中总

马来西亚商业和经济状况调查报告

ACCCIM Malaysia's Business and Economic Conditions Survey (M-BECS) Report

2025下半年及2026上半年预测
2H 2025 and 1H 2026F

This report is prepared by Socio-Economic Research Centre (operating under SERC Sdn. Bhd.), in collaboration with Universiti Tunku Abdul Rahman (UTAR).

中总
ACCCIM
马来西亚中华总商会

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)

A national organisation founded in 1921, representing over 110,000 Malaysian Chinese businesses and associations through 17 constituent chambers across 13 states and 3 Federal territories.

Socio-Economic Research Centre (SERC)

An independent, non-profit think tank under ACCCIM that conducts in-depth research on economic, business, and social issues to provide inputs for public policy-making and enhance public understanding of Malaysia's socio-economic development.

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Executive Summary

The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM)'s **Malaysia Business and Economic Conditions Survey (M-BECS)** covers **business performance in Jul-Dec 2025 (2H 2025) and expectations for Jan-Jun 2026 (1H 2026).** It was conducted between **3 December 2025 and 1 January 2026** and has received a total of **817 responses**.

Overall
Base = 100

Line chart showing Business Condition Index (BCI) and Business Sentiment Index (BSI) from 2H 2018 to 1H 2026, with periods marked "COVID-19" and "US Tariff". BSI ends at 107.3 and BCI ends at 89.0.
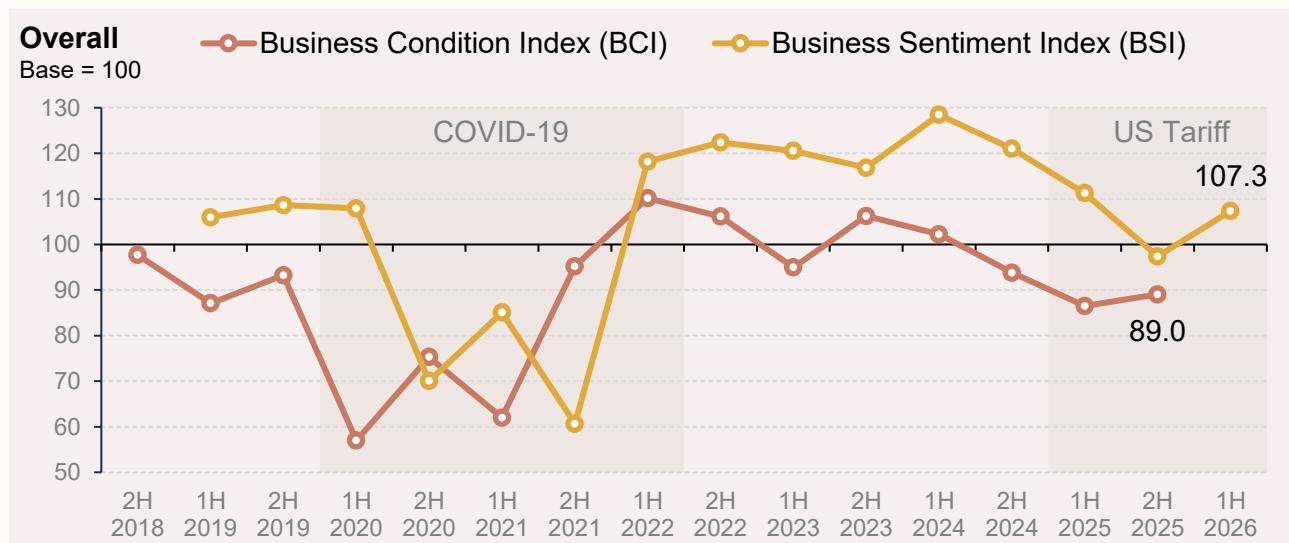
M-BECS: Overview and Summary of Key Findings

- The Business Conditions Index (BCI) picked up to 89.0 in 2H 2025, indicating marginal improvement though it remained below the 100 threshold. The Business Sentiment Index (BSI) rebounded to 107.3, signalling optimistic business outlook for 1H 2026.

- These movements are consistent with other indicators, including the SME Sentiment Index (2H 2025) and RAM BCI (3Q 2025), suggesting a gradual easing of business conditions in late 2025 and expectation of improved outlook in early 2026.

- Despite improving forward-looking indicators, overall business sentiment remained cautious in the full year of 2025, with 29.3% and 29.9% of respondents having a pessimistic view on economic and business conditions, respectively and have deteriorated compared with 2024.

