

### THIRD QUARTER 2014 SURVEY ON SMALL AND MEDIUM ENTERPRISES (SMEs)

SME Corp. Malaysia as the Secretariat to the National SME Development Council (NSDC) is conducting a survey to assess the performance of SMEs in the 3<sup>rd</sup> Quarter of 2014 and to identify issues faced by SMEs in the increasingly challenging business environment. It would be appreciated if you could complete and return the questionnaire by **10 November 2014**. Please be assured that your response will be kept **CONFIDENTIAL** and will not be divulged to any person or institution outside the Corporation.

#### SECTION A: FIRM / COMPANY PROFILE

<b>CODE NO</b>
----------------

IEM
-----

Name of Firm / Company : \_\_\_\_\_

What is the Legal Status of Your Firm? (Select only **one**)

<input type="checkbox"/>	<b>Sole Proprietorship</b>	(Registration No: _____)	<input type="checkbox"/>	<b>Private Limited Company</b>	(Registration No: _____)
<input type="checkbox"/>	<b>Partnership</b>	(Registration No: _____)	<input type="checkbox"/>	<b>Not Registered with Companies Commission of Malaysia (CCM)</b>	
<input type="checkbox"/>	<b>Limited Liability Partnership</b>	(Registration No: _____)			

Describe Nature of Main Business : \_\_\_\_\_

Main Business Category and Activity : (Refer APPENDIX 1) \_\_\_\_\_

Please indicate if your main business is related to innovative and new growth areas:  Yes  No

Location of Main Business (City / State) : \_\_\_\_\_

Firm / Company Ownership (Select only **one**)

(Majority controlled with at least 51% of total equity in the firm)

Bumiputera  Chinese  Indian  Others

Is the Firm a Woman-owned Company?

(51% and above of the total equity held by a woman / women OR the MD or CEO is a woman who owns at least 10% of the equity)

Yes  No

Public Listed Company in the Main Board or its Subsidiaries:

Yes  No

Year Company Began Operation : \_\_\_\_\_

Firm's Market Orientation :

<input type="text"/>	% Domestic Market	} 100%
<input type="text"/>	% Export Market	

#### SECTION B: FIRM'S PERFORMANCE, OUTLOOK AND INVESTMENT

1. Please indicate or **estimate** annual sales turnover / total revenue and number of full time workers:

	Year 2012	Year 2013	Year 2014 f/	SME CODE (Official Use)
Annual Sales Turnover / Total Revenue (RM)				
Full Time Workers (Number as at end-period)				

f/ forecast

2. Please indicate or **estimate** your firm's quarterly sales:

	1Q 2013	2Q 2013	3Q 2013	4Q 2013
	Jan-Mar 2013	Apr-Jun 2013	July-Sept 2013	Oct-Dec 2013
Sales / Revenue (RM)				
	1Q 2014	2Q 2014	3Q 2014 e/	4Q 2014 f/
	Jan-Mar 2014	Apr-Jun 2014	July-Sept 2014	Oct-Dec 2014
Sales / Revenue (RM)				

e/ estimate f/ forecast

3. Please indicate your firm's performance in July-Sept 2014 (3Q 2014) versus April-June 2014 (2Q 2014) 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		

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

- Improve       Remain the same       Worsen

5. If you expect the business outlook of your firm to improve or worsen, please indicate the reason(s) (May choose **more than one**)

**Factors affecting the firm's IMPROVED outlook**

**Factors affecting the firm's WORSENE D outlook**

- Strong consumer spending
- Positive business sentiment
- Positive consumer confidence
- Strong demand from overseas market
- Supported by Government projects including those under the Economic Transformation Programme (ETP)
- Stock piling by consumer in anticipation of GST implementation

- Reduced domestic demand for goods and services
- Weaker business sentiment
- Weaker consumer confidence
- Weaker demand from overseas market
- High cost of doing business
- Subdued external environment

