



ACCCIM Malaysia's Business and Economic Conditions Survey (M-BECS) 2H 2025 and 1H 2026F

马来西亚中华总商会2025下半年及2026上半年预测
马来西亚商业和经济状况调查



15 January 2026

KEY AGENDA



ACCCIM M-BECS: Survey Coverage



Business Conditions & Sentiment Tracker



Current Issues



Survey Coverage

ACCCIM Malaysia's Business and Economic Conditions Survey (M-BECS) is a key market barometer gauging the **business community's sentiments and expectations of their business prospects and economic outlook.**

The survey, which was conducted between **3 December 2025 to 1 January 2026**, covered the performance in **Jul-Dec 2025 (2H 2025)** and expectations for **Jan-Jun 2026 (1H 2026).**



M-BECS contains three sections:



1. Respondents and Business Profile;



2. Business Assessment; and



3. Current Issues.

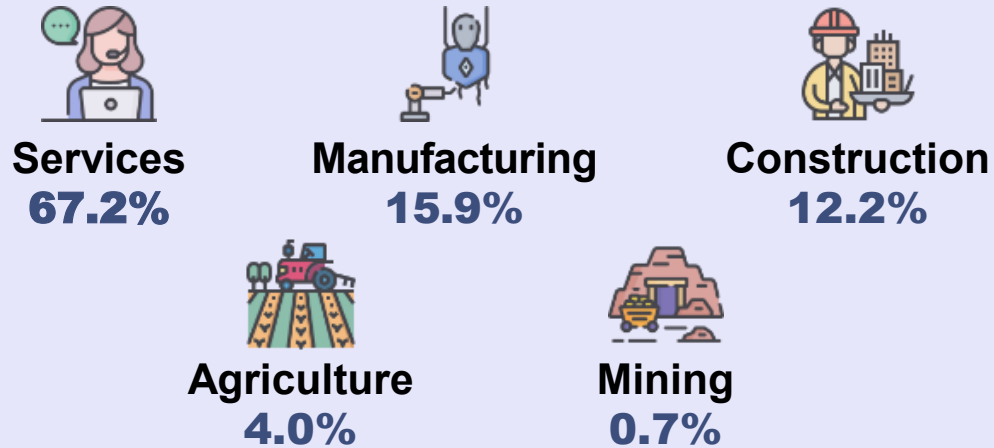
Profile of Survey respondents

 **817 companies** representing broad economic sectors of the economy

% of respondents

By economic sector

n=817

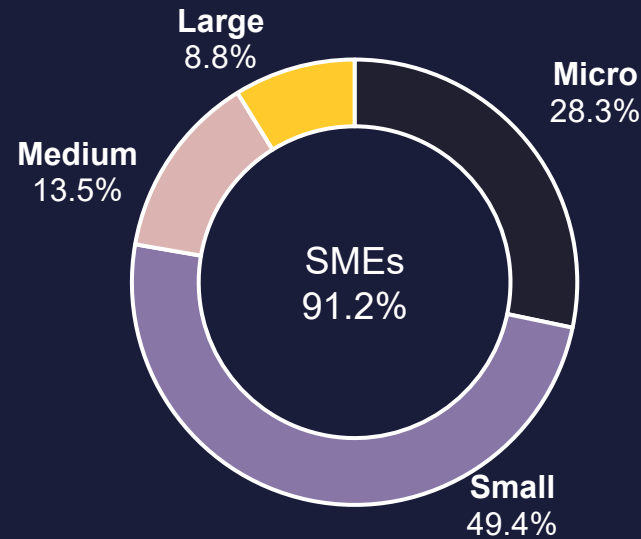


Top FIVE industries (67.7%):



