

FIRST QUARTER 2019 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 first quarter of 2019 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 **7th May 2019**. 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 |
| ACC |

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

Product / Services (Please state your **Brand**, if applicable) : _____

Location of Main Business (City / State) : _____

Participation in Business Association (Please state if applicable e.g. Federation of Malaysian Manufacturing, FMM) : _____

Firm / Company Ownership

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

Bumiputera
 Chinese
 Indian
 Others
 Foreign-owned

Is the Firm a Family-owned Company?

Yes
 No

Is the Firm a Woman-owned Company?

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

Yes
 No

Is the Firm a Youth-owned Company?

(51% and above of the total equity held by youth OR the MD or CEO is a youth who owns at least 10% of the equity. A youth is a person in the range of age 18 to 30 years old)

Yes
 No

Public Listed Company in the Main Board or its Subsidiaries:

Yes
 No

Does your firm pays corporate tax (private limited company) or personal income tax (enterprise)?

Yes
 No

(If **NO**, please state the reason: _____)

Year Company Began Operation : _____

SECTION B: FIRM'S PERFORMANCE, OUTLOOK AND INVESTMENT

1. Please indicate annual sales turnover / total revenue and operating cost:

| | Year 2018* | Year 2019 e/ | Year 2020 f/ |
|---|------------|--------------|--------------|
| Annual Sales Turnover / Total Revenue (RM) | | | |
| Operating cost (RM) | | | |
| Full Time Workers (including foreign workers) (Number as at end-period) | | | |

| |
|--------------------------------|
| SME CODE (Official Use) |
| |

* Cumulative sales revenue (RM) of year 2018 stated above must equal the year 2018 quarterly sales revenue in Question 2
e/ estimate f/ forecast

2. Please indicate your firm's quarterly sales:

| | 3Q 2017 July-Sept 2017 | 4Q 2017 Oct-Dec 2017 | 1Q 2018* Jan-Mar 2018 | 2Q 2018* Apr-Jun 2018 |
|--------------------|----------------------------|--------------------------|----------------------------|----------------------------|
| Sales revenue (RM) | | | | |
| | 3Q 2018* July-Sept 2018 | 4Q 2018* Oct-Dec 2018 | 1Q 2019 e/ Jan-Mar 2019 | 2Q 2019 f/ Apr-Jun 2019 |
| Sales revenue (RM) | | | | |

* Cumulative sales revenue (RM) of four quarters of year 2018 stated above must equal the year 2018 annual sales revenue in Question 1
e/ estimate f/ forecast

7. Please indicate (or estimate) your firm's half-yearly capital expenditure (investment) in RM (Leave blank if not applicable)

| Year | New Office Buildings | New Plants (Factories) ^{1/} | Machinery and Equipment | New Furniture and Office Equipment ^{2/} | New Commercial Vehicles ^{3/} | Intellectual Property and R&D Expenditure ^{4/} | Total (RM) |
|--------------------|----------------------|--------------------------------------|-------------------------|--|---------------------------------------|---|------------|
| July - Dec 2017 | | | | | | | |
| Jan - June 2018 | | | | | | | |
| July - Dec 2018 | | | | | | | |
| Jan - June 2019 e/ | | | | | | | |
| July - Dec 2019 f/ | | | | | | | |

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

8. Does your firm plan to expand or invest in your business in year 2019?

Yes No (**Proceed to Q9**)

If **YES**, in which of the following does your firm plan to invest? (May choose **more than one**)

- Investment / expansion of fixed assets
- Purchase land
 - Undertake land improvement
 - Purchase new office / business premise
 - Furniture, renovation and fittings (e.g. electrical fittings, plumbing)
 - Machinery and equipment
 - New commercial vehicles (e.g. cars, lorries, vans, etc.)
 - Information and communication technology (e.g. computer hardware, computer software, telecommunications equipment)
 - Others (Please specify: _____)
- Other assets
- Acquire / purchase intellectual property (e.g. patent, trademark, copyright)
 - Filing intellectual property (e.g. patent, trademark, copyright)
 - Acquire / purchase Goodwill from others
 - R&D expenditure
 - Others (Please specify: _____)

SECTION C: CASH FLOW AND PAYMENT ISSUES

9. Does your firm face any cash flow (liquidity) problem?

Yes No (**Proceed to Q10**)

If **YES**, what are the factors affecting your firm's cash flow? (May choose **more than one**)

- | | |
|--|--|
| <input type="checkbox"/> High cost of doing business | <input type="checkbox"/> Minimum Wage |
| <input type="checkbox"/> High import cost due to Ringgit Malaysia depreciation | <input type="checkbox"/> Delayed GST refund |
| <input type="checkbox"/> Reintroduction of SST | <input type="checkbox"/> Higher percentage of sales on credit |
| <input type="checkbox"/> High inventory or stock in hand | <input type="checkbox"/> Late payment by customers and clients |
| <input type="checkbox"/> Increase cost of financing | <input type="checkbox"/> Others (Please specify: _____) |