6. What are the business strategies that your firm will undertake in the next 6 months? (May choose **more than one**)

- |  |   |
|--|---|
| <input type="checkbox"/> Introduce new products & services             | <input type="checkbox"/> Reduce operating costs                           |
| <input type="checkbox"/> Proceed with planned investments              | <input type="checkbox"/> Reduce / postpone investment                     |
| <input type="checkbox"/> Hire more staffs / workers                    | <input type="checkbox"/> Cut down employment                              |
| <input type="checkbox"/> Increase selling prices of goods and services | <input type="checkbox"/> Maintain selling prices of products and services |
| <input type="checkbox"/> Enter new markets                             | <input type="checkbox"/> Exit from certain markets                        |
| <input type="checkbox"/> Intensify promotional activity                | <input type="checkbox"/> Others (Please Specify: _____)                   |

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

Year	New Office Building	New Plant (Factory), Machinery and Equipment <sup>1/</sup>	New Furniture and Office Equipment <sup>2/</sup>	New Commercial Vehicle <sup>3/</sup>	Intellectual Properties and R&D Expenditures <sup>4/</sup>	Total (RM)
July - Dec 2012						
Jan - June 2013						
July - Dec 2013						
Jan - June 2014						
July - Dec 2014 e/						

e/ estimate    1/ non-office equipment    2/ furniture and fittings, ICT hardware & software    3/ lorries, vans, pick-ups, etc.    4/ patent, goodwill, trademark, etc.

8. If your firm is facing problems in expanding / investing in Malaysia, please indicate the reason(s) (May choose **more than one**)

- |  |   |
|--|---|
| <input type="checkbox"/> Lower return on investment (ROI)                | <input type="checkbox"/> Shortage of skilled labour             |
| <input type="checkbox"/> High initial cost of investment                 | <input type="checkbox"/> Shortage of unskilled labour           |
| <input type="checkbox"/> High cost of raw materials                      | <input type="checkbox"/> Shortage of Malaysian workers          |
| <input type="checkbox"/> Shortage of raw materials                       | <input type="checkbox"/> Shortage of foreign workers            |
| <input type="checkbox"/> Poor infrastructure (logistics, internet, etc.) | <input type="checkbox"/> Stringent regulations                  |
| <input type="checkbox"/> Shortage of suppliers                           | <input type="checkbox"/> Processing delays in getting approvals |
| <input type="checkbox"/> High cost of external financing                 | <input type="checkbox"/> Lack of Government initiatives         |
| <input type="checkbox"/> High labour cost of Malaysian workers           | <input type="checkbox"/> Not able to obtain external financing  |
| <input type="checkbox"/> High labour cost of foreign workers             | <input type="checkbox"/> Others (Please Specify: _____)         |

## SECTION C: FINANCING

## 9. Did your firm 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 (*Proceed to Q9b*)  No

a) If you did not apply for financing, please indicate the reason(s) (May choose more than one and then proceed to Q11)

- |  |  |
|--|--|
| <input type="checkbox"/> Financing not required                    | <input type="checkbox"/> Unaware of application procedures   |
| <input type="checkbox"/> Do not like to be in debt                 | <input type="checkbox"/> High cost of guarantee (Please specify the rate: ____% p.a.)                        |
| <input type="checkbox"/> Long processing time                      | <input type="checkbox"/> Cost of financing / interest rate is too high (Please specify the rate: ____% p.a.) |
| <input type="checkbox"/> Thought the application would be rejected | <input type="checkbox"/> Others (Please Specify: _____)  |
| <input type="checkbox"/> Applying for financing is too difficult   |  |

b) What is the status of your financing application? (Select only one)