- High operating costs remained the most cited factor affecting business performance in 2H 2025 as indicated by 54.5% of respondents, followed by increased prices of raw materials (39.5%) and weaker domestic demand (33.8%).

- **Assessment of Business Conditions in 2H 2025 and 1H 2026F:**
  - Cash flows and debtor conditions remained broadly neutral in 2H 2025 and 1H 2026.
  - Domestic sales have declined in 2H 2025 as reported by 39.4% of respondents compared with 30.2% have experienced an increase in sales. For 1H 2026, 36.0% of the respondents expect a modest improvement in sales conditions while foreign sales were flat with a neutral outlook (2H 2025: 39.1%; 1H 2026: 38.5%).
  - Domestic prices continued to increase in 2H 2025 (cited by 42.0% of respondents) and slightly higher respondents (44.2%) expect continued price increase in 1H 2026. Export prices were broadly neutral in 2H 2025 (45.6%) and are expected to remain largely stable in 1H 2026 (46.2%), with a slight upward bias.
  - 42.8% of respondents indicated that their production have declined in 2H 2025 and are expected to decline, albeit at a smaller magnitude in 1H 2026. Businesses' inventory levels remained broadly unchanged as indicated by 43.3% of respondents.
  - Most respondents have reported relatively low capacity utilisation, largely within the 50%–74% range.
  - Both cost of local and imported inputs have increased in 2H 2025 and are expected to persist in 1H 2026, albeit at a slightly lower magnitude.
  - Most businesses (58.5%) maintained their manpower, in line with strong national labour market conditions. Wage growth remained strong in 2H 2025 (57.8%) and is expected to persist into 1H 2026 (61.8%).
  - 48.1% of respondents expect to expand capital expenditure in 1H 2026, signalling positive investment sentiment.

Legend	
■ Increase	
■ Unchanged	
■ Decrease	

✌ ≤ 5 percentage points below the top (a little different)

	2H 2025 (Actual)			1H 2026 (Forecast)		
Sales Performance						
Domestic Sales	30.2%	30.4%	39.4%	36.0%	32.5% ✌	31.5% ✌
Export Sales	30.5%	39.1%	30.4%	37.2% ✌	38.5%	24.3%
Business Production						
Production Level	22.6%	34.6%	42.8%	29.3%	33.8% ✌	36.9%
Investment						
Capital Expenditure	47.0%	44.6% ✌	8.4%	48.1%	42.0%	9.9%
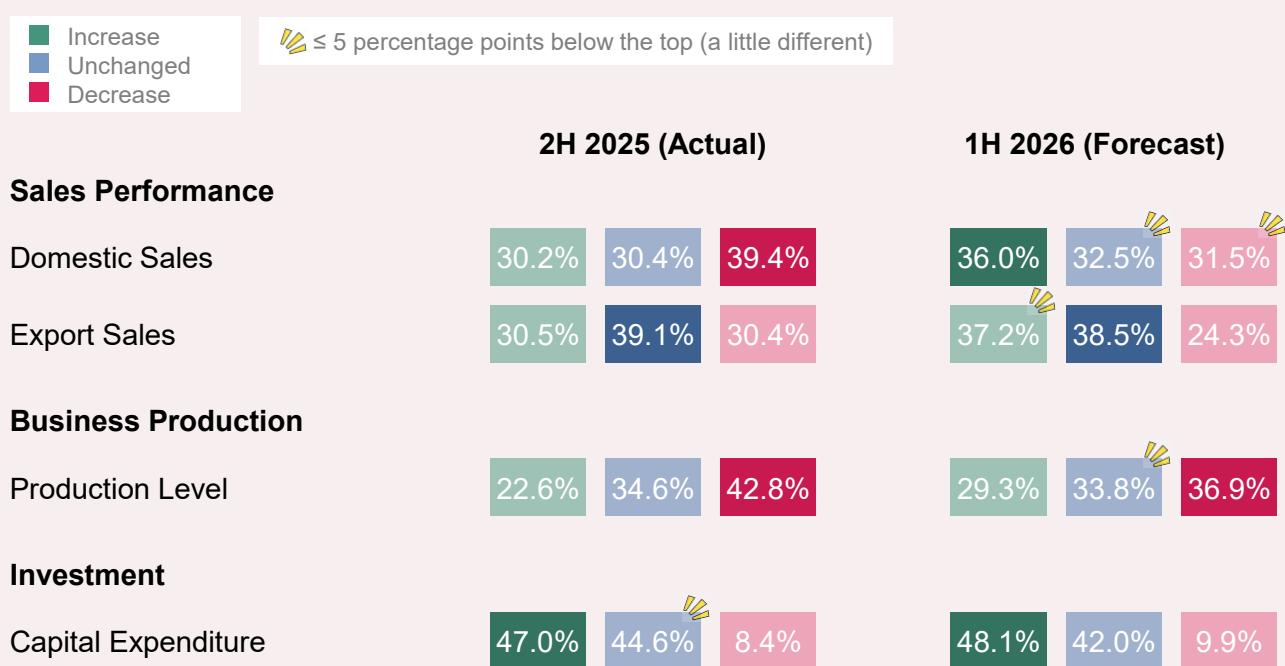
Issue in Sights: Technical and Vocational Education and Training (TVET)