10. Did your firm face any late payment problems?

Yes No (**Proceed to Q11**)

If **YES**, please indicate the debtor or paymaster that paid late to your firm (May choose **more than one**)

- | | |
|--|--|
| <input type="checkbox"/> SMEs (microenterprises, small & medium enterprises) | <input type="checkbox"/> Government Ministries (Please specify: _____) |
| <input type="checkbox"/> Multinational and other large firms | <input type="checkbox"/> Government agencies (Please specify: _____) |
| <input type="checkbox"/> Government-linked Companies (GLCs) | |
| (Please specify: _____) | |

SECTION D: COST OF DOING BUSINESS

11. During the first quarter of 2019 (January - March 2019), did the operating cost of your firm increase, decrease or remain the same compared with the corresponding period of last year (January - March 2018)? (Select only **one**)

Increase in operating cost by: _____ % Decrease in operating cost by: _____ % Remain the same

If the operating costs of your firm had increased, what were the items that led to the higher costs? (May choose **more than one**)

- | | |
|--|--|
| <input type="checkbox"/> Raw materials and other input costs | <input type="checkbox"/> Foreign workers levy |
| <input type="checkbox"/> Food and food products for operation (sugar, wheat flour, rice, etc) | <input type="checkbox"/> Labour cost (Please specify: _____) |
| <input type="checkbox"/> Electricity bill & charges | <input type="checkbox"/> Telecommunication, internet & broadband charges |
| <input type="checkbox"/> Rental of business premises | <input type="checkbox"/> Fuel, lubricants and gas for production |
| <input type="checkbox"/> Cost of exporting goods and services | <input type="checkbox"/> Fuel (RON95, RON97 & diesel) and gas for transportation |
| <input type="checkbox"/> Cost of importing goods / services due to depreciation of Ringgit Malaysia | <input type="checkbox"/> Toll charges, storage costs and other logistic costs |
| <input type="checkbox"/> Cost of importing goods / services due to higher price charged in US dollar terms | <input type="checkbox"/> Others (Please specify: _____) |

12. What is your firm's view on the expected overall increase in cost of doing business in the next six months compared with the present? (Select only **one**)

Reduce / Decrease cost of doing business Increase by 6 -10%
 No increase Increase by 11 - 15%
 Increase by 1 - 5% Increase by more than 15% (Please specify: _____ %)

13. In your opinion, which of the following aspects of Government assistance are the most useful to your business? (May choose **more than one**)

- Training (e.g. entrepreneurship, skills development)
 Advisory services and outreach (e.g. SME Hub, BNM Link, One-stop Centre)
 Hand-holding support
 Technology adoption (e.g. automation, mechanisation, digitalisation)
 Market access (e.g. export programmes, Government projects, trade missions, business linkages)
 Financing (e.g. grants, soft loans, guarantees)
 Infrastructure (e.g. business premise at strategic locations, industrial parks, facilities)
 Enhanced regulatory framework for doing business (e.g. second chance for bankrupt entrepreneurs, one stop for business registration and licensing)

14. Effective 1 January 2019, the new Minimum Wage (MW) for employees in Malaysia has been standardised and raised to RM1,100 nationwide (Peninsular, Sabah & Sarawak). Is your firm affected by the new MW?

Not affected as all workers are being paid above the new MW (Proceed to Q15) Affected as some or all workers are being paid below the new MW

If your firm is affected, what is the increase in labour cost? (Select only **one**)

1 - 5% 6 - 10% 11 - 20% 21 - 30% 31 - 40% Above 40% (Please specify: _____ %)

15. What are the actions taken by your firm following the implementation of the MW policy? (May choose **more than one**)

- | | |
|---|---|
| <input type="checkbox"/> Business as usual, no new action will be taken | <input type="checkbox"/> Introduce productivity-linked wage system |
| <input type="checkbox"/> Increase training of existing workers | <input type="checkbox"/> Reduce non-wage benefits |
| <input type="checkbox"/> Recruit more skilled workers | <input type="checkbox"/> Increase selling prices of goods and/or services |
| <input type="checkbox"/> Hire more part-time workers | <input type="checkbox"/> Cease business operation |
| <input type="checkbox"/> Reduce number of labour used | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Automate business operations | |

16. GS1 Malaysia Sdn Bhd is the legitimate service provider for barcode application in Malaysia and has been around for 30 years to promote barcode to business owners. Do you aware that you need to adopt GS1 standards and apply for GS1 barcode numbers when entering into retail market?

Yes No (Proceed to Q17)

- a) If **YES**, are you aware that there are annual fees being charged when your firm applying for the GS1 barcode numbers?

Yes No (Proceed to Q17)

- b) Do you find the annual fees charged are reasonable?