- |  |   |
|--|---|
| <input type="checkbox"/> Approved <b>with</b> collateral ( <i>Proceed to Q11</i> )                                       | <input type="checkbox"/> Rejected ( <i>Proceed to Q10</i> )                       |
| <input type="checkbox"/> Approved <b>without</b> collateral ( <i>Proceed to Q11</i> )                                    | <input type="checkbox"/> Application is being processed ( <i>Proceed to Q11</i> ) |
| <input type="checkbox"/> Approved <b>without</b> collateral but with credit guarantee from CGC ( <i>Proceed to Q11</i> ) |   |

10. a) If your application was rejected, what were the reason(s) given for the rejection? (May choose more than one)

- |  |  |
|--|--|
| <input type="checkbox"/> Business plan deemed not viable                             | <input type="checkbox"/> Business is too young                   |
| <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"/> No or poor credit history                                   | <input type="checkbox"/> Insufficient collateral                 |
| <input type="checkbox"/> Inexperienced management                                    | <input type="checkbox"/> No reasons given for rejection          |
| <input type="checkbox"/> Inexperienced in new industry / sector                      | <input type="checkbox"/> Others (Please Specify: _____)          |

b) Did you approach any of the following alternative financial providers given that your application has been rejected? (May choose more than one)

- |  |   |
|--|---|
| <input type="checkbox"/> TEKUN                         | <input type="checkbox"/> Credit institution             |
| <input type="checkbox"/> Amanah Ikhtiar Malaysia (AIM) | <input type="checkbox"/> Cooperative                    |
| <input type="checkbox"/> Leasing and factoring company | <input type="checkbox"/> Licensed money lender          |
| <input type="checkbox"/> Venture capital company       | <input type="checkbox"/> Others (Please Specify: _____) |
| <input type="checkbox"/> Pawnbrokers / Ar-rahnu        |   |

11. Do financial institutions accept any of the following movable collateral? (May choose more than one)

- |                                     |  |
|-------------------------------------|--|
| <input type="checkbox"/> Machinery  | <input type="checkbox"/> Livestock   |
| <input type="checkbox"/> Equipment  | <input type="checkbox"/> Intellectual property (e.g. copyright, trademark, patent, design, etc.) |
| <input type="checkbox"/> Vehicle    | <input type="checkbox"/> Others (Please Specify: _____)  |
| <input type="checkbox"/> Receivable |  |

12. Has your firm utilised export facilities from any institutions in the last 2 years? (Select only one)

[Export facilities refers to payment instruments or financing facilities to facilitate international trade]

Yes (*Proceed to Q12a and Q12b*)  No (*Proceed to Q12c*)  Not exporting (*Proceed to Q13*)

a) If YES, which institution(s) provided export facilities to your firm? (May choose more than one)

- |   |   |
|---|---|
| <input type="checkbox"/> EXIM Bank            | <input type="checkbox"/> Factoring companies            |
| <input type="checkbox"/> Banking institutions | <input type="checkbox"/> Others (Please Specify: _____) |

b) What type of export facilities is your firm currently utilising? (May choose more than one and then proceed to Q13)

- |  |   |
|--|---|
| <input type="checkbox"/> Pre-shipment financing  | <input type="checkbox"/> Bank guarantee                 |
| <input type="checkbox"/> Post-shipment financing | <input type="checkbox"/> Credit insurance / takaful     |
| <input type="checkbox"/> Letter of credit        | <input type="checkbox"/> Others (Please Specify: _____) |

c) If **NO**, what are the main reasons your firm did not apply for export facilities? (May choose **more than one**)

- |   |  |
|---|--|
| <input type="checkbox"/> Financing not required   | <input type="checkbox"/> Available export financing products do not meet business needs  |
| <input type="checkbox"/> Unaware of available export financing products   | <input type="checkbox"/> High cost of financing or guarantee fees or discount rate (____%)   |
| <input type="checkbox"/> Thought the application would be rejected  | <input type="checkbox"/> Too many documents required for application   |
| <input type="checkbox"/> Additional cost involved in export financing (e.g. insurance / takaful premium, commission, fee) | <input type="checkbox"/> Financial institution does not cover certain type of risks (e.g. country risk, supplier risk, buyer risk) |
| <input type="checkbox"/> Long processing time   | <input type="checkbox"/> Others (Please Specify: _____)  |

