

FMM – MIER Business Conditions Survey 1H2016

All responses are **STRICTLY CONFIDENTIAL** and reported as cumulative results – **no individual companies are identified.**

To: CEOs / Managing Directors / General Managers

Kindly appropriate boxes

- 1 **My annual sales turnover?** Less than RM300k RM300k – RM15mil >RM15mil – RM50mil >RM50 mil
Full-time employees? Less than 5 5 - less than 75 75 - 200 More than 200

- 2 **General Business Activity** **Jan – Jun 2016 vs 6 Months Ago** **Next 6 Months i.e. Jul – Dec 2016**
- The level of general business activity is: Higher Same Lower Higher Same Lower
- 3 **Company's Business Indicators**
- | | | | | | | | |
|--|-------------------------|---------------------------------|-------------------------------|--------------------------------|---------------------------------|-------------------------------|--------------------------------|
| | a. Local sales | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |
| | b. Export sales | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |
| | c. Production volume | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |
| | d. Capacity utilisation | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |
| | e. Cost of production | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |
| | f. Capital investment | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |
| | g. Number of employees | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower | <input type="checkbox"/> Higher | <input type="checkbox"/> Same | <input type="checkbox"/> Lower |

- 4 **Export Barriers.** 64% of 2H2015 FMM-MIER Survey respondents would increase or intensify efforts to export in the next 5 years.
- a. My company is: Direct exporter Indirect export – OEM for clients Indirect exporter for sister/subsidiary company
- b. Direct barriers: Standards Rules of Origin Business contact Pricing Credit term Fulfil demand
- c. Indirect barriers: Market info Delivery logistic Business costs Financing Innovation Marketing skill
- d. Other barrier(s): _____
- e. Target market(s)/country(ies) where barriers exist is/are _____

- 5 **Expanding Outside Core Business.** 46% of 2H2015 FMM-MIER Survey respondents is pursuing non-core businesses in the next 5 years.

- | | |
|--|--|
| <input type="checkbox"/> Yes , we are considering non-core business such as:
<input type="checkbox"/> Expanding upstream <input type="checkbox"/> Energy efficient <input type="checkbox"/> Others _____
<input type="checkbox"/> Expanding downstream <input type="checkbox"/> Digital-based _____
<input type="checkbox"/> Green-based technology <input type="checkbox"/> Recycling _____
<input type="checkbox"/> Technology-based <input type="checkbox"/> Services oriented _____ | <input type="checkbox"/> No , because:
<input type="checkbox"/> Core potential not fully tapped
<input type="checkbox"/> Financial constraints
<input type="checkbox"/> Technical constraints
Others: _____ |
|--|--|

- 6 **Outsourcing Non-Core Activities.** 37% of 2H2015 FMM-MIER Survey respondents would out-source non-core activities as another way of reducing fixed and sunk costs commitment i.e. a new business model.

- No, my company does not outsource any operations
- Yes, my company is outsourcing the following:
- | | | | |
|--|--|--|---|
| <input type="checkbox"/> Warehousing | <input type="checkbox"/> Purchasing | <input type="checkbox"/> Delivery of goods | <input type="checkbox"/> After sales service to customers |
| <input type="checkbox"/> IT services | <input type="checkbox"/> Collection of payment | <input type="checkbox"/> Maintenance | <input type="checkbox"/> Human resources related operations |
| <input type="checkbox"/> Others: _____ | <input type="checkbox"/> Accounting | <input type="checkbox"/> Marketing | |

- 7 **Talent Retention Strategy.** My company employs the following strategies to retain talent, especially high achieving individuals:

- Tax effective remuneration Loyalty long-term incentive Employee share option Flexible work hours
 Career progression Training & development Others: _____

- 8 **Human Resource Issues.** Minimum wage would be raised in July 2016. The Government's decision on the freeze on foreign workers recruitment would only be known after June 30, 2016. How are companies coping with these developments?

- Continue to absorb cost Hiring locals from other States Subcontract production Adjust wage structure
 Passing through costs Step up automation Relocate out of Malaysia
 Other _____

- 9 **Corruption.** Malaysia was ranked 54 of 168 in Transparency International Corruption Perception Index 2015. Has corruption improved in your view?

- a Corruption in my organisation Has reduced Remained the same Has worsened None to my knowledge
 b Corruption in the country Has reduced Remained the same Has worsened

Respondent's Information			
Name _____	Designation _____		
Company _____			
Tel _____	Fax _____	E-mail _____	
Submit to FMM Business Environment Division by: July 31, 2016 @ email: Business_Environment@fmm.org.my / Fax no. 03-6274 1266 / 7288			