Yes No

SECTION E: TAX SYSTEM

17. Were your company taxed under the previous GST tax system?

Yes No

18. Is your company currently being taxed under SST?

Yes No (*Proceed to Q21*)

19. What are the issues faced by your firm in SST implementation? (May choose **more than one**)

| | |
|--|---|
| <input type="checkbox"/> No issue | <input type="checkbox"/> Lack of SST knowledge among staff |
| <input type="checkbox"/> Unclear on the mechanism of the new SST | <input type="checkbox"/> Confusion on the taxable products & services |
| <input type="checkbox"/> Impact on costs and cash flows | <input type="checkbox"/> Lack of support from Government |
| <input type="checkbox"/> Difficulty in determining the selling prices of products & services | <input type="checkbox"/> Increase cost of doing business |
| <input type="checkbox"/> Difficulty to register in MySST system | <input type="checkbox"/> Rise in production cost |
| <input type="checkbox"/> SST's rate on raw material, components and services are higher than GST | <input type="checkbox"/> Others (Please specify: _____) |

20. How has the implementation of SST affected the selling price of your firm's products and services? (Select only **one**)

Remain the same Decreased prices Increased prices

If **INCREASED PRICES**, how much was the total percentage of increase as compared to the same period of last year? (Select only **one**)

Increase by 1 – 5% Increase by 11 – 15%
 Increase by 6 – 10% Increase by more than 15% (Please specify: _____%)

SECTION F: HUMAN CAPITAL

21. Please indicate (or estimate) the number of full-time workers in your firm in year 2019 in terms of skills level

| Type of Workers | Number of Foreign Workers | Number of Local Workers | Total Salary, Wages and Allowance |
|--|---------------------------|-------------------------|-----------------------------------|
| <input type="checkbox"/> High skilled-workers (e.g. managers, professionals, technicians, associate professionals) | | | |
| <input type="checkbox"/> Mid-skilled workers (e.g. plant & machine operators & assemblers, clerical support workers, service & sales workers, skilled agricultural, forestry & fishery workers, craft & related trade workers) | | | |
| <input type="checkbox"/> Low-skilled workers (e.g. cleaners, janitors, general workers) | | | |

22. If your firm hire foreign workers, what are the reasons? (May choose **more than one**)

| | |
|---|--|
| <input type="checkbox"/> Cheaper than local workers | <input type="checkbox"/> Enhance the national productivity and competitiveness |
| <input type="checkbox"/> Trained and experienced foreign workers | <input type="checkbox"/> Language and foreign knowledge |
| <input type="checkbox"/> Local workers refuse to fill up job vacancies | <input type="checkbox"/> Willingness of foreign workers to do extra job |
| <input type="checkbox"/> Dedication and commitment from foreign workers | <input type="checkbox"/> Others (Please specify: _____) |

23. Do you hire new workers in this quarter (January - March 2019)?

Yes No

24. Are the current number of employees sufficient to operate your business?

Yes (*Proceed to Q25*) No

a) If **NO**, does your firm need more workers?

Yes, please specify how many more workers you need: _____ workers No (*Proceed to Q25*)

b) What type of workers does your firm prefer (May choose **more than one**)

| | | | |
|----------------------------|--------------------------|------------------------------|--------------------------|
| Low-skilled local workers | <input type="checkbox"/> | Low-skilled foreign workers | <input type="checkbox"/> |
| Semi-skilled local workers | <input type="checkbox"/> | Semi-skilled foreign workers | <input type="checkbox"/> |
| Skilled local workers | <input type="checkbox"/> | Skilled foreign workers | <input type="checkbox"/> |

31. What was the purpose for the request for financing? (May choose **more than one**)

- | | |
|---|--|
| <input type="checkbox"/> Purchase of commercial property | <input type="checkbox"/> Purchase of software, ICT equipment and hardware |
| <input type="checkbox"/> Purchase of residential property | <input type="checkbox"/> Purchase of transport vehicle |
| <input type="checkbox"/> Trade finance (letters of credit, export credit refinancing, etc. to facilitate export and import) | <input type="checkbox"/> Refinance an existing debt or place all debt under 1 account (debt consolidation) |
| <input type="checkbox"/> Purchase of machinery and equipment | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> To address cash flow constraints | |

Working capital

- Inventory
- Salary & wages
- Purchase raw materials
- Higher imported material costs due to depreciation of Ringgit Malaysia
- Payment to supplier
- Rental
- Others (Please specify: _____)

Business expansion

- Capital injection to subsidiary company
- Acquisition of other business
- Expanding existing outlet / branch
- Opening new branch
- Launching new product
- Others (Please specify: _____)

32. If your firm had applied to finance productivity enhancement i.e. purchase of machinery and equipment (including ICT, software, hardware, drones, etc.) under which facility did you seek the financing? (May choose **more than one**)

- | | |
|--|---|
| <input type="checkbox"/> Term loan financing | <input type="checkbox"/> Industrial hire purchase |
| <input type="checkbox"/> Equipment financing | <input type="checkbox"/> Leasing |
| <input type="checkbox"/> Overdraft for working capital | <input type="checkbox"/> Corporate credit card |
| <input type="checkbox"/> Property refinancing | <input type="checkbox"/> Others (Please specify: _____) |