- Only 14.5% of respondents reported hiring graduates with TVET qualifications, while 62.7% have never hired, and 22.8% were unsure.

- The main reasons cited by the respondents for not hiring TVET graduates were lack of suitable positions (56.2% of respondents), limited access to qualified candidates (30.7%), and misalignment between TVET curricula and company needs (23.9%).

- Employers who hired TVET graduates faced manpower constraints, including difficulty sourcing qualified candidates (50.0%), insufficient industry-specific skills (38.8%), and unclear or inadequate government support (33.6%).

- 47.4% of respondents either unaware of or not using available schemes for TVET, reflecting low awareness and utilisation of existing TVET incentives.

- Respondents have proposed the following measures to enhance the effectiveness of TVET development: (a) A one-stop portal for TVET and training incentives (35.1%), (b) Integration of fragmented training platforms (30.0%), and (a) Double tax deduction for hiring certified TVET graduates (29.5%).

62.7%
of respondents **have never hired** graduates with TVET qualifications

Key reasons for not hiring TVET graduates

56.2%	No relevant positions for TVET
30.7%	Limited access to qualified candidates
23.9%	Mismatch between TVET courses and company needs

Government Measures to Encourage the Recruitment of TVET Graduates

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%
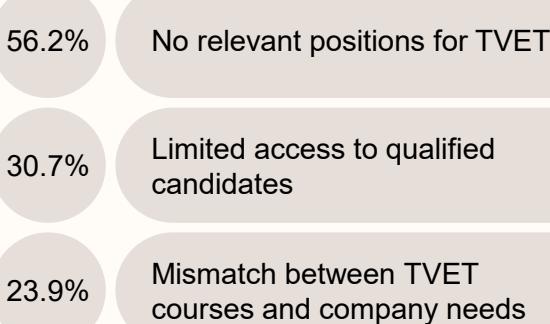
Only 14.5%
of respondents **have ever hired** graduates with TVET qualifications

Key challenges in hiring and training TVET graduates

Difficulty finding qualified candidates	50.0%
Limited industry-specific skills	38.8%
Limited government support or unclear incentives	33.6%

Government incentives utilised for TVET hiring and training

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%

Issue in Sights: Overpaid Corporate Income Tax Refund

- 42.3% of respondents reported overpaying corporate income tax, while 45.9% did not overpay.

- Tax refunds are frequently delayed: 22.3% of respondents waited 7–12 months, 20.6% waited 13–24 months, and 22.9% waited more than 2 years after filing.

- Delayed tax refunds can significantly strain cash flow though the magnitude of impact varies, with 23.2% of respondents reporting significant impact.

- A tax overpayment is more prevalent among the medium (62.3%) and large enterprises (61.8%), while a majority of micro firms reported no overpayment of tax. Some large firms are experiencing prolonged tax refund delays, with 26.2% waiting more than 2 years.

- Businesses propose the following tax refund reforms:

  a. 76.4% favour a maximum refund duration of three months.

  b. 52.6% support lowering the tax estimation threshold to 50% from the current 85%.

  c. 41.6% favour tiered compensation for delayed refunds.

  d. 31.6% prefer compensation linked to Bank Negara Malaysia's overnight policy rate (OPR).

  e. 85.7% support an automatic tax offset mechanism for delayed refunds.

