is your view on the outlook for your business in the next six months? (Select only one).

Improve Remain the same Worsen

6. Which of the following factors have an impact on your business prospects for the next six months? (May choose more than one)

<input type="checkbox"/>	Strong consumer spending	<input type="checkbox"/>	High cost of doing business
<input type="checkbox"/>	Supported by Government projects including those under the Economic Transformation Programme (ETP)	<input type="checkbox"/>	Reduction in domestic demand for goods and services
<input type="checkbox"/>	Positive business sentiment	<input type="checkbox"/>	Weaker business sentiment
<input type="checkbox"/>	Positive consumer confidence	<input type="checkbox"/>	Weaker consumer confidence
<input type="checkbox"/>	Subdued external environment		

SECTION E: INVESTMENT

7. Please indicate or estimate your half-yearly investment spending and plan in Ringgit Malaysia. (Leave blank if not applicable).

Year	New Office Building	New Plant (Factory) and Machinery	New Furniture and Office Equipment	New Commercial Vehicle	Intellectual Properties* and R&D Expenditures	Total (RM)
July-Dec 2010						
Jan-June 2011						
July-Dec 2011						
Jan-Jun 2012 e/						
July-Dec 2012 f/						

e/ estimate f/ forecast Intellectual Properties consist of Patents, Trademarks, and Copyrights.

8. Does your company face any problems in expanding / investing in Malaysia? (Select only one).

Yes No No plan to expand

If YES, please choose the three most important factors that hinder your investment or expansion plan. (Select three only).

<input type="checkbox"/>	Low rate of return on investment compared with other countries	<input type="checkbox"/>	Shortage of suppliers / supporting industries	<input type="checkbox"/>	Processing <u>delay</u> in getting approvals from Authorities
<input type="checkbox"/>	High initial cost of investment	<input type="checkbox"/>	High cost of labour	<input type="checkbox"/>	Lack of Government incentives
<input type="checkbox"/>	High cost of raw materials and other input costs	<input type="checkbox"/>	Shortage of skilled labour	<input type="checkbox"/>	Not able to obtain external financing
<input type="checkbox"/>	Shortage of raw materials	<input type="checkbox"/>	Shortage of unskilled labour	<input type="checkbox"/>	Others – please specify
<input type="checkbox"/>	Poor infrastructure (logistics, Internet)	<input type="checkbox"/>	Stringent rules & regulations		

SECTION F: CURRENT ISSUES AND CONSTRAINTS

9. Please tick the following key issues impacting your company in the current economic environment on a scale of 1 to 5.

	Least important issue				Most important issue
	1	2	3	4	5
a. Difficulty to cope with increase in demand					
b. Reduction in demand					
c. Rising overhead costs					
d. Increase in cost of raw materials and other inputs					
e. Cash flow problems					
f. Lack of external financing					
g. High cost of external financing					
h. Delay in payment collection					
i. Labour - supply issue of unskilled workers					
j. Labour - supply issue of supervisors, managers and professionals					
k. Labour - quality / skill issue of low level staff / workers					
l. Labour - quality / skill issue of supervisors, managers and professionals					
m. Ringgit fluctuation					
n. Others, please specify _____					

SECTION G: FINANCING

10. Did your enterprise request for any new or additional external financing for business purposes in the last 6 months?

[External financing includes bank loans; lines of credit including overdraft, credit cards and credit from suppliers; Government grants or loans, venture capital, and equity financing].

Yes No

If YES, please indicate the types of financing your company requested (Can choose more than one)

- Micro financing under the **Skim Pembiayaan Mikro** (Please proceed to Question 11)
Pembiayaan Mikro is a financing scheme of up to RM50,000 to micro enterprises for business purposes
- CGC Guarantee Scheme (Please proceed to Question 12)
- Other types of financing (Please proceed to Question 13)

If NO, please indicate the reason (Can choose more than one and proceed to Question 16)

- Financing not required
- Do not like to be in debt
- Long processing time
- Thought the application would be rejected
- Applying for financing is too difficult
- Unaware of application procedures
- Others (please specify) _____

11. What documentations were required by the financial institution to process under **Skim Pembiayaan Mikro**? (May choose more than one)

- a. Malaysian identification card
- b. Utility bills
- c. Bank statement
- d. Others (Please specify) _____

WHICH documentations did you face difficulty in providing to the financial institutions?