By size of business operations

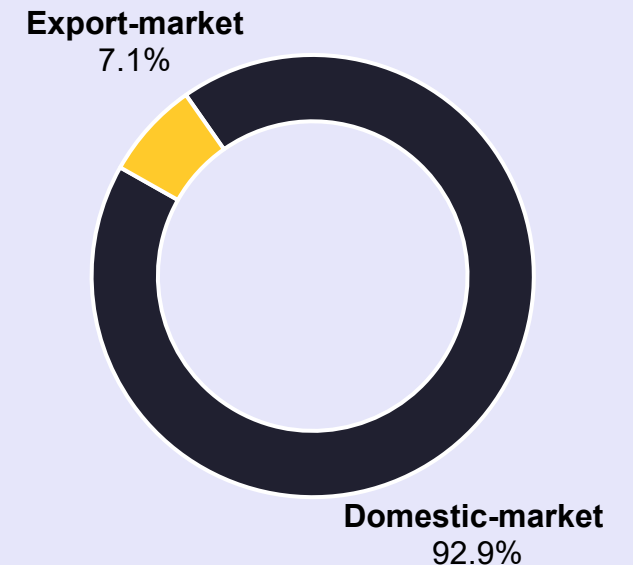
n=817



A business will be deemed as an SME if it meets either one of the two specified qualifying criteria, namely sales turnover or full-time employees, whichever is lower basis, as endorsed by the National SME Development Council (NSDC) and published by SME Corporation Malaysia in 2013.

By sales orientation

n=817



Note: Domestic-market orientation indicates at least 50% of total sales are generated from domestic market; Export-market orientation indicates more than 50% of sales generated from overseas market.

Note: Numbers may not add up to 100.0% due to rounding, which is also applied for the rest of the slides

¹ Include repair of motor vehicle; ² Hotels, restaurants, recreation, and entertainment.