33. What is the status of your financing application? (Select only **one**)

- | | |
|---|---|
| <input type="checkbox"/> Approved with collateral (Proceed to Q35) | <input type="checkbox"/> Approved with no guarantee or collateral (Proceed to Q35) |
| <input type="checkbox"/> Approved with guarantee (Proceed to Q35) | <input type="checkbox"/> Rejected (Proceed to Q34) |
| <input type="checkbox"/> Approved with guarantee and collateral (Proceed to Q35) | <input type="checkbox"/> Application is being processed (Proceed to Q36) |

34. What were the reason(s) given by the banks or DFIs for rejecting your application?

(Refer to your main financing facility, may choose **more than one**)

- | | |
|---|--|
| <input type="checkbox"/> Business plan deemed not viable | <input type="checkbox"/> Insufficient collateral |
| <input type="checkbox"/> Insufficient documentation to support application | <input type="checkbox"/> Insufficient sales, income or cash flow |
| <input type="checkbox"/> Business too young | <input type="checkbox"/> No reason given |
| <input type="checkbox"/> Business operating in an unstable/ sunset industry | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Financial institutions do not have the expertise to evaluate the application | |

35. How much financing was approved by the bank or DFIs in terms of percentage to total amount applied?

(Refers to your main financing application, select only **one**)

- Less than 50% 50% - 75% 76% to less than 100% 100%

a) If the amount of financing approved is lower than the amount applied, what were the reason(s) given by the banks? (May choose **more than one**)

- | | |
|---|---|
| <input type="checkbox"/> Low repayment capability | <input type="checkbox"/> No reasons given by the bank |
| <input type="checkbox"/> Amount requested does not justify business financing needs | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Risk management policy by the banks | |

b) What is the cost of your financing (interest rate charged, including guarantee charges)?

| | 4% and below | > 4% - 6% | > 6% - 8% | > 8% - 10% | > 10% - 12% | >12% - 14% | > 14% - 15% | > 15 - 20% | > 20 - 25% | > 25- 30% | > 30% |
|--------------------------|--------------|-----------|-----------|------------|-------------|------------|-------------|------------|------------|-----------|-------|
| Cost of financing | | | | | | | | | | | |

36. In your experience in applying for financing in the last 2 years, did banks or DFIs accept any of the following assets as collateral (May choose **more than one**)

- | | |
|--|---|
| <input type="checkbox"/> Machinery & equipment | <input type="checkbox"/> Amanah Saham Bumiputera (ASB) / Unit trust / Securities |
| <input type="checkbox"/> Vehicles | <input type="checkbox"/> Intellectual property rights (e.g. copyright, trademark, patent, design, etc.) |
| <input type="checkbox"/> Receivables | <input type="checkbox"/> Property (e.g. land and building) |
| <input type="checkbox"/> Fixed deposit | <input type="checkbox"/> Others (Please specify: _____) |

37. Has your firm experienced difficulty in maintaining your current financing facility with financial institutions in the last 6 months?

Yes No

a) If **YES**, what were the difficulties that your firm faced in the last 6 months? (May choose **more than one**)

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Request for additional guarantor | <input type="checkbox"/> | Request for advance installments |
| <input type="checkbox"/> | Request for higher collateral (house, other assets, fixed deposit, etc.) | <input type="checkbox"/> | Delay in loan approval / disbursement |
| <input type="checkbox"/> | Request for rescheduling / restructuring loan | <input type="checkbox"/> | Reduction of credit limits |
| <input type="checkbox"/> | Increase in interest rate / profit rate | <input type="checkbox"/> | Rejection of rescheduling / restructuring proposal |
| <input type="checkbox"/> | Issue to comply with Syariah compliant financing | <input type="checkbox"/> | Others (Please specify: _____) |

SECTION H: EXPORT MARKET

38. Does your firm export its products and / or services to foreign markets?

Yes No (*Proceed to Q39*)

a) If **YES**, is this the first time your firm is exporting its products and / or services abroad in the last 12 months?

Yes No

b) Please indicate the percentage of total products and / or services exported to total sales : _____%

c) Which countries do you export your products and / or services to? (May choose **more than one**)

| | | | | | | | |
|--------------------------|-----------|--------------------------|-------------|--------------------------|-------------|--------------------------|--------------------------------|
| <input type="checkbox"/> | Singapore | <input type="checkbox"/> | Philippines | <input type="checkbox"/> | Taiwan | <input type="checkbox"/> | Australia |
| <input type="checkbox"/> | Thailand | <input type="checkbox"/> | China | <input type="checkbox"/> | UAE | <input type="checkbox"/> | Germany |
| <input type="checkbox"/> | Indonesia | <input type="checkbox"/> | Hong Kong | <input type="checkbox"/> | Japan | <input type="checkbox"/> | United Kingdom |
| <input type="checkbox"/> | Vietnam | <input type="checkbox"/> | Korea | <input type="checkbox"/> | USA | <input type="checkbox"/> | Others (Please specify: _____) |
| <input type="checkbox"/> | India | <input type="checkbox"/> | Brunei | <input type="checkbox"/> | Netherlands | | |

d) How do you identify your export market?