(Please specify) _____

12. How long did it take to process your application under the **Skim Pembiayaan Mikro** and/or **CGC Guarantee Scheme**?

(Please answer if application was made in the past 6 months)

	1. Period from the first submission to full submission of documents (No. of days)	2. Period from full submission of documents to guarantee / financing approval (No. of days)	3. Period from signing of offer letter to financing / guaranteed financing disbursement (No. of days)	Total number of days (1+2+3)
Skim Pembiayaan Mikro				
CGC Guarantee Scheme				

13. Have you ever been advised by the financial institution not to submit your financing application for the following reasons?

(May choose more than one)

- a. If you submit, and the application is rejected, there will be a record in the credit information system
- b. If you submit multiple applications, there will be higher chance that your application will be rejected
- c. Others (Please specify) _____

14. Was the request for financing approved? (Select only one).

- Yes (Proceed to Q16) No (Proceed to Q15) Application is being processed

15. What reason(s) were given for rejecting your request? (May choose **more than one**)

- | | |
|--|--|
| <input type="checkbox"/> Business plan deemed not viable | <input type="checkbox"/> Too young a business |
| <input type="checkbox"/> Insufficient documentation to support financing application | <input type="checkbox"/> Operating in an unstable industry |
| <input type="checkbox"/> Too high leverage / too many outstanding loans | <input type="checkbox"/> Insufficient sales, income or cash flow |
| <input type="checkbox"/> Poor credit history | <input type="checkbox"/> Insufficient collateral |
| <input type="checkbox"/> No credit history | <input type="checkbox"/> No reasons given for rejection |
| <input type="checkbox"/> Inexperienced management | <input type="checkbox"/> Others (please specify) |
- _____

16. Have you ever approached a financial institution or a Government Ministry/Agency for financial advisory?

- Yes No (Proceed to Question 17)

If YES, which financial institutions or Government Ministries/Agencies have you approached? (May choose **more than one**)

- a. Commercial banks e.g. Maybank, CIMB
 b. Development financial institutions e.g. BSN, Agrobank, SME Bank
 c. Bank Negara Malaysia (BNMLink)
 d. SME Corp. Malaysia
 e. Others (Please specify) _____

How would you rate the advisory services provided by the financial institution or Government Ministry/Agency?

- a. Highly satisfactory advisory services
 b. Satisfactory advisory services
 c. Not satisfactory advisory services
 d. Services were not provided (not available)

17. Which type of facilities do you prefer for future financing of your business? (May select **more than one**)

- | | | | | | | | | | | | |
|--------------------------|----------------------|--------------------------|------------------------|--------------------------|----------------------|--------------------------|-----------------------------------|--------------------------|--------------------|--------------------------|--------------|
| <input type="checkbox"/> | Overdraft facilities | <input type="checkbox"/> | Project term financing | <input type="checkbox"/> | Guarantee facilities | <input type="checkbox"/> | Trade finance (exports & imports) | <input type="checkbox"/> | Personal financing | <input type="checkbox"/> | Credit cards |
|--------------------------|----------------------|--------------------------|------------------------|--------------------------|----------------------|--------------------------|-----------------------------------|--------------------------|--------------------|--------------------------|--------------|

SECTION H: LABOUR MARKET ISSUES AND POLICY

A . MINIMUM WAGE

On 30 April 2012, the Government announced the Minimum Wage Policy which constitute of **RM900** for **Peninsular Malaysia**, and **RM800** for **Sabah, Labuan** and **Sarawak**. Fixed cash allowances are allowed to be absorbed into the calculations. The policy will be implemented 6 months after the Minimum Wage Order is gazetted (expected in 1st July 2012), or 12 months for micro enterprises. The policy covers all workers, local and foreign, with the exceptions of domestic workers (e.g. maids and gardeners).