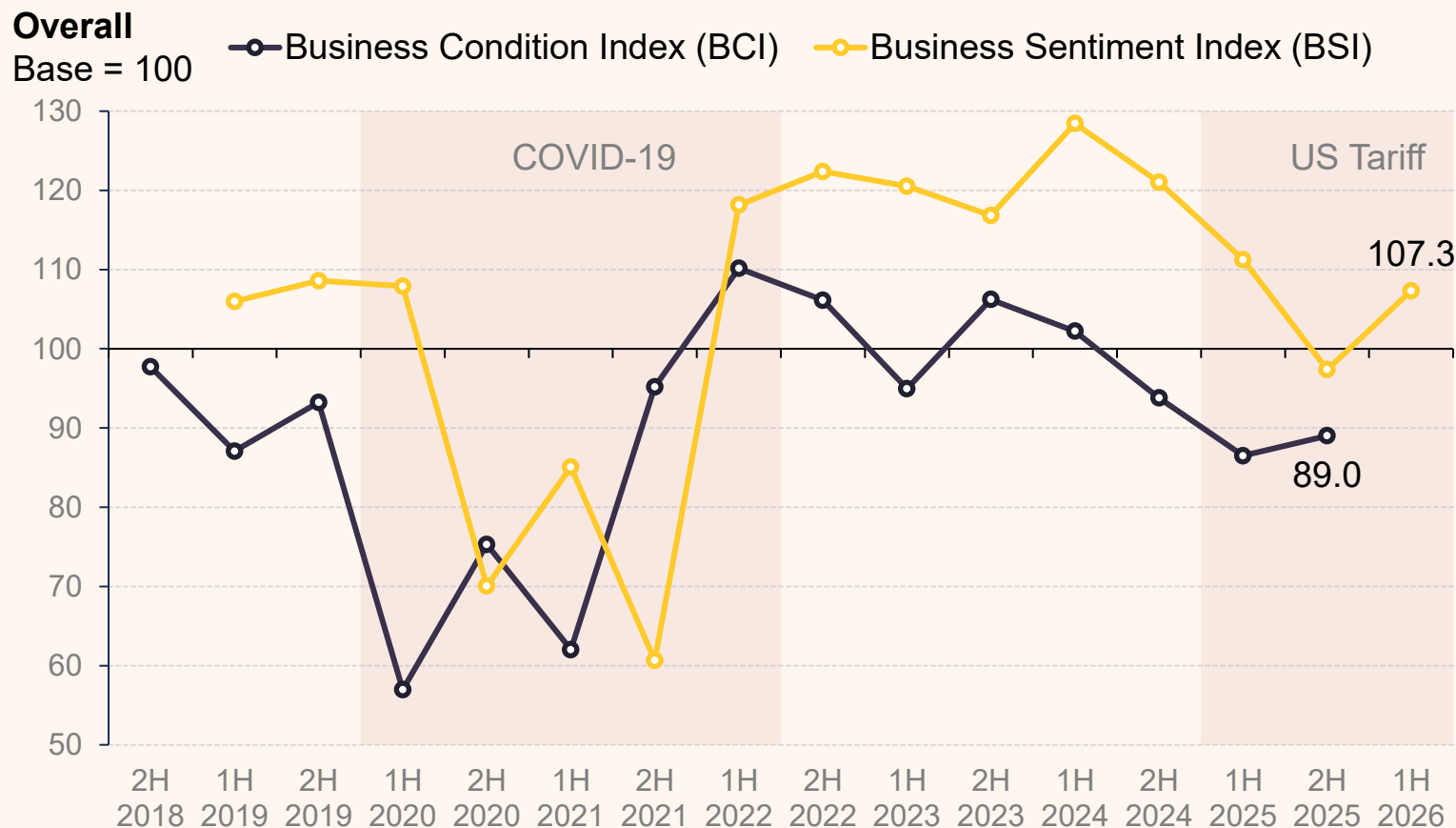


Business Conditions & Sentiment Tracker

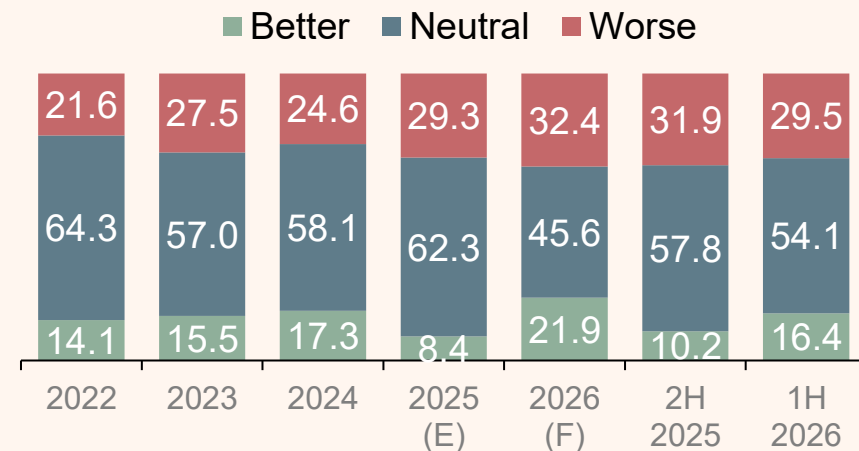


Business Confidence is Showing Improvement

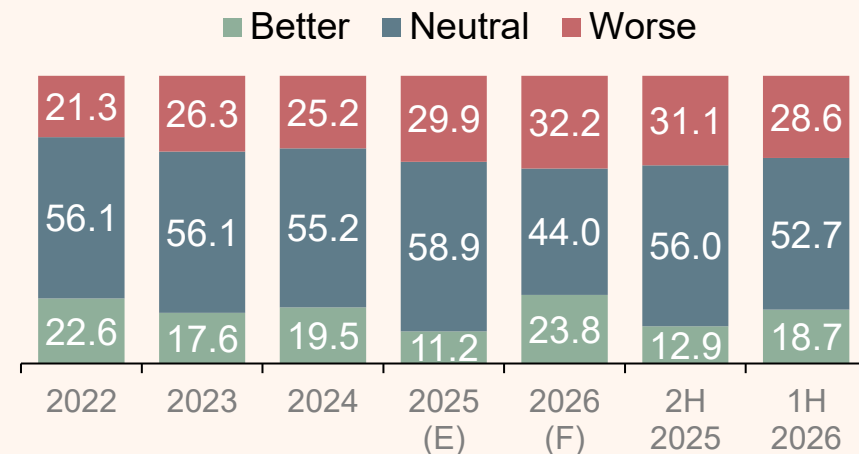
BCI improved to 89.0 in 2H 2025, albeit it remained below the 100 threshold. BSI rebounded to 107.3, signalling positive business outlook for 1H 2026.