13. Do financial institutions provide advisory services to your firm with regards to trade financing? (Select only **one** for each item)

- a) Exports  Yes  No
- b) Imports  Yes  No

14. What type of advisory services does your firm need with regards to trade financing? (May choose **more than one**)

- |   |   |
|---|---|
| <input type="checkbox"/> Financing (e.g. trade, cross-border, bridging, etc.) | <input type="checkbox"/> Documentation (e.g. custom, immigration, regulation, etc.) |
| <input type="checkbox"/> Legal issue  | <input type="checkbox"/> Government assistance (e.g. guarantee, grant, etc.)        |
| <input type="checkbox"/> Potential business risk / challenges in host country | <input type="checkbox"/> Others (Please Specify: _____)                             |

15. Are you aware of the following redress mechanism available for SMEs and individual? Has your firm or staff utilised the facilities provided? (Please tick where relevant)

Mechanism	Aware (√)	Not aware (√)	Utilised (√)	Not utilised (√)
a) Laman Informasi dan Khidmat Nasihat (LINK)				
b) Financial Mediation Bureau (FMB)				
c) Small Debt Resolution Scheme (SDRS) for viable SMEs with financing issues				
d) Agensi Kaunseling dan Pengurusan Kredit (AKPK) for individual with debt issues				

16. Are you aware of the new pricing mechanism introduced for Interbank GIRO (IBG) transactions effective 2<sup>nd</sup> May 2013 (10 cents) and cheque transactions effective 2<sup>nd</sup> January 2015 (additional 50 cents per leaf)? (Select only **one**)

- Yes  No  Not sure

17. Will the new pricing mechanism have an impact on your firm's usage of cheque or IBG? (Select only **one** for each item)

	YES, increase in usage	YES, decrease in usage	No change in usage
a) Usage of cheque			
b) Usage of IBG			

**SECTION D: RISING COST OF DOING BUSINESS**

18. How is the **current cost** of doing business affecting the **business operating cost** of your firm, as compared to the same period of last year? (Select only **one**)

- Increase in operating cost by: \_\_\_\_\_ %  Decrease in operating cost  Same (Not affected)

19. How is the **current cost** of doing business affecting the **business performance** of your firm, as compared to the same period of last year? (Select only **one** for each item)

No.	Higher Cost Items	Affect Positively (BETTER)	Affect Negatively (WORSE)	Not Affected	Not Sure
1.	Fuel cost (RON95, diesel, etc.)				
2.	Electricity tariff				
3.	Labour cost				
4.	Toll hike (Johor-Singapore Causeway, etc.)				
5.	Property purchase prices				
6.	Property rental rate charged				
7.	Food and food products				
8.	Interest / profit rate charged by financial institutions for SME financing				
9.	Others (Please Specify: _____)				

20. What is the **expected overall increase in cost of doing business in the next six months?** (Select only **one**)

- |   |  |
|---|--|
| <input type="checkbox"/> No increase        | <input type="checkbox"/> Increase by 11 - 15%      |
| <input type="checkbox"/> Increase by 1 - 5% | <input type="checkbox"/> Increase by more than 15% |
| <input type="checkbox"/> Increase by 6 -10% | Please specify: _____ %                            |

21. What are the measures that your firm is taking now following the rising cost of doing business? (May choose **more than one**)