18. Do you **agree** with the Government's policy in instituting the Minimum Wage policy to protect workers' welfare?

- Yes No Not Sure

19. Is your company going to be affected by the Minimum Wage policy?

- Yes No, because: None or very few staff are being paid below the Minimum Wage (Proceed to Question 25)
 Others (please specify) _____ (Proceed to Question 25)

20. From your company's perspective, is the 6 or 12 months grace period given to implement the Minimum Wage sufficient?

- Yes No. (Please state the time needed: _____ months)

21. How many employees does your company currently employ and what is the percentage of the employees earning below the Minimum Wage? (Minimum wage refers to basic pay plus fixed cash allowances, and excludes variable pay such as commission and overtime)

- _____ persons **Malaysian workers** employed, of which _____ % of Malaysian employees are earning below the minimum wage
 _____ persons **Foreign workers** employed, of which _____ % of foreign employees are earning below the minimum wage
 _____ persons **Total workers**

22. What is the **monthly wage bill** account of your company before and the estimated wage bill after implementing the Minimum Wage? (wage bill includes overtime, commission, EPF, Socso but excludes benefits such as training and medical)

Monthly wages	Malaysian workers (RM)	Foreign workers (RM)	Total (RM)	Total Wage Bill as Percent of Total Operating Cost, %
Before implementing Minimum Wage				
After implementing Minimum Wage				

23. As a result of the Minimum Wage policy, to what extent does your company plan to change the following? (Please tick **ONE** for each subject and year of implementation).

	Significant increase	Slight increase	NO CHANGE	Slight decrease	Significant decrease	Expected implementation period	
						2012	2013
						a. Selling price of goods/services	
b. Number of foreign workers							
c. Number of local workers							
d. Hiring part-time workers							
e. Variable pay, such as overtime rate, incentive payment, bonuses and commissions							
f. Non-wage benefits (e.g. housing, medical, paid leave)							
g. Use of automation or improvement in production method							
h. Training to improve workers' productivity							
i. Salary adjustment of all other workers							

24. Will the Minimum Wage policy lead your company to consider the followings (select only one):

a) Continue to remain in operation	
b) Might consider to relocate abroad	
c) Might consider to cease operation	
d) Not sure	

B. RETRENCHMENT

25. Has your company retrenched workers in the past 12 months?

	YES	NO
(i) Local workers		
(ii) Foreign workers		

If YES, please indicate the reason (Can choose **more than one**)

<input type="checkbox"/>	High production cost	<input type="checkbox"/>	Outsourcing/assigned work to other companies
<input type="checkbox"/>	Deterioration or drop in demand for products/services	<input type="checkbox"/>	Reduction in production
<input type="checkbox"/>	Shift to automated system	<input type="checkbox"/>	Merging of companies
<input type="checkbox"/>	Downsizing of the workforce	<input type="checkbox"/>	Use of local workers in replace of foreign workers
<input type="checkbox"/>	Incompetent and unskilled workers	<input type="checkbox"/>	Use of foreign workers in replace of local workers
<input type="checkbox"/>	Part of operation has shifted to another place	<input type="checkbox"/>	Sale or closure of company
<input type="checkbox"/>	Upcoming enforcement of the Minimum Wage	<input type="checkbox"/>	High cost of labor
		<input type="checkbox"/>	Others (Please specify):

26. Do you have intention to retrench workers in the next six months?

Yes, local workers
 No
 Not Sure
 Yes, foreign workers

C. UNEMPLOYMENT INSURANCE

27. In your opinion, is it good to implement the unemployment insurance scheme?

If YES, please indicate the reason(s) below: If NO, please indicate the reason(s) below: Not Sure

Social safety net for the retrenched workers
 Others (please specify)

Increase the cost of doing business
 Employer can indiscriminately retrench workers
 Increase unemployment as people may choose to stay unemployed

D. RETIREMENT AGE

28. Do you agree with the Government policy in increasing the retirement age for the private sector to 60 years old?

Yes No Not Sure

Please give your reason(s): _____

SECTION I: GOVERNMENT PROCUREMENT

Government procurement refers to Government public works and construction, as well as supply of good and services to the Federal and State Government and Local Authorities

29. Have your company received any Government contracts in recent years (2011 – 2012)?

Yes, from ETP projects or contracts Yes, from other projects or contracts None

If YES, what type of contract your company received and total contract value for the years 2011-2012?