Economic Conditions and Prospects



Business Conditions and Prospects



E=Estimation; F=Forecast

High Operating Costs Consistently Ranked Top 3 Challenges Since 2020

#1 High operating costs

54.5%

#2 Increase in prices of raw materials

39.5%

#3 Lower domestic demand

33.8%

#4 Declining business & consumer sentiment

32.8%

#5 Changing consumer behaviour

32.6%

By Sectors (2H 2025)

Manufacturing	Construction	Wholesale and Retail Trade	Professional and Business Services
High operating cost (60.9%)	Increase in prices of raw materials (66.0%)	High operating cost (51.6%)	High operating cost (51.6%)
Increase in prices of raw materials (47.7%)	High operating cost (59.0%)	Lower domestic demand (50.0%)	Declining business & consumer sentiment (36.2%)
Lower domestic demand (46.9%)	Regulatory change (40.0%)	Changing consumer behaviour (48.4%)	Regulatory change (36.2%)
Skilled manpower shortage (39.1%)	Cash flow problem (39.0%)	Declining business & consumer sentiment (45.2%)	Political climate (34.0%)
Rising bad debts & delayed receivables (31.3%)	Rising bad debts & delayed receivables (32.0%)	Rising bad debts & delayed receivables (34.9%)	Changing consumer behaviour (30.5%)

Business Assessment – A Mixed Performance and Outlook

% Percentage

Financial Management

1 - Cash Flow Conditions

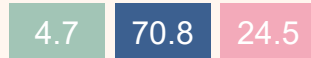
2H 2025 (Actual)



1H2026 (Forecast)

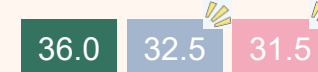
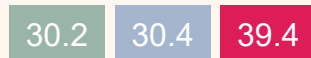


2 - Debtors' Conditions



Sales Performance

3 - Domestic Sales

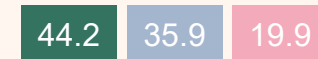
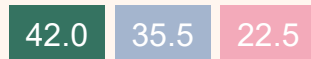


4 - Export Sales



Price Levels

5 - Domestic Price

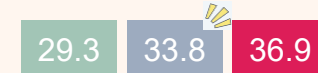
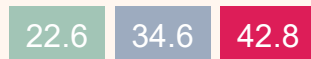


6 - Export Price



Business Production

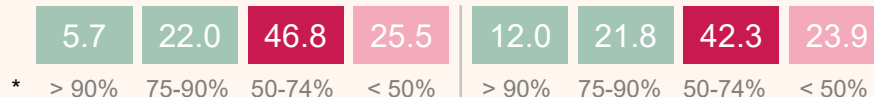
7 - Production Level



8 - Inventory or Stock Level



9 - Capacity Utilisation*



Cost of Inputs **

10 - Local

11 - Imported

Manpower

12 - Number of Employees

13 - Wage Growth

Investment

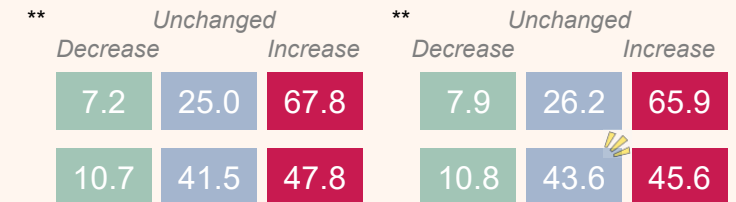
14 - Capital Expenditure

■ Better/Increase
■ Neutral/Unchanged
■ Worse/Decrease

🚩 5 percentage points below the top (a little different)