- |   |   |
|---|---|
| <input type="checkbox"/> Increase automation and mechanisation          | <input type="checkbox"/> Relocate business operation                        |
| <input type="checkbox"/> Train existing workers to enhance productivity | <input type="checkbox"/> Lessen the use of electricity                      |
| <input type="checkbox"/> Enhance work process efficiency                | <input type="checkbox"/> Lessen the use of fuel / petrol                    |
| <input type="checkbox"/> Reduce number of full time workers             | <input type="checkbox"/> Cut back on advertising & marketing (A&P) expenses |
| <input type="checkbox"/> Increase number of part time workers           | <input type="checkbox"/> Cut back on other business expenses                |
| <input type="checkbox"/> Recruit more skilled workers                   | <input type="checkbox"/> Stop expanding / investing                         |
| <input type="checkbox"/> Increase the price of goods / services         | <input type="checkbox"/> Cease operation                                    |
|   | <input type="checkbox"/> Others (Please Specify: _____)                     |

22. What assistance would your firm require from the **Government** to lighten the burden of rising cost of doing business?

Please specify: \_\_\_\_\_  
\_\_\_\_\_

## SECTION E: GOODS AND SERVICES TAX (GST)

Businesses with sales turnover of RM500,000 and above per annum are mandated to join the GST by registering under the MyGST.

23. Has your firm registered under MyGST with the Royal Malaysian Customs Department?

- Yes       No

If **NO**, what are the reasons for not registering your firm under MyGST? (May choose **more than one**)

- |  |  |
|--|--|
| <input type="checkbox"/> Firm's annual taxable turnover is below the mandatory threshold i.e less than RM500,000 | <input type="checkbox"/> Lack of understanding about the GST |
| <input type="checkbox"/> Still have sufficient time to register  | <input type="checkbox"/> Not aware about the GST             |
| <input type="checkbox"/> Complicated and cumbersome procedure  | <input type="checkbox"/> Others (Please Specify: _____)      |

24. How much does your firm understand about GST? (Select only **one**)

- |   |   |
|---|---|
| <input type="checkbox"/> Have not heard about GST                 | <input type="checkbox"/> Some fair knowledge on GST |
| <input type="checkbox"/> Heard about GST but not fully understood | <input type="checkbox"/> Fully understand the GST   |

25. Has your firm **benefited** from any of the Government assistance for GST? (May choose **more than one**)

- |   |   |
|---|---|
| <input type="checkbox"/> Seminars / training on GST awareness | <input type="checkbox"/> Purchase of equipment and software |
| <input type="checkbox"/> E-voucher for GST Software           | <input type="checkbox"/> None of the above                  |

26. Have your firm applied for the GST e-Voucher?

- Yes       No

If **YES**, what are the issues your firm faced in the process of applying the GST e-Voucher? (May choose **more than one**)

- |  |  |
|--|--|
| <input type="checkbox"/> No MyGST authorised number                                | <input type="checkbox"/> Lack of knowledge in choosing the right accounting software package |
| <input type="checkbox"/> No supporting documents                                   | <input type="checkbox"/> No issue on applying  |
| <input type="checkbox"/> Not aware on the package price of the accounting software | <input type="checkbox"/> Others (Please Specify: _____)                                      |

If **NO**, what are the reasons for not applying the GST e-Voucher? (May choose **more than one**)

- |   |  |
|---|--|
| <input type="checkbox"/> Yet to register for MyGST with the Customs Department            | <input type="checkbox"/> Insignificant value of GST e-Voucher (maximum RM1,000 only) |
| <input type="checkbox"/> Did not qualify since firm is not a Malaysian-controlled company | <input type="checkbox"/> Others (Please Specify: _____)                              |

27. How prepared is your firm to enforce and implement the GST next year? (Select only **one**)

- Well prepared since all business operations are GST compliant and are in place to implement GST
- Not prepared to implement GST because the business system is not yet GST ready
- Business operation is too small and hence not taking any action to comply with GST
- Others (Please Specify: \_\_\_\_\_)

28. In preparing for GST, the following are the main areas to be focused on. Please state your firm's current level of readiness for each area:

	Not ready	Moderately ready	Almost ready	Fully ready
a) Establishment of an internal GST team	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Training of staff on GST	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Purchase of GST relevant hardware	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Setting up the GST- compliant accounting system and operationalising it	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Human resource policy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

29. The GST will be implemented in April 2015. Will the GST affect your business operation once it is implemented? (Select only **one**)

- Yes, it will affect positively (better off)
  Yes, it will affect negatively (worse off)
  No impact
  Not sure

30. Does your firm intend to revise the selling price of your goods and / or services? (Select only **one**)

- Yes, upward price revision
  Yes, downward price revision
  No, revision is not necessary
  Not assessed as yet

If the firm intends to revise upwards the price, when do you plan to do so? (Select only **one**)

- More than 3 months before GST implementation
  Within 3 months before GST implementation
  Immediately after GST implementation
  More than 3 months after GST implementation

31. What are your concerns in implementing the GST? (May choose **more than one**)

- |  |  |
|--|--|
| <input type="checkbox"/> Type of taxable goods and / or services | <input type="checkbox"/> Upgrading or changing the accounting system             |
| <input type="checkbox"/> Claiming GST refunds                    | <input type="checkbox"/> Lack of GST knowledge even after attending GST seminars |
| <input type="checkbox"/> Impact on costs and cash flows          | <input type="checkbox"/> Others (Please Specify: _____)                          |
| <input type="checkbox"/> Capturing the input and output taxes    |  |

**SECTION F: BUSINESS OPERATION**

32. What kind of difficulties does your firm face with regards to payment terms imposed by your suppliers? (May choose **more than one**)

- |  |   |
|--|---|
| <input type="checkbox"/> Cash on delivery (cash only)        | <input type="checkbox"/> Strict / rigid payment terms and conditions (Please Specify: _____)                  |
| <input type="checkbox"/> Non-negotiable terms and conditions | <input type="checkbox"/> No money-back guarantee for goods and services supplied or rendered (non-refundable) |
| <input type="checkbox"/> Short credit period being given     | <input type="checkbox"/> Others (Please Specify: _____)   |

33. What kind of difficulties does your firm face with regards to payment terms demanded by your customers and clients? (May choose **more than one**)

- |   |  |
|---|--|
| <input type="checkbox"/> Credit terms only (no cash term)             | <input type="checkbox"/> Grace period given to return goods or service facilities being purchased          |
| <input type="checkbox"/> Negotiable and flexible terms and conditions | <input type="checkbox"/> Refundable of goods or cash payback if do not meet expectations (no grace period) |
| <input type="checkbox"/> Request long credit period for payment       | <input type="checkbox"/> Others (Please Specify: _____)  |

34. Being an SME, does your firm face any difficulties in obtaining business contracts, supplies and projects from the Government?

- Yes
  No

If **YES**, please state the reason (May choose **more than one**)

- |   |   |
|---|---|
| <input type="checkbox"/> Business plan and proposal deemed not viable                 | <input type="checkbox"/> Inadequate experience in industry / sector         |
| <input type="checkbox"/> Inadequate documentation to support the application          | <input type="checkbox"/> Inadequate cash flow and income                    |
| <input type="checkbox"/> Too high leverage / too many outstanding loans               | <input type="checkbox"/> Inadequate product / service availability to offer |
| <input type="checkbox"/> Poor management skills and relationship                      | <input type="checkbox"/> Does not meet the technical specification          |
| <input type="checkbox"/> Poor technical skills / lack of competency in subject matter | <input type="checkbox"/> Does not meet the financial capabilities condition |
| <input type="checkbox"/> Negative perception on SMEs capabilities                     | <input type="checkbox"/> Others (Please Specify: _____)                     |

35. Are you aware of the existing SME info portal ([www.smeinfo.com.my](http://www.smeinfo.com.my))?

- Yes
  No

If **YES**, what type of information would be useful to be in the portal? (May choose **more than one**)

