

FOURTH QUARTER 2012 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 4th Quarter of 2012 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 **5th February 2013**. 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: COMPANY / FIRM PROFILE

CODE NO
SMA

Name of Company / Firm : _____

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

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

Main Business Category and Activity : (Refer APPENDIX 1) _____

Location of Main Business (City / State) : _____

Company /Firm Ownership (Select only one) (Majority controlled with at least 51% of total equity in the firm)

<input type="checkbox"/> Bumiputera <input type="checkbox"/> Chinese	<input type="checkbox"/> Indian <input type="checkbox"/> Others
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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)

<input type="checkbox"/> Yes	<input type="checkbox"/> No
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Year Company Began Operation : _____

Firm's Market Orientation : % Domestic Market % Export Market

List down the percentage breakdown (%) of operational cost of your firm:

Operational Cost Items	Percentage Share of Total Cost, %
a) Raw Materials and Other Input Cost	
b) Labour / Staff Cost - salaries, wages, bonuses, overtime, EPF, SOCSO, etc.	
c) Utilities Cost - electricity, water, sewage, etc.	
d) Transport Cost	
e) Rental Cost - rental of office premises, warehouse, machinery and equipment	
f) Financing / Borrowing Cost - interest rates or other charges paid to financial institutions	
g) Other Costs - insurance premium, direct and indirect taxes, licensing fees, etc.	
TOTAL COST OF OPERATION	100%

SECTION B: FIRM PERFORMANCE, OUTLOOK AND INVESTMENT
1. Please indicate or estimate annual sales turnover / total revenue and number of full time workers:

	Year 2011	Year 2012 e/	Year 2013 f/	SME CODE (Official Use)
Annual Sales Turnover / Total Revenue (RM)				
Full Time Workers (Number as at end-period)				

e/ estimate f/ forecast

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

	3Q 2011	4Q 2011	1Q 2012	2Q 2012	3Q 2012	4Q 2012 e/	1Q 2013 f/
	July-Sept 2011	Oct-Dec 2011	Jan-Mar 2012	Apr-Jun 2012	July-Sept 2012	Oct-Dec 2012	Jan-Mar 2013
Quarterly Sales / Revenue (RM)							

e/ estimate f/ forecast

3. Please indicate your firm's performance in October-December 2012 versus July-September 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		

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 business outlook to improve or worsen, please indicate the reason(s) (May choose more than one)

Factors affecting the IMPROVED outlook

- Strong consumer spending
- Positive business sentiment
- Positive consumer confidence
- Supported by Government projects including those under the Economic Transformation Programme (ETP)

Factors affecting the WORSEN outlook

- Reduction in domestic demand for goods and services
- Weaker business sentiment
- Weaker consumer confidence
- High cost of doing business
- Subdued external environment

6. 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)
Jan-June 2011						
July-Dec 2011						
Jan-June 2012						
July-Dec 2012						
Jan-Jun 2013 e/						

e/ estimate

SECTION C: FINANCING AND OTHER ASSISTANCE

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

External financing includes from banks (bank loans; lines of credit including overdraft and credit cards) and non-banks (credit from suppliers, Government grants or loans, venture capital, equity financing, etc).

Yes No

If YES to financial institutions (FIs) or development financial institutions (DFIs), was the request for financing approved? (Select only one)

- Approved (Proceed to Q9) Rejected (Proceed to Q8)
- Application is being processed (Proceed to Q9)
- Amount requested : _____
 - Amount approved : _____

If NO, please indicate the reason(s) (May choose more than one and proceed to Q9)

- 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) _____

8. 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"/> 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"/> 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) _____

9. Have you ever been advised by the financial institution not to submit your financing application based on cursory assessment?