42.3% have overpaid tax

Duration for receiving tax refunds

< 3 months	3-6 months	7-12 months	13-24 months	3-4 years	> 4 years
13.9%	20.3%	22.3%	20.6%	13.0%	9.9%

Impact on cash flow

Slightly 36.2%	Moderately 27.8%
Significantly 23.2%	Not at all 12.8%
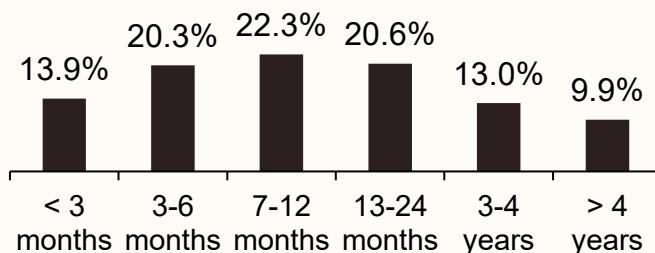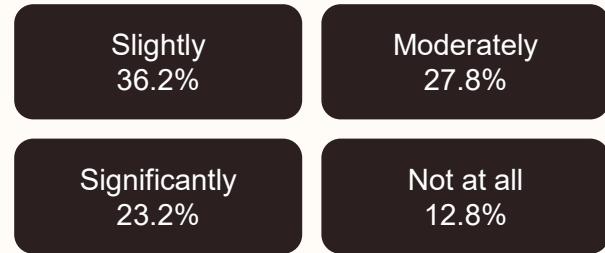
76.4% — Overpaid income tax should be refunded within 3 months

52.6% — Tax estimation threshold should be lower to 50% under CP204 requirement

85.7% — It should have an automatic tax offset mechanism
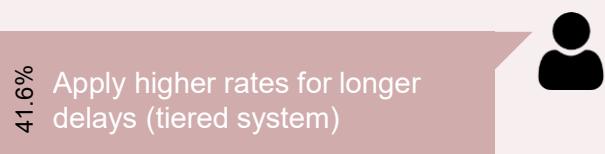
41.6% — Apply higher rates for longer delays (tiered system)
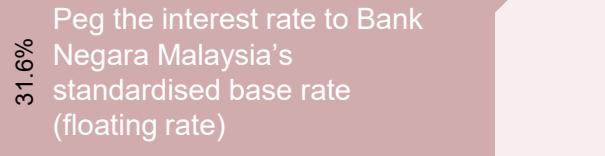
31.6% — Peg the interest rate to Bank Negara Malaysia's standardised base rate (floating rate)

26.8% — Maintain the current fixed 2% interest rate

调查报告摘要

由马来西亚中华总商会（中总）所筹备之《马来西亚商业和经济状况调查》涵盖了**2025年下半年 (7月至12月) 的商业表现以及2026年上半年 (1月至6月) 的预测**。该调查于**2025年12月3日至2026年1月1日**进行，共收到**817份回应**。

整体
临界值 = 100

图例：商业状况指数 (BCI)、商业信心指数 (BSI)；图中标注区间"新冠疫情"及"美国关税"；标注数值 107.3 与 89.0；横轴为 2H 2018 至 1H 2026。
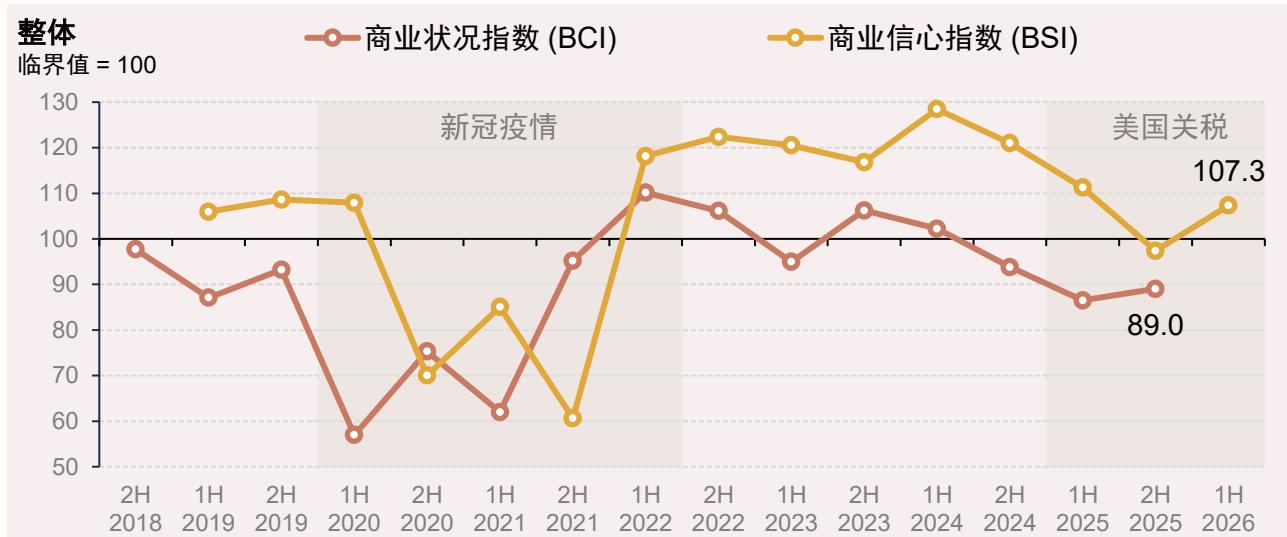
《马来西亚商业和经济状况调查》概述及摘要

