

FIRST QUARTER 2015 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 1st Quarter of 2015 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 May 2015. 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

CODE NO

SMA

Name of Firm / Company : _____

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

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

Describe Nature of Main Business : _____

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

Location of Main Business (City / State) : _____

Firm / Company 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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Public Listed Company in the Main Board or its Subsidiaries:

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

SECTION B: FIRM'S PERFORMANCE, OUTLOOK AND INVESTMENT

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

	Year 2013	Year 2014*	Year 2015 e/	SME CODE (Official Use)
Annual Sales Turnover / Total Revenue (RM)				
Full Time Workers (Number as at end-period)				

* Year 2014 annual sales turnover or revenue must equal the cumulative sales or revenue of the four quarters of year 2014 stated below; e/ estimate

2. Please indicate your firm's quarterly sales:

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

	3Q 2014*	4Q 2014*	1Q 2015 e/	2Q 2015 e/
	July-Sept 2014	Oct-Dec 2014	Jan-Mar 2015	Apr-Jun 2015
Sales / Revenue (RM)				

* Cumulative sales or revenue (RM) of four quarters of year 2014 stated above must equal the Year 2014 annual sales turnover or revenue in Question 1; e/ estimate

3. Please indicate your firm's performance in value terms for Jan-Mar 2015 (1Q 2015) versus Oct-Dec 2014 (4Q 2014) based on the following areas: (Indicate 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. Domestic sales						
c. Export sales (if applicable)						
d. Pre-tax profit						
e. Average selling price						
f. Production (if applicable)						
g. 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 and the factors influencing the outlook? (Select only one and you may choose more than one on the factors affecting the outlook)

- Improve
 Worsen
 Remain the same

Factors affecting the firm's IMPROVED outlook

- Strong consumer spending
- Positive business sentiment
- Positive consumer confidence
- Strong demand from overseas market
- Stability with the implementation of GST
- Supported by Government projects including those under the Economic Transformation Programme (ETP)
- Others (Please specify: _____)

Factors affecting the firm's WORSENEO outlook

- Reduced domestic demand for goods and services
- Weaker business sentiment
- Weaker consumer confidence
- Weaker demand from overseas market
- Lower sales volume with the introduction of GST
- High cost of doing business
- Subdued external (global & regional) environment
- Others (Please specify: _____)

5. With the introduction of GST, effective 1 April 2015, what are the business strategies that your firm will undertake in the next 6 months? (May choose more than one)

- | | |
|---|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Introduce new products & services <input type="checkbox"/> Proceed with planned investments <input type="checkbox"/> Hire more staffs / workers <input type="checkbox"/> <u>Maintain selling prices</u> of goods and services, in addition to the 6% GST charges imposed on to the consumers <input type="checkbox"/> <u>Maintain selling prices</u> of goods and services inclusive of the 6% GST charges imposed on to the consumers (firm will absorb the GST charges) <input type="checkbox"/> <u>Increase selling prices</u> of goods and services in addition to the 6% GST charges imposed on to the consumers <input type="checkbox"/> <u>Increase selling prices</u> of goods and services inclusive of the 6% GST charges imposed on to the consumers <input type="checkbox"/> Intensify promotional activity | <ul style="list-style-type: none"> <input type="checkbox"/> Reduce operating costs <input type="checkbox"/> Reduce / postpone investment <input type="checkbox"/> Cut down employment <input type="checkbox"/> <u>Lower selling prices</u> of products and services excluding the 6% GST charges imposed on to the consumers <input type="checkbox"/> <u>Lower selling prices</u> of products and services inclusive of the 6% GST charges imposed on to the consumers (firm will absorb the GST charges) <input type="checkbox"/> Enter new markets <input type="checkbox"/> Exit from certain markets <input type="checkbox"/> Others (Please specify: _____) |
|---|---|

6. Does your firm impose service charge on your customers and clients? (Select only one)

- Yes
 No

a) If YES, what are the reasons for the imposition of the service charge? (May choose more than one)

- | | |
|--|---|
| <ul style="list-style-type: none"> <input type="checkbox"/> Service charge is part of the collective agreement between employees and employer <input type="checkbox"/> Proceeds from the service charge imposed on customers and clients are a form of tips for customer services rendered by front line workers, such as waiters & waitress <input type="checkbox"/> Proceeds from the service charge collected is disbursed to employees as a source of additional income to them | <ul style="list-style-type: none"> <input type="checkbox"/> It is the right of the firm to impose service charge to customers and clients for services rendered <input type="checkbox"/> The firm continues to impose service charge because the charges are not a part of the Government tax system <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 ^{1/}	New Furniture and Office Equipment ^{2/}	New Commercial Vehicle ^{3/}	Intellectual Properties and R&D Expenditures ^{4/}	Total (RM)
July - Dec 2013						
Jan - June 2014						
July - Dec 2014						
Jan - June 2015 e/						
July - Dec 2015 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.