Yes No

If **YES**, what are the following reasons given for not to submit your application? (May choose more than one)

<input type="checkbox"/> Rejected application will be recorded in the credit information system
<input type="checkbox"/> There will be higher chances of rejection for multiple applications
<input type="checkbox"/> Multiple financing sources since business has received assistance via government schemes / funds
<input type="checkbox"/> Financing amount applied is too high as compared to the business size
<input type="checkbox"/> No proper documentation / lack of evidence to support repayment capability
<input type="checkbox"/> Responsible lending guideline issued by Bank Negara Malaysia
<input type="checkbox"/> Others (Please specify) _____

10. Have you ever sought advice on financial related matters from a financial institution?

Yes No

If **YES**, how would you rate the advisory services provided by the financial institution? (Select only one)

<input type="checkbox"/> Highly satisfactory	<input type="checkbox"/> Not satisfactory
<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Services were not provided (not available)

11. Did you use any of the following financing facilities to keep your business in operation in the last 12 months? (answer **ALL**) and please choose only one facility as the most preferred financing facility.

<ul style="list-style-type: none"> a. Pembiayaan Mikro b. Personal financing c. Credit card d. TEKUN e. Amanah Ikhtiar Malaysia (AIM) f. Leasing and Factoring g. Pawnbroker / Ar-Rahnu h. Unlicensed money lender i. Others (Please specify) _____ 	<table border="1" style="border-collapse: collapse;"> <thead> <tr><th>YES</th><th>NO</th></tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	YES	NO																			<p>Answer ALL from (a) to (h)</p>	<table border="1" style="border-collapse: collapse;"> <thead> <tr><th>Most preferred</th></tr> </thead> <tbody> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> <tr><td> </td></tr> </tbody> </table>	Most preferred										<p>Tick only ONE from (a) to (h)</p>
YES	NO																																	
Most preferred																																		

12. Why do you choose the above financing facility as the most preferred? (May choose more than one)

<input type="checkbox"/> Easy to apply	<input type="checkbox"/> Processing cost less expensive
<input type="checkbox"/> Fast processing time	<input type="checkbox"/> Low interest rate
<input type="checkbox"/> Less documentation	<input type="checkbox"/> Others (Please specify) _____
<input type="checkbox"/> No collateral	

13. What type of assistance (other than financing) provided by FIs and DFIs that you need to improve your business? (May choose more than one)

<input type="checkbox"/> Financial management assistance	<input type="checkbox"/> Branding assistance
<input type="checkbox"/> Advisory on financing schemes available	<input type="checkbox"/> Packaging assistance
<input type="checkbox"/> Advisory on business opportunity	<input type="checkbox"/> Others (Please specify) _____
<input type="checkbox"/> Advisory on marketing or access to markets	

14. If the following training is provided by FIs and DFIs in relation to financial management for your business, which module would you be interested to attend? (May choose more than one)

<input type="checkbox"/> Book keeping	<input type="checkbox"/> Developing business plan / proposal
<input type="checkbox"/> Cash flow management	<input type="checkbox"/> Understanding financial products / schemes
<input type="checkbox"/> How to apply for financing from financial institutions	<input type="checkbox"/> Others (Please specify) _____

SECTION D: EFFICIENCY AND PRODUCTIVITY

15. What measures has your firm undertaken to increase efficiency, productivity or to move up to higher value-added products and/or services? (May choose **more than one**).

- | | | | |
|--------------------------|--|--------------------------|---|
| <input type="checkbox"/> | Increase usage of more machinery and equipment | <input type="checkbox"/> | Increase R & D expenditure |
| <input type="checkbox"/> | Improve product / services | <input type="checkbox"/> | Innovate and adopt technology |
| <input type="checkbox"/> | Improve processes | <input type="checkbox"/> | Obtain local and international certification or accreditation |
| <input type="checkbox"/> | Increase training of existing staff | <input type="checkbox"/> | Reduce wastage |
| <input type="checkbox"/> | Increase salary & wages of experienced and skilled staff | <input type="checkbox"/> | Others (Please specify) _____ |

16. Which of the following information technologies that your business adopts and uses currently? (May choose **more than one**)

- | | | | |
|--------------------------|---|--------------------------|--|
| <input type="checkbox"/> | Computer (desktop or laptop) | <input type="checkbox"/> | Social media (company's facebook and twitter) |
| <input type="checkbox"/> | Internet service (fixed or mobile broadband) | <input type="checkbox"/> | E-payment facility to make payment to suppliers & etc. |
| <input type="checkbox"/> | Intranet within your business | <input type="checkbox"/> | E-commerce facility to receive order from customers |
| <input type="checkbox"/> | Official company's website | <input type="checkbox"/> | Customer Relationship Management (CRM) |
| <input type="checkbox"/> | Extranet between your firm and other related or non-related organisations | <input type="checkbox"/> | Others (Please specify) _____ |