| | | | |
|--------------------------|-----------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Market research | <input type="checkbox"/> | Existing customer |
| <input type="checkbox"/> | Market survey | <input type="checkbox"/> | Purchasing power |
| <input type="checkbox"/> | Exhibition | <input type="checkbox"/> | Market linker / Trade coordinator |
| <input type="checkbox"/> | Trade mission | <input type="checkbox"/> | Others (Please specify: _____) |

e) What are the benefits of exporting your products and / or services abroad? (May choose **more than one**)

| | | | |
|--------------------------|---|--------------------------|---------------------------------------|
| <input type="checkbox"/> | Increase sales and profits | <input type="checkbox"/> | Raise employment and wages |
| <input type="checkbox"/> | Enhance R&D and innovation | <input type="checkbox"/> | Enhance technological sophistication |
| <input type="checkbox"/> | Overcome domestic market growth constraints | <input type="checkbox"/> | Promote knowledge transfer and skills |
| <input type="checkbox"/> | Conformity to international standards and regulations | <input type="checkbox"/> | Others (Please specify: _____) |
| <input type="checkbox"/> | Opportunity to expand existing operation | | |

f) What are the measures your firm is taking currently to increase exports? (May choose **more than one**)

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Diversify into new export markets / countries | <input type="checkbox"/> | Participate in international trade promotional activities |
| <input type="checkbox"/> | Customise products and / or services to meet international standards and regulations | <input type="checkbox"/> | Involve in e-commerce or e-trade platform (e.g. Alibaba.com, Amazon.com, etc.) |
| <input type="checkbox"/> | Introduce new products and / or services specifically for exports | <input type="checkbox"/> | Conduct online business through firm's website |
| <input type="checkbox"/> | Build networking with people in the targeted export market | <input type="checkbox"/> | No intention to increase export |
| <input type="checkbox"/> | Conduct market research in the targeted market to explore the demand for products / services | <input type="checkbox"/> | Others (Please specify: _____) |

39. If your firm is **NOT EXPORTING** currently, do you plan to penetrate into international markets?

Yes No (*Proceed to Q40*)

If **YES**, please indicate the percentage share of total products and / or services that you plan to export to total sales: _____%

40. What are the issues that your firm face in exporting your products and / or services? (May choose more than one)

| | | | |
|--------------------------|---|--------------------------|--|
| <input type="checkbox"/> | Inadequate information on the targeted market (country) | <input type="checkbox"/> | Constraints in the area of manpower (staffing) |
| <input type="checkbox"/> | Inadequate knowledge on competitors and distribution channels | <input type="checkbox"/> | Expect to incur higher operating cost |
| <input type="checkbox"/> | Inadequate knowledge on global demand for products / services | <input type="checkbox"/> | Lack of compliance to standards and regulations by different countries |
| <input type="checkbox"/> | Insufficient knowledge on procedures to export (e.g. certificate of origin, FTAs, tariff treatment, etc.) | <input type="checkbox"/> | Others (Please specify: _____) |
| <input type="checkbox"/> | Inadequate source of financing for exports | | |

41. What are the assistance that your firm need in order to penetrate export market? (May choose more than one)

| | | | |
|--------------------------|---|--------------------------|---|
| <input type="checkbox"/> | Export training on export access, trade documentation, product packaging, international marketing, etc. | <input type="checkbox"/> | Global business / market linker / trade coordinator |
| <input type="checkbox"/> | International certification & related license (e.g. USFDA, ISO, BPO, CIQ, etc.) | <input type="checkbox"/> | Transportation or logistics services |
| <input type="checkbox"/> | Export executive employee(s) is / are needed | <input type="checkbox"/> | Machinery and equipment |
| <input type="checkbox"/> | Financing (e.g. grants, soft loans) | <input type="checkbox"/> | Others (Please specify: _____) |

SECTION I: INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) ADOPTION & E-COMMERCE

42. Does your firm use the following ICT tools and services in your daily business operations? (May choose more than one)

a) Tools (May choose more than one)

| | | | |
|--------------------------|--|--------------------------|--|
| <input type="checkbox"/> | Computer / laptop / notebook | <input type="checkbox"/> | Teleconferencing |
| <input type="checkbox"/> | Smartphones or tablets (on-the-go gadgets) | <input type="checkbox"/> | Intranet within your business |
| <input type="checkbox"/> | Internet service (fixed or mobile broadband) | <input type="checkbox"/> | Extranet between your firm and other organisations |
| <input type="checkbox"/> | Official company website | <input type="checkbox"/> | Others (Please specify: _____) |

b) Services / Systems (May choose more than one)

| | | | |
|--------------------------|---|--------------------------|---|
| <input type="checkbox"/> | Supply Chain Management (SCM) | <input type="checkbox"/> | Customer Relationship Management (CRM) to manage customer data, customer interaction and automate sales |
| <input type="checkbox"/> | Finance & Accounting System (e.g. UBS, SAP) | <input type="checkbox"/> | Inventory Management System to track goods through the entire supply chain |
| <input type="checkbox"/> | HR Management System (e.g. payrolls, claims, leave) | <input type="checkbox"/> | Others (Please specify: _____) |