SECTION C: 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.

8. Is your business registered for GST? (Select only one)

Yes No, please elaborate _____.

a) If YES, has GST affected your business operation? (Select only one)

Positively impacted Negatively impacted No impact Not sure

9. What are your concerns regarding the implementation of GST? (May choose more than one)

Confusion on the taxable goods & services Upgrading or changing the accounting system
 Claiming GST refunds Lack of GST knowledge even after attending GST seminars
 Impact on costs and cash flows Capturing the input and output taxes
 Others (Please specify: _____)

10. What were the issues you faced in preparing for GST? (Select only one)

No issues Lack of technical knowledge
 Lack of support from appointed software vendors High initial compliance cost
 Lack of Government support Difficulty in determining the selling prices of products & services
 Others (Please specify: _____)

11. What is the cost incurred by your firm in preparing to comply with the GST? (Select only one)

[Initial compliance costs, such as computer upgrades, including both hardware and software, IT consulting and training, additional staffing for adjusting pricing, additional bookkeeping staffs as well as accountants or other professionals.]

Below RM1,000 RM20,000 – RM49,999
 RM1,000 – RM4,999 RM50,000 – RM100,000
 RM5,000 – RM19,999 More than RM100,000

Please specify the major cost items or expenses incurred : _____

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

Seminars / training on GST awareness E-voucher for GST Software
 Tax incentives on purchase of equipment, software & others None of the above
 Others (Please specify: _____)

13. What are the issues you are facing in implementing GST? (May choose more than one)

No issue Too soon to tell
 Burdened by the first payment Increase in overdraft as debtors are slow in paying
 Have to absorb the GST due to consumers unwillingness to pay higher prices of products sold and/or services rendered Too much of time spent on GST resulting in lack of time to develop the business and seek new opportunities
 Others (Please specify: _____)

14. How do you manage cash flow issues arising from the GST implementation? (May choose more than one)

No cash flow issue Too soon to tell
 Had to lay off staff Need to seek additional capital (fund)
 Have increased price of goods / services, in addition to the 6% GST charges Intend to increase prices of good/services in the near future
 Have increased price of goods / services, including or inclusive of the 6% GST charges Others (Please specify: _____)

15. What were the benefits brought by GST to your business? (May choose more than one)

- | | |
|---|--|
| <input type="checkbox"/> No benefit | <input type="checkbox"/> Too soon to tell |
| <input type="checkbox"/> Improved Point of Sale documentation | <input type="checkbox"/> Better use of information technology to record transactions |
| <input type="checkbox"/> Better business management including bookkeeping systems | <input type="checkbox"/> Clearer understanding of the financial position of the business |
| <input type="checkbox"/> Others (Please specify: _____) | |

16. With the implementation of GST, effective 1 April 2015, did you increase or do you plan to increase the selling prices of your goods and services? (Select only one)

- Yes No

a) If YES, in how many steps did you / do you plan to increase the prices? (Select only one)

- Once Twice More than twice (Please specify: _____)

b) When was / is the increase in the selling price of your goods and services done? (Select only one)

- | | |
|--|---|
| <input type="checkbox"/> October – December 2014
(6 months prior to the implementation of GST) | <input type="checkbox"/> April – June 2015
After the implementation of GST, effective 1 st April 2015) |
| <input type="checkbox"/> January - March 2015
3 months prior to the implementation of GST) | <input type="checkbox"/> July – September 2015
(3 months after the implementation of GST) |

c) And how much was / is the total percentage of increase in prices as compared to the same period of last year? (Select only one)

- | | |
|--|--|
| <input type="checkbox"/> Increase by 1 – 5% | <input type="checkbox"/> Increase by 11 – 15% |
| <input type="checkbox"/> Increase by 6 – 10% | <input type="checkbox"/> Increase by more than 15% |
| | Please specify: _____% |

SECTION D: COST OF DOING BUSINESS

17. What is the increase / decrease in the operating cost of your firm as compared to the same period of last year? (Select only one)

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

18. How is the current cost of doing business affects the business performance of your firm as compared to the same period of last year in each of the following cost items below? (Select only one for each expenses and affect)