SECTION E: BUSINESS LICENSING

17. How would you rate the process in applying / renewing business licenses / permits? (Please tick **ONE** box only)

- | | | | | |
|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Very Easy | Easy | Fair | Difficult | Very Difficult |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If you rate **Difficult** or **Very Difficult**, what are the **major** issues that **hinder** you in applying / renewing the business licenses / permits? (May choose **more than one**)

- | | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Long processing time | <input type="checkbox"/> | Too frequent renewal – replace annual with multi-year renewal or advance payment |
| <input type="checkbox"/> | Too many licenses / permits | <input type="checkbox"/> | Lack of online system (application & renewal) |
| <input type="checkbox"/> | Too many documentations required | <input type="checkbox"/> | Difficulty in utilising the online system |
| <input type="checkbox"/> | High cost / fee for applying licenses / permits | <input type="checkbox"/> | Have to deal with too many different authorities |
| <input type="checkbox"/> | High cost / fee for renewal of business licences / permits | <input type="checkbox"/> | Others (Please specify) _____ |

SECTION F: COMPETITION ACT 2010

18. Are you aware of the newly announced Competition Act 2010?

- Yes No (Proceed to Q20)

If **YES**, do you think that the Competition Act will have an impact on your business?

- Yes No (Proceed to Q20) Not sure (Proceed to Q20)

19. Which of the following prohibitions or restrictions under the Act that will benefit your firm the most? (May choose **more than one**)

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Prohibition on price fixing to avoid controlling the market price by particular firms |
| <input type="checkbox"/> | Prohibition on sharing markets or sources of supply such as dividing areas and only operates in assigned area |
| <input type="checkbox"/> | Prohibition on limiting or controlling production by reducing the supply and causing the prices to increase |
| <input type="checkbox"/> | Prohibition on bid rigging such as conspiring to bid unreasonable price so that a particular firm or firms win the bidding |
| <input type="checkbox"/> | Others (Please specify) _____ |

SECTION G: HUMAN CAPITAL DEVELOPMENT

20. Does your firm identify the training needs of employees (training needs assessment) to upgrade their skills and competencies?

- Yes No

21. Does your firm institute any career development plan or programme for employees?

- Yes No

22. Does your firm mandate employees to attend a minimum number of days for in-house training or training outside place of work?

- Yes No

If **YES**, please specify the minimum number of days required for training by your firm _____ days

23. Does your firm require foreign talents or workers?

Yes No

If **YES**, please specify the category required by your firm (May choose **more than one**)

<input type="checkbox"/> Managerial, professional and executive	<input type="checkbox"/> Technical and supervisory
<input type="checkbox"/> Clerical and related occupations	<input type="checkbox"/> General workers

NATIONAL HUMAN RESOURCE CENTRE (NHRC) is a physical one-stop centre set up by the Ministry of Human Resources for all SMEs with the objective of providing advisory and consultancy services relating to human resource matters. NHRC is located at Wisma HRDF at Jalan Beringin, Damansara Heights, Kuala Lumpur and the official website portal address is at www.nhrc.com.my. The national HR Call Centre 1800-88-4800 (toll free number) serves as a helpdesk for queries on HR matters, such as employee relations

24. Have you sought advisory services provided at NHRC?

Yes No

If **YES**, how would you rate the advisory services provided by NHRC? (Select **only one**)

Highly satisfactory Satisfactory Non-satisfactory

25. Have you visited the official website or portal of NHRC?

Yes No (Proceed to Q27)

If **YES**, what kind of information / assistance that you were looking for in the portal? (May choose **more than one**)

<input type="checkbox"/>	Human resource advisory, guidance and consultancy services (HR Solutions)
<input type="checkbox"/>	Skills upgrading, knowledge and competencies of SMEs (HR Capability Building)
<input type="checkbox"/>	Sharing and exchanging knowledge, experiences and best practices
<input type="checkbox"/>	Information and guideline on general HR practices, process and procedures