Direct contract from Government Sub-contract (through main contractor/supplier)

RM : _____ RM : _____

SECTION J: HUMAN RESOURCE DEVELOPMENT FUND (HRDF)

30. Does your company contributes to the HRDF and utilised the Fund for human capital development and training of staff?

(a) CONTRIBUTE TO THE HRDF Yes No (b) UTILISED (BENEFITED) FROM THE HRDF Yes No

SECTION K: FINANCIAL AND OTHER SUPPORT ASSISTANCE PROVIDED BY THE GOVERNMENT

31. Are you AWARE and UTILISED any financial or other support assistance provided by the Government?

(a) AWARE Yes No (b) UTILISED (BENEFITED) Yes No

If YES, please tick the types of assistance offered by Government Ministries and Agencies that your company is AWARE and BENEFITED (UTILISED) from the assistance. May tick more than one. Do not tick if your company is not aware and/or not benefited.

	(a) AWARE of the assistance (√)	(b) Currently or previously BENEFITED from the assistance (√)
I. Any type of Government grants, including reimbursement and matching grants		
II. Any type of loans under the various Government schemes, provided by development financial institutions, e.g. BSN, AGROBANK, SME Bank, MIDF, etc.		
III. Any type of loans through Government Ministries and Agencies, e.g. SME Corp. Malaysia, TEKUN, AIM, MARA, etc.		
IV. Capacity building programmes, including training and seminars by SME Corp. Malaysia		
V. Any type of skills training, capacity building and other human capital development programmes for SMEs by Government Ministries and Agencies		

Respondent's Information

Name : _____ Designation : _____
 Company : _____ Fax No. : _____
 Tel : _____ E-mail : _____

Submit to SME CORPORATION MALAYSIA, Level 6, SME 1, Block B, Platinum Sentral, Jalan Stesen Sentral 2, KUALA LUMPUR SENTRAL, 50470 Kuala Lumpur by 13th July 2012 at fax no. 03-2775 6318 / 03- 2775 6317 or e-mail: kajiselidik@smecorp.gov.my; Enquiries: Encik Nik Mohd Zainul Kamarun Nik Kamil: nikkamarun@smecorp.gov.my; Tel: 03 – 2775 6185; Encik Sivarao Aparahu: sivarao@smecorp.gov.my; Tel: 03 – 2775 6303; Encik Muhammad Aqil Baharin: aqil@smecorp.gov.my; Tel: 03 – 2775 6295; and Cik Marnuraina Hassan: marnuraina@smecorp.gov.my Tel: 03 – 2775 6265

Thank you for your participation in the survey

CORE OR MAIN BUSINESS ACTIVITY (TICK ONE ONLY)