2H 2025 (Actual)

1H2026 (Forecast)





CURRENT ISSUE:

Overpaid Corporate Income Tax Refund

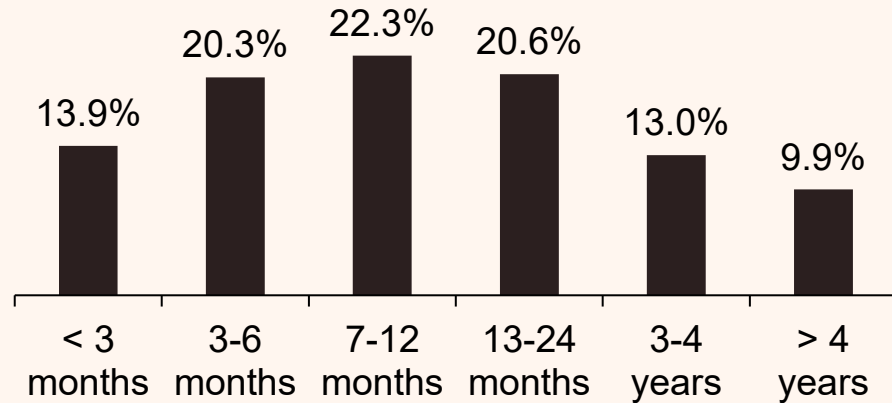
42.3% have overpaid tax issues, and 45.9% don't have

11.8% don't file corporate income tax (e.g. sole proprietor)

Companies affected by tax overpayment issues:

N=345

Duration for receiving tax refunds after filing



Impact on cash flow

Slightly
36.2%

Moderately
27.8%

Significantly
23.2%

Not at all
12.8%

Companies that filed corporate income tax:

N=719

Acceptable maximum duration for refunds

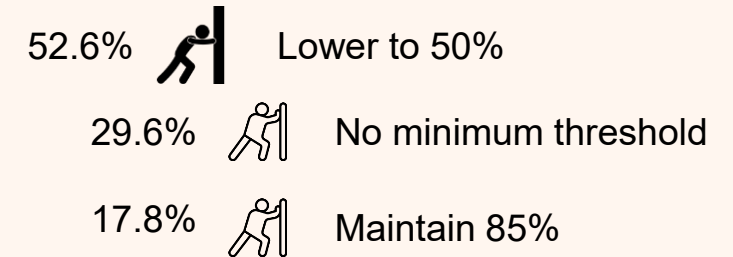
76.4%: Within 3 months

17.2%: Within 6 months

5.6%: Within 12 months

0.8%: Within 2 years

Acceptable minimum thresholds for tax estimation



Compensation policy for overdue refunds



41.6%

Apply higher rates for longer delays (tiered system)

26.8%

Maintain the current fixed 2% interest rate

31.6 %

Peg the interest rate to Bank Negara Malaysia's standardised base rate (floating rate)

85.7%

support an automatic tax offset mechanism if LHDN is unable to refund the overpaid tax on time

Regional Practices

These regional countries' tax mechanisms, **such as shorter refund timelines, automatic compensation, and flexible estimation systems**, can be considered by Malaysia in tax refund reforms.