43. Does your firm sell its products and / or services online?

Yes No (**Proceed to Q44**)

a) Please indicate the types of platform that your firm uses for online business (May choose more than one)

| | | | |
|--------------------------|--------------|--------------------------|--------------------------------|
| <input type="checkbox"/> | Social media | | |
| <input type="checkbox"/> | Facebook | <input type="checkbox"/> | Twitter |
| <input type="checkbox"/> | Instagram | <input type="checkbox"/> | Others (Please specify: _____) |
| <input type="checkbox"/> | WhatsApp | | |

| | | | |
|--------------------------|--|--------------------------|--------------------------------|
| <input type="checkbox"/> | Online e-commerce marketplace platform | | |
| <input type="checkbox"/> | LAZADA | <input type="checkbox"/> | Alibaba |
| <input type="checkbox"/> | Shopee | <input type="checkbox"/> | Amazon |
| <input type="checkbox"/> | Zalora | <input type="checkbox"/> | Others (Please specify: _____) |

| | | | |
|--------------------------|--------------------|--------------------------|--------------------------------|
| <input type="checkbox"/> | Mobile application | | |
| <input type="checkbox"/> | LAZADA app | <input type="checkbox"/> | Alibaba app |
| <input type="checkbox"/> | Shopee app | <input type="checkbox"/> | Amazon app |
| <input type="checkbox"/> | Zalora app | <input type="checkbox"/> | Others (Please specify: _____) |

E-commerce-enabled own website

b) How does your firm receive payment?

| | | | |
|--------------------------|---|--------------------------|--|
| <input type="checkbox"/> | Online bank transaction (e.g. Maybank2u, CIMB Clicks, etc.) | <input type="checkbox"/> | Credit card |
| <input type="checkbox"/> | Offline transaction (cheque, cash on delivery) | <input type="checkbox"/> | Online third-party transaction (e.g. PayPal, AliPay, etc.) |
| <input type="checkbox"/> | Debit card | | |

c) Please indicate the percentage of online sales to total business sales: _____ % of total sales

d) Which market does your firm sell products and / or services online? (Select only one)

Domestic market Export market Both domestic and export markets

e) Please indicate the percentage of **online export sales** to total online sales: _____% of total online sales

f) Please indicate the percentage of **online export sales** to total business sales: _____% of total business sales

44. If your firm does **NOT** sell products and / or services online, please specify the reason(s) (May choose **more than one**)

- | | |
|---|--|
| <input type="checkbox"/> Not necessary for my business | <input type="checkbox"/> Not familiar in undertaking e-commerce & online services |
| <input type="checkbox"/> Prefer traditional way of doing business | <input type="checkbox"/> Lack of qualified staff to develop, support, maintain and manage the system |
| <input type="checkbox"/> Lack of data privacy / security and legal / fraud concerns | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Concerns on cost and return on investment (ROI) | |

45. Has your firm experienced ICT security breaches before?

Yes No (**Proceed to Q46**)

If **YES**, what type of ICT security breaches have your firm experienced before? (May choose **more than one**)

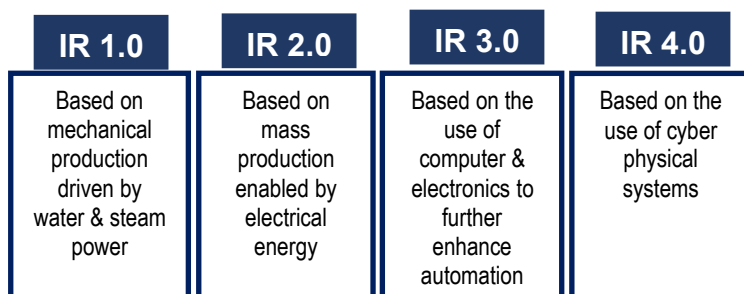
- | | |
|--|---|
| <input type="checkbox"/> Distributed Denial of Services (DDOS) | <input type="checkbox"/> Phishing |
| <input type="checkbox"/> Ransomware | <input type="checkbox"/> Malware attack |
| <input type="checkbox"/> Password attack | <input type="checkbox"/> Others (Please specify: _____) |

46. Has your firm subscribe to any ICT security tools / software (e.g. firewall, antivirus, spyware detection, password protection)?

Yes No

SECTION J: INDUSTRIAL REVOLUTION 4.0 (IR 4.0)

What is Industrial Revolution 4.0 (IR 4.0)?