APPENDIX 1

Category	Code	Core Activity	(√) Tick ONE Only
MANUFACTURING	1	Electrical & electronics machinery, appliances & parts (E & E) including telecommunication equipments and parts.	
	2	Machinery and engineering equipments & parts (non-E&E)	
	3	Metal and metal products (iron, steel, aluminium, etc)	
	4	Chemical & chemical products (organic & inorganic chemicals; fertilisers, dye & colouring) medicinal & pharmaceutical products, essential oils, perfume, vegetable oils & fats, etc petroleum products (lubricants etc)	
	5	Plastic Products	
	6	Transport equipments (road vehicles, other transport equipments, automotive spare parts, etc)	
	7	Wood & wood based Product (cork, fuelwood, veneer, plywood, paper & pulp-products)	
	8	Furniture & parts	
	9	Food, beverages & tobacco (canned foods, milk, sugar, honey, animal feeds, cocoa, etc)	
	10	Textile, apparels, clothing & footwear	
	11	Rubber products (tyres, gloves and other rubber products)	
	12	Palm oil & palm oil based products, oleochemicals (edible and inedible products)	
	13	Non-metallic mineral products (lime, clay, glass, glassware, pottery, pearls, precious stones, etc)	
	14	Other resource-based (herbal products, etc)	
	15	Other manufacturing activities (non-resource based) Optical and scientific equipments, toys and sporting goods, handbags, instruments, lightings, arts Office stationery, jewellery, leather, plumbing & heating fixtures, printed matter, antiques, etc	
MANUFACTURING RELATED SERVICES	16	Research and development (R&D), incl. design & prototyping	
	17	Logistics, storage & distribution Land, sea and air transport services (freights/cargo) Warehouse, freight forwarders, hauliers, distribution & storage facilities, etc.	
	18	Manufactured products marketing (branding, packaging, market research)	
	19	Environmental management Energy conservation, renewable energy generation, waste recycling, toxic waste management	
	20	Engineering support services, irradiation and gas sterilisation services	
SERVICES	21	Retail trade (shops, outlets, kiosks, multi-level marketing, franchisees, etc)	
	22	Wholesale trade (wholesalers, bulk traders, exporters, importers, franchisors, etc)	
	23	Professional Services (lawyers, accountants, medical doctors, engineers, architects, surveyors, etc)	
	24	Computer and other IT related services	
	25	Private education services (kindergardens, private schools, colleges, skills & vocational trainings)	
	26	Private healthcare and social services (private health and medical clinics, hospitals, daycare etc)	
	27	Construction and construction related services	
	28	Tourism related services (travel agencies, tourist guides, etc)	
	29	Hotel & Restaurants (incl catering services, and other accommodations; chalets, resorts, etc).	
	30	Passenger transportations services (taxi & bus services, ferry & rail services, air passenger transport, etc)	
	31	Communication, couriers, and telecommunication services providers	
	32	Other business services, including financial and real estate services Maintainance, repairs & overhaul, rental services, advertising, employment agencies, security firms, etc Insurance & unit trust agencies, financial planning & advisory, shared services & outsourcing Real estate agency, property management services, management, business & tax consultancy	
	33	Other private personal services (recreation activity, entertainment activity, etc) Cinemas, licensed gambling, photographic studios, entertainment outlets, laundry services Beauty parlour, SPA, barbers, hairdressers, sanitation, funeral parlour, daycare, etc.	
AGRICULTURE, FISHERY & LIVESTOCK	34	Production of agricultural crops (vegetables, fruits, oil palm, rubber, cocoa, etc)	
	35	Fishing, livestock and aquaculture activities	
FORESTRY	36	Forestry	



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Summary of Findings of Fourth Quarter 2011 SME Survey by SME Corp. Malaysia

- ❖ A survey was conducted in Jan/Feb 2012 with total respondents of 2,426 SMEs covering all sub-sectors and regions. More than two-third of the respondents were from the services sector (including construction), 26% from the manufacturing sector and 2% from the agriculture sector. Majority of the SMEs were domestically-oriented, with only 13% exports their products and services.
- ❖ **Company Growth Outlook**
 - Generally, the respondents were optimistic, with 63% citing that their businesses will improve in the next 6 months. Factors that influenced the outlook were the positive business sentiment, strong consumer spending and also high cost of doing business.
 - In line with the outlook, most SMEs projected higher investment in the 1st half of 2012 particularly in acquiring new plants, machineries and buildings.
 - The key impediments to investment were high cost of raw materials, high initial cost of investment and high labour cost.
 - Only 18% of the respondents indicated that applying or renewing business licenses and/or permits were cumbersome, mostly from the manufacturing sector. The major issues were the long processing period, frequency in renewing licenses and too many documentations.
- ❖ **Issues Facing SMEs**
 - Key issues impacting SMEs currently were the increase in cost of raw materials and rising overhead costs (similar to previous survey).
- ❖ **Financing**
 - About 42% of the respondents had requested for financing for business purposes in the previous six months, of which one-quarter of these were for the *Skim Pembiayaan Mikro*.
 - The overall approval rate was 89%
 - Reasons for rejection of the applications were insufficient sales, income or cash flow, poor credit history, insufficient collateral, insufficient documentation and also new in business.
 - More than 65% of respondents did not indicate interest towards obtaining private equity from Venture Capital companies and business angels to finance their business. Reasons given were lack of detailed background information, company maybe influenced to change direction and also fear of having their business taken over.
- ❖ **Exports of Products and Services**
 - Only 5% of respondents utilised export financing products from banks or less than half of the respondents that exported their products and services (114 out of 315 SMEs).
 - Main reason given by the respondents for not fully utilising it is because they were unaware of the availability of facilities provided by financial institutions.
 - Besides financing, most respondents indicated that they needed assistance in terms of detailed information on the targeted market.