Malaysia

Tax mechanism	Adjustment to tax payment (if any)	Refund period	Interest rate on late refund
<ul style="list-style-type: none"> Estimate annual tax before the financial year (FY) and pay via monthly instalments. Final tax settled after FY based on actual income. 	<ul style="list-style-type: none"> Allowed; estimate must be $\geq 85\%$ of the prior year's estimate and can be revised up to three times. 	<ul style="list-style-type: none"> 30 working days for e-filing and 90 working days for manual e-filing. 	<ul style="list-style-type: none"> 2% per annum if not processed within 90 days (e-file) or 120 days (manual)



Two payments in one year – one during FY; another after FY



Thailand

<ul style="list-style-type: none"> Prepay 50% of projected annual tax 2 months after 1H FY. Pay balance after FY based on actual profit. 	<ul style="list-style-type: none"> No allowed as final balance is reconciled at filing. 	NA	
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Singapore

<ul style="list-style-type: none"> File estimated chargeable income (ECI) within 3 months after the FY end. 	<ul style="list-style-type: none"> Allowed; subject to the Inland Revenue Authority of Singapore (IRAS) review. 	<ul style="list-style-type: none"> Automatic; interest if not refunded within 30 days. 	<ul style="list-style-type: none"> Singapore Overnight Rate Average (SORA).
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Corporate income tax after FY



Automatic refunds with shorter period



Policy interest rate

CURRENT ISSUE:

**Technical and Vocational
Education and Training
(TVET)**



14.5%

have hired graduates
with TVET
qualifications

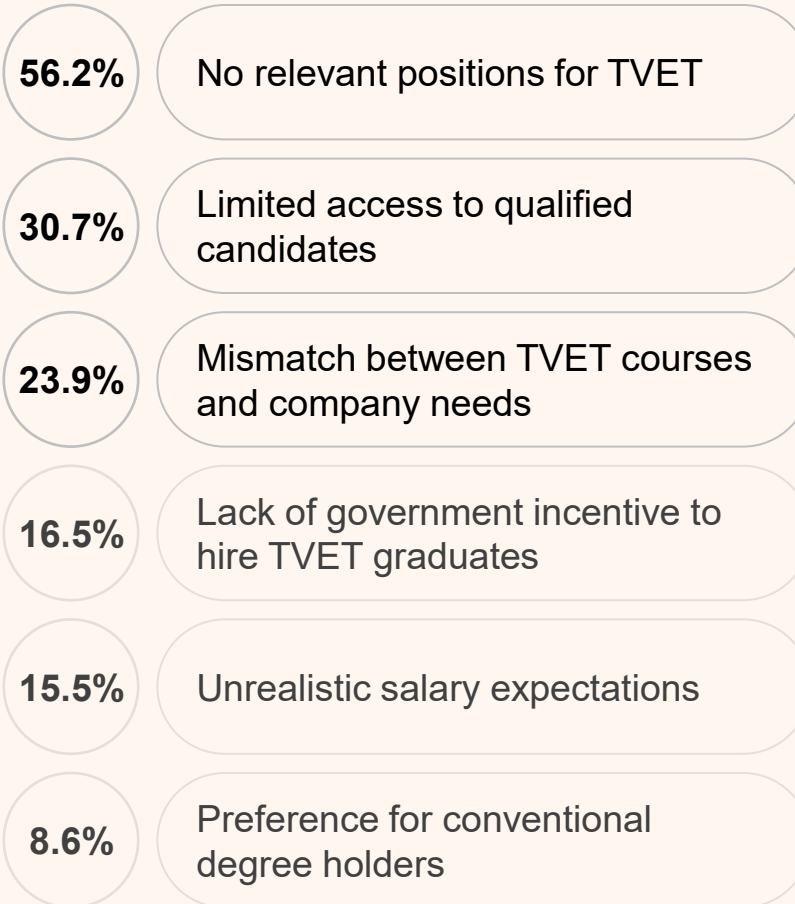
**62.7% Have Never
Hired Graduates
with TVET
Qualifications**

22.8%

were **unsure** whether
they had done so

Key reasons for not hiring TVET graduates

N=502



These results point to three interrelated concerns:

1. Many employers may not clearly distinguish between TVET graduates (such as engineering technicians) and non-TVET graduates (such as engineers).
2. A mismatch between overall supply of TVET graduates and industry demand across different fields.
3. Gaps persist between the skills taught by training institutions and those required by employers.