No.	Cost Items	Expenses (Cost)		Affect			
		Higher	Lower	Affect Positively (BETTER)	Affect Negatively (WORSE)	Not Affected	Not Sure
1.	Fuel cost (RON95, RON97 & diesel)						
2.	Weakening of Malaysian Ringgit (RM)						
	• Cost of imported inputs (goods & services)						
	• Exports of goods & services						
3.	Goods & Services Tax (GST)						
4.	Labour cost						
5.	Property prices						
6.	Property rentals						
7.	Medical expenses for employees						
8.	Insurance charges / premiums						
9.	Budget taxi fares						
10.	Food and food products						
11.	Electricity tariff						
12.	Interest / profit rate charged by financial institutions for SME financing						
13.	Others (Please specify: _____)						

19. What is the impact of the depreciation of Malaysian Ringgit (RM) on the business operation of your firm? (May choose more than one)

- | | |
|--|---|
| <input type="checkbox"/> No impact (Please elaborate: _____) | <input type="checkbox"/> Higher import costs of inputs (goods & services) |
| <input type="checkbox"/> Higher <u>sales volume</u> (quantity) exports of goods & services | <input type="checkbox"/> Require additional working capital to operate |
| <input type="checkbox"/> Higher <u>sales revenue</u> exports of goods & services due to relative lower prices in Malaysian Ringgit terms | <input type="checkbox"/> Other impact (Please specify: _____) |

20. How has the volatility of the Malaysian Ringgit (RM) affected or impacted your firm's cost of doing business? (May choose more than one)

<input type="checkbox"/>	No impact since not importing any inputs, goods or services	<input type="checkbox"/>	Negative impact due to unpredictable export prices of goods and services
<input type="checkbox"/>	Negative impact due to unpredictable / erratic storage cost as a result of high inventory of products	<input type="checkbox"/>	Negative impact due to higher cost in importing inputs (goods and services)
<input type="checkbox"/>	Low adverse impact due to low inventory	<input type="checkbox"/>	Negative impact due to higher treasury operation cost in hedging the Malaysian Ringgit (RM)
<input type="checkbox"/>	Other impact (Please specify: _____)		

21. What are the measures that your firm is taking now following the current cost scenario of doing business? (Select only one for each item)

	Increase	Maintain	Decrease		Increase	Maintain	Decrease
Automation & mechanisation				Usage of fuel / petrol			
Train existing workers				Usage of electricity			
Number of full time workers				Advertisement & marketing expenses			
Number of part-time workers				Please tick below, if applicable			
Recruitment of skilled workers				Expanding / Investing			
Selling price of goods / services				Cease operation			
Non-core business expenses				Relocate business operation			
				Others (Please specify: _____)			

22. What is the expected overall increase in cost of doing business in the next six months compared with the present? (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: _____ %	

SECTION E: FINANCING

23. 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 Q23b) No

a) If you did not apply for financing, please indicate the reason(s) (May choose more than one and then proceed to Q27)

<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"/>	No appropriate product to meet business needs (Please specify: _____)
<input type="checkbox"/>	Applying for financing is too difficult	<input type="checkbox"/>	Others (Please specify: _____)
<input type="checkbox"/>	Insufficient knowledge on financial product		

b) What is the purpose for the request for financing? (May choose more than one)

<input type="checkbox"/>	Purchase of commercial property for business use	<input type="checkbox"/>	Purchase of vehicle for business use
<input type="checkbox"/>	Purchase of commercial property for investment	<input type="checkbox"/>	Purchase of vehicle for investment
<input type="checkbox"/>	Purchase of residential property for business use	<input type="checkbox"/>	Purchase of raw materials
<input type="checkbox"/>	Purchase of residential property for investment	<input type="checkbox"/>	Purchase of machinery and equipment
<input type="checkbox"/>	Purchase of land for business use	<input type="checkbox"/>	To repay other debt obligation
<input type="checkbox"/>	Purchase of land for investment	<input type="checkbox"/>	Others (Please specify: _____)

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

<input type="checkbox"/>	Approved with collateral and with guarantee from CGC (Proceed to Q24)
<input type="checkbox"/>	Approved with collateral and without guarantee from CGC (Proceed to Q24)
<input type="checkbox"/>	Approved without collateral but with guarantee from CGC (Proceed to Q25)
<input type="checkbox"/>	Approved without collateral and without guarantee from CGC (Proceed to Q26)
<input type="checkbox"/>	Rejected (Proceed to Q27)
<input type="checkbox"/>	Application is being processed (Proceed to Q27)