- 2025年下半年商业状况指数（BCI）回升至 89.0，显示商业环境出现轻微改善，但仍低于 100 点的临界值。与此同时，商业信心指数（BSI）反弹至 107.3，反映企业对2026年上半年的商业前景持较为正面看法。

- 上述走势与其他相关指标保持一致，包括中小企业信心指数（2025年下半年）及 RAM商业信心指数（2025年第三季度），显示2025年末商业环境逐步缓和，并对2026年初的前景抱有改善预期。

- 尽管前瞻性指标有所改善，但在 2025年全年，整体商业仍然偏向谨慎。其中，分别有 29.3% 及 29.9% 的回复企业对经济状况及商业状况持悲观态度，较2024年有所恶化。

- 在影响2025年下半年企业表现的因素方面，高营运成本仍是最主要的影响因素（54.5%），其次为原料价格上涨（39.5%）及 国内需求下降（33.8%）。

- **2025年下半年和2026年上半年（预测）商业状况评估：**
  - 2025年下半年及2026年上半年，企业现金流状况及应收账款情况整体保持中和。
  - 39.4% 的回复企业表示其国内销售在 2025年下半年出现下滑，相比之下，仅 30.2% 的企业录得销售增长。展望2026年上半年，36.0% 的回复企业预期销售情况将出现温和改善。至于外销表现，整体保持平稳并呈中和展望（2025年下半年：39.1%；2026年上半年：38.5%）。
  - 国内价格在2025年下半年持续上升（42.0% 的回复企业），而预计2026年上半年，将有略高比例的企业（44.2%）认为价格将继续上涨。出口价格在 2025年下半年整体保持中和 (45.6%)，并预计在2026年上半年仍将大致稳定（46.2%），但略带上行倾向。
  - 42.8% 的回复企业表示其产量在2025年下半年出现下降，并预计2026年上半年仍将下滑，但跌幅有所收窄。企业的库存水平整体维持不变，如 43.3% 的回复企业所示。
  - 大多数回复企业反映，其产能利用率偏低，主要集中在 50% 至 74% 的区间。
  - 本地及进口经营成本于2025年下半年均出现上升，并预计相关压力将延续至2026年上半年，但升幅略有缓和。
  - 多数企业（58.5%）维持现有员工规模，与全国劳动力市场整体强劲的状况一致。薪资增长在2025年下半年保持强劲（57.8%），并预计将在2026年上半年持续 (61.8%)。
  - 48.1% 的回复企业预计将在2026年上半年扩大资本支出，反映企业整体投资情绪仍具正面动能。

- 增加
- 没有变化
- 减少

⚡ 比最高点低不超过5个百分点（略低）

	2025下半年（实际）			2026上半年（预测）		
业务表现						
国内销售额	30.2%	30.4%	39.4%	36.0%	32.5% ⚡	31.5% ⚡
出口销售额	30.5%	39.1%	30.4%	37.2% ⚡	38.5%	24.3%
商业生产						
产量	22.6%	34.6%	42.8%	29.3%	33.8% ⚡	36.9%
投资						
资本支出	47.0%	44.6% ⚡	8.4%	48.1%	42.0%	9.9%
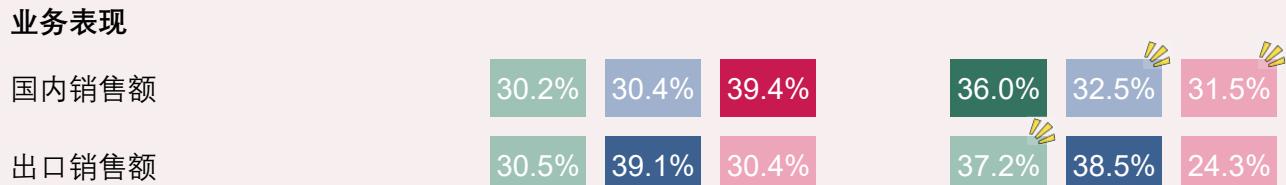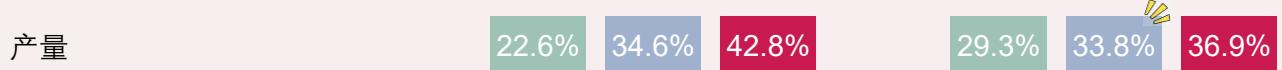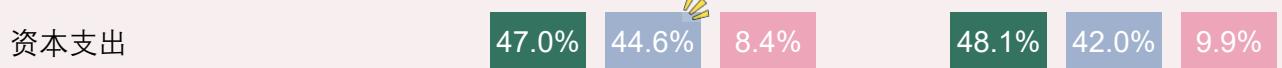
当前课题：技术与职业教育培训（TVET）