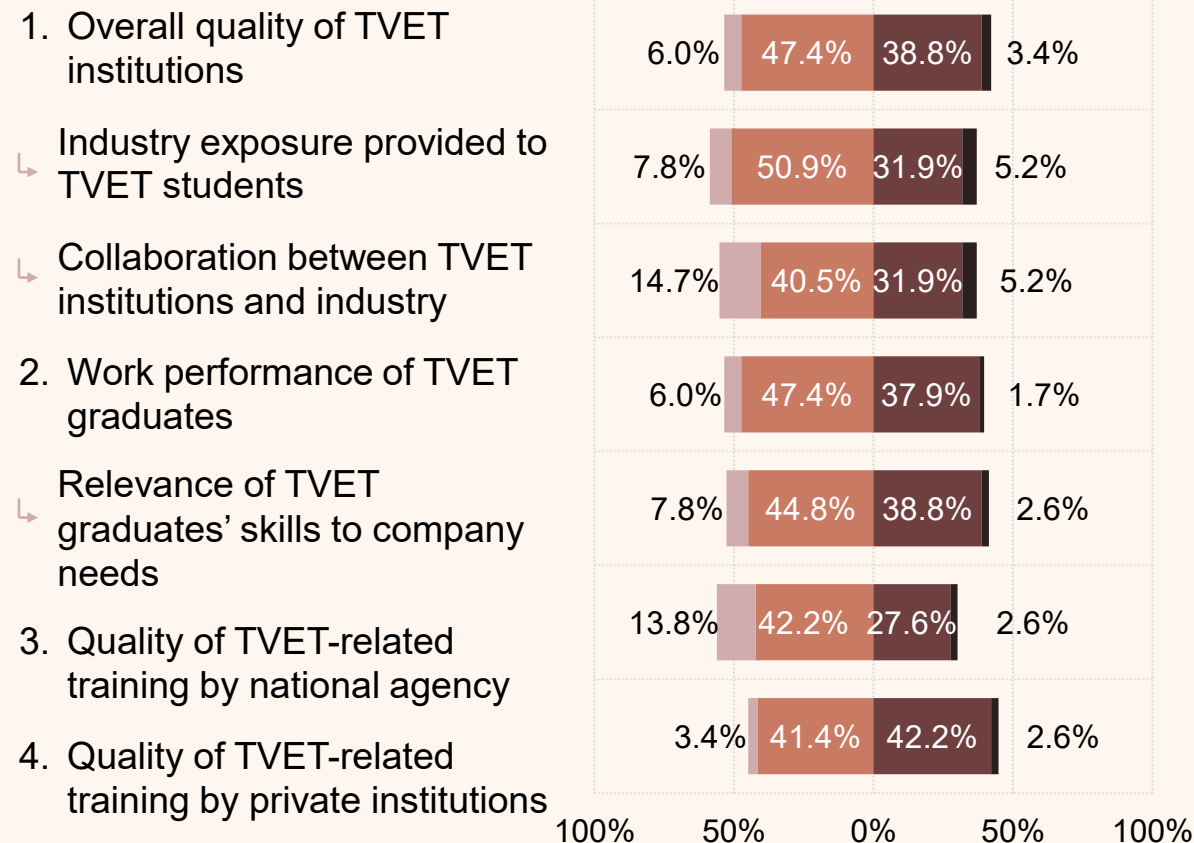
Overall Assessment of TVET

Comparative Performance of TVET and Non-TVET Graduates N=801

	Stronger	Similar	Weaker	Not Familiar
Technical / practical skills	22.2%	24.0%	7.6%	46.2%
Theoretical / conceptual understanding	15.1%	28.8%	10.9%	45.2%
Communication skills	9.5%	33.8%	13.2%	43.4%
Analytical and problem-solving ability	13.4%	32.3%	10.2%	44.1%
Adaptability to workplace	10.4%	34.7%	10.7%	44.2%
Teamwork	10.0%	37.2%	8.2%	44.6%
Professional attitude	9.6%	35.3%	10.4%	44.7%
Self-initiated learning	11.2%	33.5%	11.0%	44.3%