24. If the financial institutions requested for collateral, what are the types of collateral required by financial institutions? (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"/> Property (e.g. land and building) |
| <input type="checkbox"/> Receivable | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Fixed Deposit | |

25. What are the percentage of guarantee cover and the guarantee fee charged to your company? (Please answer, if applicable)

- a) Guarantee cover : _____ % of total financing amount
- b) Type of Financing : Secured Unsecured
- c) Guarantee fee charged: _____ % per annum

26. How long does it take on average to process your financing application? (Please answer if application was made in the past 6 months)

	SME financing	Pembiayaan Mikro
a. Period from the first submission to full submission of documents (working days)	<input type="text"/>	<input type="text"/>
b. Period from full submission of documents to financing approval / rejection (working days)	<input type="text"/>	<input type="text"/>
c. Period from signing of offer letter to financing disbursement (working days)	<input type="text"/>	<input type="text"/>

27. Has your company experienced any of the following difficulties with your current financing facility with the banks in the past 6 months? (Please answer, if applicable. May choose more than one)

- | | |
|---|--|
| <input type="checkbox"/> Cutting credit limits | <input type="checkbox"/> Increase the interest rate / profit rate |
| <input type="checkbox"/> Request for additional guarantor | <input type="checkbox"/> No difficulty faced with the current facility |
| <input type="checkbox"/> Request for higher collateral | <input type="checkbox"/> Others (Please specify: _____) |

28. Did you use any of the following alternative 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)

	YES	NO		Most preferred	
a. Personal financing from financial institution	<input type="checkbox"/>	<input type="checkbox"/>	} Answer ALL from (a) to (k)	<input type="checkbox"/>	} Tick only ONE from (a) to (k) <i>(Proceed to Q28a)</i>
b. Credit card	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
c. Cooperative	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
d. Licensed money lender	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
e. TEKUN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
f. Amanah Ikhtiar Malaysia (AIM)	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
g. Leasing and factoring	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
h. Venture capital funding	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
i. Pawnbroker / Ar-Rahnu	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
j. Unlicensed money lender	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	
k. Others (Please specify: _____)	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	

a) 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 | |

29. What is your assessment on the average interest rate (conventional) / profit rate (Islamic banking) of your current financing facility with commercial banks / development financial institutions? (Select only one, if applicable).

[Average interest rate / profit rate exclude guarantee fee from CGC]

- | | | | |
|--|---|--|-----------------------------------|
| <input type="checkbox"/> Below market rate | <input type="checkbox"/> At market rate | <input type="checkbox"/> Above market rate | <input type="checkbox"/> Not sure |
| Rate: _____ (%) | Rate: _____ (%) | Rate: _____ (%) | Rate: _____ (%) |

30. Does your firm exports your products and services to foreign market? (Select only one)

- Yes (Please indicate the percentage of your total products and services to foreign market: _____%) No

31. Has your firm utilised export facilities from any financial 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 Q31a & 31b) No (Proceed to Q31c & Q31d) Not exporting (Proceed to Q32)

a) **How much the bank charged for using the trade facility?** (Please specify the amount and interest rate charged)

Amount of financing approved: RM _____, fees charged: _____

b) **What type of export facilities is your firm currently utilising?** (May choose more than one)

- | | |
|--|---|
| <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) **What are the main reasons your firm did not utilise export facilities from financial institutions?** (May choose more than one)

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

d) **If you do not utilise export facility from financial institutions, how do you finance your trading (exports) activities?** (May choose more than one)

- | | |
|--|---|
| <input type="checkbox"/> Company's internal funds | <input type="checkbox"/> Buyer's advance |
| <input type="checkbox"/> Family and friends | <input type="checkbox"/> Leasing and factoring |
| <input type="checkbox"/> Government grant | <input type="checkbox"/> Venture capital funding |
| <input type="checkbox"/> Flexible suppliers' credit term | <input type="checkbox"/> Others (Please specify: _____) |

32. **Do financial institutions provide the following advisory to your business?** (May choose more than one)

- | | |
|---|--|
| <input type="checkbox"/> Various types of financing products | <input type="checkbox"/> Documentation (e.g. custom, immigration, regulation, etc.) |
| <input type="checkbox"/> Legal aspect to financing | <input type="checkbox"/> Various Government assistance / scheme (e.g. guarantee, grant, etc.) |
| <input type="checkbox"/> Potential business risk | <input type="checkbox"/> Business aspects / areas to be improved for better chances of obtaining financing |
| <input type="checkbox"/> Solution to financial distress / difficulty | <input type="checkbox"/> No advisory were given |
| <input type="checkbox"/> Advisory on trade and cross border financing | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> How to improve your business plan | |