IR 1.0: Used water and steam power to mechanise production

IR 2.0: Used electric power to create mass production

IR 3.0: Used electronics and information technology to automate production

IR 4.0: The Fourth Industrial Revolution (IR 4.0) is about having machines that are able to send, receive and act on instructions that are connected to computing systems and through communications networks that enable them to interact with other machines and humans to produce goods and deliver services efficiently. IR 4.0 focuses on automation and digitalisation through the adoption of integrated technologies that communicate and interact with each other as a result of quantum leaps being made in various fields of technology & innovation.

There are **nine (9) pillars** of Industrial Revolution 4.0 (IR 4.0) that are interrelated, which are:

- | | | |
|-------------------------|------------------------------|-----------------------------|
| i. Autonomous Robots | iv. Internet of Things (IoT) | vii. Additive Manufacturing |
| ii. Simulation | v. Cyber Security | viii. Augmented Reality |
| iii. System Integration | vi. Cloud Computing | ix. Big Data |

47. Is your firm aware of the IR 4.0?

Yes No (**Proceed to Q51**)

48. Is your firm ready for the IR 4.0?

Yes No

49. What are the quality benefits that your firm expect from the IR 4.0 applications? (May choose **more than one**)

- | | |
|---|---|
| <input type="checkbox"/> Better planning and controlling in manufacturing and logistics | <input type="checkbox"/> Increase productivity and efficiency |
| <input type="checkbox"/> Higher customer satisfaction | <input type="checkbox"/> Demand for foreign labour can be reduced with greater automation |
| <input type="checkbox"/> Greater flexibility in manufacturing | <input type="checkbox"/> Others (Please specify: _____) |
| <input type="checkbox"/> Faster time to market in product development | |

50. What are the greatest challenges for the successful implementation of IR 4.0? (May choose **more than one**)

- | | |
|--|--|
| <input type="checkbox"/> Insufficient knowledge and skilled employees | <input type="checkbox"/> Unresolved questions concerning data security |
| <input type="checkbox"/> Lack of standards, regulations or certifications | <input type="checkbox"/> Unclear economic benefits |
| <input type="checkbox"/> Unclear legal situation concerning the use of external data | <input type="checkbox"/> High investment costs |
| <input type="checkbox"/> Lack of funding and support from Government | <input type="checkbox"/> Others (Please specify: _____) |

SECTION K: SME CORP. MALAYSIA (BUSINESS ACCELERATOR PROGRAMME, BAP)

Business Accelerator Programme (BAP) is an initiative that supports SMEs and microenterprises to develop and accelerate their businesses by providing integrated assistance which cover company's assessment, business advisory, improvement activities and financial assistance to assist the company to improve business performance.

51. Has your firm ever receive financing assistance from BAP Programme?

Yes No (*Survey ends here*)

52. In what way did BAP assistance improve your business performance? (May choose **more than one**)

| | |
|--|---|
| <input type="checkbox"/> Increase productivity | <input type="checkbox"/> Gain market access |
| <input type="checkbox"/> Higher quality | <input type="checkbox"/> Enhance innovation |
| <input type="checkbox"/> Able to get certified | <input type="checkbox"/> Increase number of workers |
| <input type="checkbox"/> Increase sales | <input type="checkbox"/> Others (Please specify: _____) |

53. Would you like to seek assistance again after your firm have benefited from the matching grant to improve your business?

Yes, for

- a) Financing R&D, including purchase / registration of intellectual property
- b) Financing commercialisation of new products
- c) Working capital for current business
- d) Project financing
- e) Trade finance (import & export)
- f) Refinancing / debt consolidation
- g) Purchase of assets:
 - commercial property (e.g. building) or land
 - commercial vehicles (e.g. lorry)
 - non-commercial vehicles (e.g. passenger car)
 - ICT (hardware / software)
 - other machinery & equipment
- h) Expansion of existing business
- i) Others (Please specify: _____)

No, because

- | | |
|---|---|
| <input type="checkbox"/> Do not need financing | <input type="checkbox"/> Unable to furnish the documents required (Please specify: _____) |
| <input type="checkbox"/> I and / or other business owners and / or directors have adverse financial record history (e.g. CCRIS, CTOS) | <input type="checkbox"/> Company is well established |
| <input type="checkbox"/> Application process is too difficult | <input type="checkbox"/> Claim process is complicated |
| <input type="checkbox"/> Application process is too long | <input type="checkbox"/> Other reasons (Please specify: _____) |

54. Would you recommend the assistance under BAP to other SMEs?

Yes No

55. Do you think assistance under BAP should be continued in the future?

Yes No

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 8 May 2019 at fax no. 03-2775 6318 or e-mail: kajiselidik@smecorp.gov.my

Enquiries:

- | | | |
|------------------------------|--|---------------------|
| Puan Nur Madiah Masu'ddi | nurmadiah@smecorp.gov.my | Tel: 03 – 2775 6358 |
| Puan Nina Fazlina Muhamad | nina@smecorp.gov.my | Tel: 03 – 2775 6173 |
| Puan Wan Nadiah Manan | nadiahmanan@smecorp.gov.my | Tel: 03 – 2775 6168 |
| Encik Kamal Ezzani Azamuddin | kamal@smecorp.gov.my | Tel: 03 – 2775 6238 |
| Puan Noraslina Mohamad Noh | noraslina@smecorp.gov.my | Tel: 03 – 2775 6299 |