Employers' rating of their TVET graduates N=116

Poor
 Fair
 Good
 Excellent

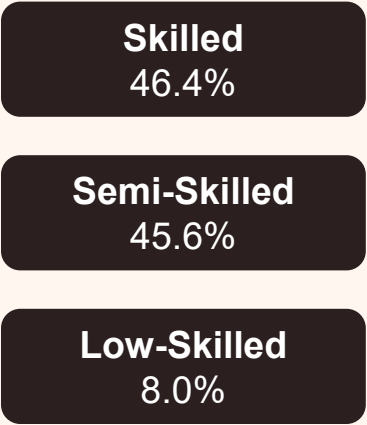


Note: Percentages do not sum to 100% as the "Not familiar" responses are excluded from the chart.

TVET Performance in Malaysia

The survey findings and tracer data suggest that **the challenges facing TVET in Malaysia stemmed from coordination gaps across the skills ecosystem rather than from shortcomings on the part of any single stakeholder.**

Graduate employment by skill levels in 2024



Source: Graduate Tracer Study Report 2024

Monthly income of graduates in 2024 (%)

TVET (excl. MTUN)	Bachelor's degree	Advanced diploma	Diploma	Certificate	Advanced certificate
≤RM1,000	0.6	4.4	6.9	15.5	10.6
RM1,001-RM2,000	17.2	21.3	62.5	65.1	61.6
RM2,001-RM3,000	56.7	41.3	25.5	15.5	21.3
RM3,001-RM4,000	21.0	22.7	3.4	2.4	3.4
RM4,001-RM10,000	3.8	9.8	1.5	1.3	2.6
>RM10,000	0.6	0.4	0.1	0.1	0.5

Non-TVET	Bachelor's degree	Diploma	Certificate
≤RM1,000	6.9	8.8	5.9
RM1,001-RM2,000	23.7	53.3	22.2
RM2,001-RM3,000	35.7	28.4	27.9
RM3,001-RM4,000	22.7	5.8	27.0
RM4,001-RM10,000	10.4	3.2	16.8
>RM10,000	0.6	0.5	0.2

Note: Monthly income figures for non-TVET graduates are derived from public and private universities only. Some data overlap may exist because certain universities also offer TVET programmes, such as the Malaysian Technical University Network (MTUN).

Solutions to Address Dual Challenges

Key challenges in hiring and training TVET graduates

N=116

Difficulty finding qualified candidates	50.0%
Limited industry-specific skills	38.8%
Limited government support or unclear incentives	33.6%
Difficulty retaining TVET hires	29.3%
Lack of structured collaboration with TVET institutions	24.1%
Need for significant retraining after hiring	20.7%

Government's incentives utilised for TVET hiring and training

N=116

None / Not aware of any incentive	47.4%
HRD Corp levy for employees' training	26.7%
HRD Corp levy for graduates' salary support	25.0%
Internship placement matching grant for SMEs/startups (LiKES)	23.3%
Double tax deduction for structured internships (MySIP)	12.9%
National internship matching platform (MyNext)	7.8%

Government's Measures to Encourage the Recruitment of TVET Graduates

N=801

Create a one-stop portal for all TVET or training incentives	35.1%
Integrate all training and upskilling platforms into one	30.0%
Offer double tax deduction for hiring certified TVET graduates	29.5%
Improve the reputation of TVET qualifications	27.0%
Make TVET qualifications comparable to conventional degrees	21.1%
Enhance industry-oriented training programs with better incentives	17.1%



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谢谢 Thank you

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