26. Is the information provided in the portal sufficient / helpful to you?

Yes No

SECTION H: EXPORTS

27. Is your firm ready to export your products and services overseas?

Yes No

28. Is your firm aware of the export assistance provided by EXIM Bank?

Yes No

29. Do you need assistance from experts to venture into new export markets?

Yes No

If **YES**, what kind of assistance does your firm need in order to export your products and/or services? (May choose **more than one**)

<input type="checkbox"/>	Networking and overseas business contacts	<input type="checkbox"/>	Information on global demand for products / services	
<input type="checkbox"/>	Professional help in managing overseas operation	<input type="checkbox"/>	Information on procedure to exports	
<input type="checkbox"/>	Assistance in branding and promotion	<input type="checkbox"/>	Knowledge on targeted market (country) in the following areas:-	
<input type="checkbox"/>	Assistance to meet international compliance on standards / certification	<input type="checkbox"/>		Consumer and business demand
<input type="checkbox"/>	Marketing agents in targeted market (country)	<input type="checkbox"/>		Regulatory framework and barriers
<input type="checkbox"/>	Non-financial support and assistance from Government	<input type="checkbox"/>		Competitors in targeted market
<input type="checkbox"/>	Access to trade financing facility (i.e. export credit and guarantee facilities)	<input type="checkbox"/>		Distribution channels and outlets

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 **5th February 2013** at fax no. 03-2775 6318 / 03- 2775 6317 or e-mail: kajiselidik@smecorp.gov.my;
 Enquiries: Encik Sivarao Aparahu: sivarao@smecorp.gov.my Tel: 03 – 2775 6303
 Encik Muhammad Aqil Baharin: aqil@smecorp.gov.my Tel: 03 – 2775 6295
 Cik Marnuraina Hassan: marnuraina@smecorp.gov.my Tel: 03 – 2775 6265
 Cik Siti Noor Mohd Nordin: sitinoor@smecorp.gov.my Tel: 03 – 2775 6277

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 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	



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e-mail: info@smecorp.gov.my

Summary on Findings of Second Quarter 2012 SME Survey by SME Corp. Malaysia

- ❖ A survey was conducted in July/August 2012 with total respondents of 2,424 SMEs covering all sub-sectors and regions. More than half of the respondents (65%) were from the services sector (including construction), 33% from the manufacturing sector and 2% from the agriculture sector. Majority of the SMEs were domestically oriented, with only 12% exporting their products and services.
- ❖ **Company Growth Outlook**
 - Generally, the respondents were optimistic, with 62% citing that their businesses will improve in the next 6 months. Factors that influenced the outlook were high cost of doing business, positive business sentiment and also positive consumer confidence.
 - In line with the outlook, most SMEs projected higher investment in the 2nd half of 2012 particularly in acquiring new plants, machineries and office equipment.
 - The key impediments to investment were high initial cost of investment, high cost of raw materials and low rate of return on investment.
- ❖ **Issues Facing SMEs**
 - Key issues impacting SMEs were the increase in cost of raw materials and rising overhead costs (similar to previous survey).
- ❖ **Financing**
 - About 40% of the respondents had requested for financing for business purposes in recent months. More than one-third (36.5%) of the respondents requested financing under the *Skim Pembiayaan Mikro*.
 - The overall financing approval rate was 89%.
 - Reasons for rejection of the applications were insufficient sales, income or cash flow; poor credit history; business plan deemed not viable; insufficient collateral; and insufficient documentation.
- ❖ **Views on Policies**
 - 45% of the respondents agreed with the implementation of the Minimum Wage policy to protect workers' welfare, 26% did not agree and the remaining 29% were still unsure about the policy.
 - Majority of the respondents (45%) were unsure about the Unemployment Insurance Scheme.
 - There was mixed views regarding the extension of the Retirement Age to 60 years. Those that agreed were mainly medium sized company in the construction and agriculture sector, while the majority that disagreed were microenterprises.
 - Majority of the SMEs were still not contributing to the HRDF as most microenterprises did not meet the contribution criteria. Out of those who contributed to the Fund, 74% of them utilised the Fund.

SME Corp. Malaysia
September 2012