33. **In your opinion, which is the most effective channel to promote awareness on all the funds and schemes by the various government agencies including Bank Negara Malaysia (BNM) to the public?** (May choose more than one)

- | | |
|---|---|
| <input type="checkbox"/> Television | <input type="checkbox"/> Event and road show |
| <input type="checkbox"/> Radio | <input type="checkbox"/> Billboard |
| <input type="checkbox"/> Newspaper / Magazine | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Social media (i.e: Facebook) | |

SECTION F: E-PAYMENT

34. **If your firm ACCEPTS payment using the following e-payment channels, kindly fill up the following table:** (Please select where relevant)

e-Payment channels	Tick (✓) if your firm <u>accepts payment</u> through the <u>listed channels</u>	Is there any <u>minimum purchase limit</u> ? Yes or No? If Yes, please state the amount		Are there any <u>charges</u> for customers for using <u>e-payment channels</u> ? If Yes, please state the amount	
		Yes	No	Yes	No
Debit Card					
Credit Card					
Internet banking					

a) **If your firm does not accept payment using the above channels, kindly tick (✓) reasons below** (May choose more than one)

- | | |
|---|---|
| <input type="checkbox"/> Security concerns | <input type="checkbox"/> Customers prefer cash transactions |
| <input type="checkbox"/> Costs related issues | <input type="checkbox"/> Internal system issues |
| <input type="checkbox"/> Cash flow concerns | <input type="checkbox"/> Unaware of the e-payment channels |
| <input type="checkbox"/> Banks not being supportive | <input type="checkbox"/> Others (Please specify: _____) |

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 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 on Findings of Third Quarter 2014 SME Survey by SME Corp. Malaysia

- ❖ A survey was conducted in November / December 2014 with total respondents of 2,280 SMEs covering all sub-sectors, size of firms and regions. About 67% of the respondents were from the services sector (including construction), 30% from the manufacturing sector and 3% from the agriculture sector. Majority of them were domestically-oriented, with only 13% exporting their products and services.
- ❖ **Growth Performance in Third Quarter 2014 and Business Outlook**
 - Most of the respondents experienced better performance, with 49% expecting increase in sales turnover and 39% increase in profit margins in 3Q 2014 compared with the performance in 2Q 2014.
 - On the near-term outlook, 42% of the respondents continued to cite positive outlook particularly respondents in the manufacturing sector, while 14% projected a worsening outlook.
 - Key factors cited by respondents that have impact on the near-term outlook of their business were positive business sentiment, positive consumer confidence, strong consumer spending and high cost of doing business.
 - Critical factors that hindered SMEs from expanding / investing were high cost of raw materials (43% of respondents), high initial cost of investment (29%), shortage of skilled labour (28%) and high labour cost of Malaysian workers (27%).
- ❖ **Financing**
 - There was an increasing trend in demand for SME financing since 4Q 2012. About 45% of SMEs had requested for financing for business purposes in the six months prior to the survey.
 - The approval rate was high at 93%. For those rejected, the common reasons were too high leverage, insufficient sales, income or cash flow and insufficient documentation.
- ❖ **Rising Cost of Doing Business**
 - In 3Q 2014, about 73% of the respondents cited an increase in their operating cost. For the next 6 months, more respondents (91%) anticipated higher operating cost, with three-quarters expecting 1-10% increase.
 - Measures taken by SMEs to mitigate the rising cost of doing business were to enhance productivity, cut back on business expenses as well as pass down the cost to consumers by increasing their price of goods and services.
- ❖ **Goods & Services Tax (GST)**
 - Big improvement was seen in terms of respondents' understanding about GST, compared to the previous survey. More than half of the respondents (56%) had a fair knowledge on GST (previous 1Q 2014 Survey: 9%) while another 8% fully understood the subject (previous 1Q 2014 Survey: 2%).
- ❖ **Competition Act 2010**
 - On the Competition Act 2010, only 27% of the respondents were aware of the Act indicating a low level of awareness. Out of these, only 44% knew about the existence of MyCC as an agency governing competition matters.
 - Most respondents were not sure on some of the current practices that violate the Competition Act 2010.
- ❖ **Payment Terms**
 - About 43% of respondents cited that their suppliers insisted on cash payment upon delivery of goods & services to them, while others imposed a shorter credit period.
 - On the other hand, majority of the respondents (60%) claimed that the customers requested for a longer credit period for payment
 - These developments had a negative effect on respondents' cash flow.