- |  |   |
|--|---|
| <input type="checkbox"/> List of existing Government financing schemes and details of the fund providers | <input type="checkbox"/> Information on policy (i.e. Minimum Wages, Competition Act, GST, etc.) |
| <input type="checkbox"/> List of training programmes by Ministries and Agencies                          | <input type="checkbox"/> Tips or advisory services on financing                                 |
| <input type="checkbox"/> List of other SME programmes  | <input type="checkbox"/> Q&A on common issues   |
| <input type="checkbox"/> Business opportunities (e.g. tender, contract, etc.)                            | <input type="checkbox"/> Others (Please specify: _____)   |
| <input type="checkbox"/> Business networking   |   |

## SECTION G: COMPETITION ACT 2010

36. Are you aware of the Competition Act 2010? (Select only one)

Yes  No (*Proceed to Q37*)  Not sure (*Proceed to Q37*)

If YES, are you aware that Malaysia has a special agency to govern competition matters? (Select only one)

Yes  No  Not sure

37. Agreeing with other firms to standardise the selling price of goods or services (i.e. sell at the same price) is allowed. Do you agree with this statement? (Select only one)

Yes  No  Not sure

38. When your firm is bidding for a contract, agreeing with other firms bidding that one firm amongst the group is allowed to win the bid, is permitted. Do you agree with this statement? (Select only one)

Yes  No  Not sure

39. If your trade association advises you to raise prices of goods, will your firm follow this? (Select only one)

Yes  No  Not sure

Details of Respondent										
Name : _____	Designation : _____									
Company : _____	Fax No. : _____									
Tel : _____	Email : _____									
Kindly submit to SME CORPORATION MALAYSIA, Level 6, SME 1, Block B, Platinum Sentral, Jalan Stesen Sentral 2, KUALA LUMPUR SENTRAL, 50470 Kuala Lumpur by <u>10<sup>th</sup> November 2014</u> at fax no. 03-2775 6318 / 03-2775 6317 or e-mail: <a href="mailto:kajiselidik@smecorp.gov.my">kajiselidik@smecorp.gov.my</a> ;										
Enquiries: <table border="0"> <tr> <td>Cik Siti Noor Mohd Nordin:</td> <td><a href="mailto:sitinoor@smecorp.gov.my">sitinoor@smecorp.gov.my</a></td> <td>Tel: 03 – 2775 6277</td> </tr> <tr> <td>Cik Mardziah Nawama:</td> <td><a href="mailto:mardziah@smecorp.gov.my">mardziah@smecorp.gov.my</a></td> <td>Tel: 03 – 2775 6211</td> </tr> <tr> <td>Encik Hisham Taharudin:</td> <td><a href="mailto:hisham@smecorp.gov.my">hisham@smecorp.gov.my</a></td> <td>Tel: 03 – 2775 6109</td> </tr> </table>		Cik Siti Noor Mohd Nordin:	<a href="mailto:sitinoor@smecorp.gov.my">sitinoor@smecorp.gov.my</a>	Tel: 03 – 2775 6277	Cik Mardziah Nawama:	<a href="mailto:mardziah@smecorp.gov.my">mardziah@smecorp.gov.my</a>	Tel: 03 – 2775 6211	Encik Hisham Taharudin:	<a href="mailto:hisham@smecorp.gov.my">hisham@smecorp.gov.my</a>	Tel: 03 – 2775 6109
Cik Siti Noor Mohd Nordin:	<a href="mailto:sitinoor@smecorp.gov.my">sitinoor@smecorp.gov.my</a>	Tel: 03 – 2775 6277								
Cik Mardziah Nawama:	<a href="mailto:mardziah@smecorp.gov.my">mardziah@smecorp.gov.my</a>	Tel: 03 – 2775 6211								
Encik Hisham Taharudin:	<a href="mailto:hisham@smecorp.gov.my">hisham@smecorp.gov.my</a>	Tel: 03 – 2775 6109								