CORE OR MAIN BUSINESS ACTIVITY (TICK ONE ONLY)

APPENDIX1

| Category | Code | Activity | (✓) Tick only ONE |
|---|------|--|-------------------------|
| MANUFACTURING | 1 | Electrical & electronics machinery, appliances & parts (E&E) including telecommunication equipment and parts. | |
| | 2 | Machinery and engineering equipment & 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 equipment (road vehicles, other transport equipment, 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, oleochemical (edible and inedible products) | |
| | 13 | Non-metallic mineral products (lime, clay, glass, glassware, pottery, peals, precious stones, etc) | |
| | 14 | Other resource-based (herbal products, etc) | |
| | 15 | Other manufacturing activities (non-resource based) Optical and scientific equipment, toys and sporting goods, handbags, instruments, lightings, arts Office stationery, jewellery, leather, plumbing & heating fixtures, printed matter, antiques, etc) | |
| CONSTRUCTION | 16 | Construction and construction related services | |
| SERVICES | 17 | Research and development (R&D), incl. design & prototyping | |
| | 18 | Logistics, storage & distribution Land, sea and air transport services (freights/cargo) Warehouse, freight forwarders, hauliers, distribution & storage facilities, etc) | |
| | 19 | Manufactured products marketing (branding, packaging, market research) | |
| | 20 | Environmental management Energy conservation, renewable energy generation, waste recycling, toxic waste management | |
| | 21 | Engineering support services, irradiation and gas sterilisation services | |
| | 22 | Retail trade (shops, outlets, kiosks, multi-level marketing, franchisors, etc) | |
| | 23 | Wholesale trade (wholesalers, bulk traders, exporters, importers, franchisors, etc) | |
| | 24 | Professional Services (lawyers, accountants, medical doctors, engineers, architects, surveyors, etc) | |
| | 25 | Computer and other IT related services | |
| | 26 | Private education services (kindergartens, private schools, colleges, skills & vocational trainings) | |
| | 27 | Private healthcare and social services (private health and medicals clinics, hospital, daycare etc) | |
| | 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 | Others 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 | Others 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, FORESTRY, FISHERY & LIVESTOCK | 34 | Production of agricultural crops (vegetables, fruits, oil palm, rubber, cocoa, etc) | |
| | 35 | Fishing, livestock and aquaculture activities | |
| | 36 | Forestry | |

Summary on Findings of Third Quarter 2018 SME Survey by SME Corp. Malaysia

A survey was conducted in October – November 2018 with total respondents of 1,721 SMEs covering all economic sectors and industries. The survey was comprehensive in terms of business size and geographical coverage. About 68% of the respondents were from the services sector, 23% from the manufacturing sector, 6% from the construction sector and 3% from the agriculture sector.

❖ Growth Performance in Third Quarter 2018 and Business Outlook

- In 3Q 2018, SMEs experienced higher sales (45%) but to a lesser extent than previous survey (3Q 2017: 49.6%). Majority SMEs experience same performance in term of profits (41%) as well as maintain selling price (47%) of their goods and services.
- The gradual improvement is also reflected in the near-term outlook, as about 44% of respondents expected their business to improve, higher than recorded previously, thus indicating that SMEs have become more optimistic.
- Despite the upbeat outlook, there are still some concerns on the increasing competition, high cost of doing business and high labour cost.

❖ Financing

- SMEs continued to have access to financing with about 94.4% approval rate from financial institutions.
- Only about 8.7% of respondents cited facing difficulty with their current financing facilities with financial institutions in the last six months.

❖ Cost of Doing Business

- About 56.4% respondents experienced an increase in operating cost. The cost hike was mainly due to higher cost of raw material and other inputs, higher electricity bill and charges as well as higher rental of business premises.
- In order to alleviate the rising cost of doing business, respondents specified that in the near term, they would undertake a few measures or business strategies, such as reducing operating costs, developing new products / services and developing employee skill set.

❖ ICT Adoption

- About 37.9% of SMEs involved in online business, higher than 28% recorded in the previous survey. Of those involved in online business, 93.9% using social media while 19.6% of them utilised e-commerce marketplace for their online business.

❖ Labour Market

- Hiring of foreign workers among SMEs is low 17.3% but SMEs are still dependent on them as about 39.9% of the firms had no intention to reduce dependency on foreign workers.
- About 6.9% of respondents had retrenched their workers, mainly local workers due to workers' poor performance and low productivity as well as to reduce cost.

❖ Exports

- Majority of the respondents were domestically-oriented, while 13.3% are currently exporting their products and services mainly to ASEAN and China. Moving forward, almost one-third of the non-exporters intend to penetrate markets abroad.
- Among the main concerns with regards to exports were inadequate information on the targeted market, inadequate knowledge on competitors as well as expects to incur higher operating cost.