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	
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	
	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 Maintenance, 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	





Level 6, SME 1, Block B, Platinum Sentral,  
Jalan Stesen Sentral 2,  
50470 Kuala Lumpur

**Tel: 603-2775 6000 Fax: 603-2775 6001**

[http:// www.smecorp.gov.my](http://www.smecorp.gov.my)

e-mail: [info@smecorp.gov.my](mailto:info@smecorp.gov.my)

## Summary on Findings of First Quarter 2014 SME Survey by SME Corp. Malaysia

- ❖ A survey was conducted in April / May 2014 with total respondents of 2,079 SMEs covering all sub-sectors and regions. The survey was well represented in terms of sectors and geographical cover. About 64% of the respondents were from the services sector (including construction), 33% from the manufacturing sector and 3% from the agriculture sector. Majority of them were domestically-oriented, and only 11% exporting their products and services.
- ❖ **Growth Performance in First Quarter 2014 and Business Outlook**
  - Most of the respondents indicated better performance for the 1Q of 2014, with an increase in sales turnover (55%) and profit margins (45%) as compared to that in 4Q 2013.
  - On the near-term outlook, about 41% of the respondents projected a positive outlook, particularly respondents in the manufacturing sector, while 7% projecting a worsening outlook, particularly in construction sector.
  - The critical factors that hinder SMEs from expanding / investing were high cost of raw materials (49%), high initial cost of investment (31%) and shortage of skilled labour (29%).
- ❖ **Financing**
  - About 55% of the respondents require a bigger amount of loans to operate their current business operation. Meanwhile, 42% of SMEs had requested for financing for business purposes in the previous six months.
  - Main reasons given by the 58% of the respondents who did not apply for financing were that they did not require any financing (51%) and do not like to be in debt (32%). About 18% of the respondents either perceived that the loan processing time was long or faced difficulty in applying for financing.
  - The overall approval rate was 94%. Most of the common reasons cited for the rejection were insufficient documentation, too high leverage and insufficient sales, income or cash flow.
- ❖ **Rising Cost of Doing Business**
  - In 1Q 2014, about 74% of respondents cited that the current rising cost led to an increase in operating cost of their firms. About 88% of SMEs anticipated an increase in cost of doing business in the next 6 months.
  - Majority of the respondents were negatively affected by the rising cost in fuel (73%), electricity tariff (71%) and labour cost (68%); and to a lesser extent insurance premiums, property prices and food prices.
  - To mitigate the rising costs, respondents increased their productivity (57%), increased profit margin per item sold or services rendered (39%), lowered electricity usage (30%) and / or cut back on other expenses (29%).
- ❖ **Goods & Services Tax (GST)**
  - About 66% of SMEs cited that they have little knowledge on GST while as low as 2% cited they fully understood the GST. On the GST enforcement, majority of the respondents (77%) were not prepared since the business operations / systems were yet to ready to comply with GST. Meanwhile, 10% indicated not taking any action (mostly microenterprises) and only 12% were well prepared to implement the GST.
  - Majority (71%) of total respondents cited that they were not sure of the effect of GST on their businesses, while 16% cited negative impact on their business. About 14% intended to revise upwards the selling price of their goods and services due to the implementation of GST.
  - Types of assistance required from the Government to implement the GST were training assistance, access to affordable GST-compliant software and reduce hardware upgrading cost through tax incentives.
- ❖ **Information & Communication Technology (ICT)**
  - Almost two-third of respondents (65%) indicated that ICT contributed moderately to the success of their firms. Computer, laptop, smartphones (93%) and internet service (33%) were mostly adopted by SMEs to ease their business operation.
- ❖ **Labour**
  - About 78% of the firms were moderately labour intensive. Majority of them (85%) prefer local workers instead of foreign workers due to its easiness to communicate or give command (63%). Another 15% of the respondents prefer foreign workers because they do not demand for higher salary (80%).