- 仅有 14.5% 的回复企业表示曾聘用具备技术与职业教育培训（TVET）资质的毕业生，而 62.7% 的企业从未聘用过，另有 22.8% 的回复者表示不确定。

- 回复企业未聘用TVET毕业生的主要原因包括：没有适合TVET毕业生的相关职位（56.2%）、难以接触合格人选（30.7%），以及 TVET 课程内容与公司需求不匹配（23.9%）。

- 已聘用TVET毕业生的雇主在用人方面亦面临人力相关挑战，主要包括：难以找到合格人选（50.0%）、毕业生行业特定技能有限（38.8%），以及 政府支持不足或激励措施不明确（33.6%）。

- 此外，47.4% 的回复企业表示对现有TVET相关计划不知情或未曾使用，反映企业对现有TVET激励措施的认知度与使用率偏低。

- 为提升TVET发展的成效，回复企业提出以下建议措施：(a) 建立TVET/ 培训激励的一站式网站 (35.1%)；(b) 将所有培训与技能提升平台整合为一（30.0%）；(c) 对聘用认证的TVET毕业生提供双重税务减免（29.5%）。

62.7%
的受访企业**从未聘用**具备技职教育与培训 (TVET) 资质的毕业生

未聘用技职教育与培训（TVET）毕业生的主要原因

56.2%	没有适合 TVET毕业生的相关职位
30.7%	难以接触到合格候选人
23.9%	TVET 课程与公司需求不匹配

鼓励聘用技职教育与培训 (TVET) 毕业生的政府措施

建立 TVET / 培训激励的一站式网站	35.1%
将所有培训与技能提升平台整合为一	30.0%
对聘用认证的TVET 毕业生提供双重税务减免	29.5%

仅14.5%
的受访企业**曾聘用**具备技职教育与培训 (TVET) 资质的毕业生

聘用及培训技职教育与培训（TVET）毕业生所面对的主要挑战

难以找到合格人选	50.0%
毕业生行业特定技能有限	38.8%
政府支持不足或激励措施不明确	33.6%

企业在聘用及培训技职教育与培训 (TVET) 毕业生方面所使用的政府激励措施

没有 / 不知道	47.4%
利用人力资源发展征费 (HRD Corp Levy) 培训员工	26.7%
利用人力资源发展征费 (HRD Corp Levy) 补助毕业生薪资	25.0%

当前课题：公司税多缴退款

- 共有 42.3% 的回复企业表示曾出现公司所得税多缴情况，而 45.9% 的企业则未出现多缴税款的问题。

- 公司所得税退税普遍存在延误现象：其中 22.3% 的回复企业在申报后需等待 7 至 12 个月，20.6% 需等待 13 至 24 个月，另有 22.9% 的企业等待时间超过 2 年。

- 税款退还延误对企业现金流造成显著压力，尽管影响程度因企业而异，但仍有 23.2% 的回复企业表示延误对其现金流产生重大影响。

- 从企业规模来看，公司所得税多缴情况在中型企业（62.3%）及大型企业（61.8%）中更为普遍，而多数微型企业则表示未出现多缴税款的情况。值得关注的是，部分大型企业正面临长期退税延误的问题，其中 26.2% 的大型企业需等待两年或以上才能获得退税。

- 针对税务退税机制的改革，回复企业提出以下建议：

  a. 76.4% 支持将退税最长期限设定为 3 个月；

  b. 52.6% 支持将现行 85% 的预估税门槛下调至 50%；

  c. 41.6% 赞成对退税延误实行分级补偿机制；

  d. 31.6% 偏好将补偿利率与马来西亚国家银行隔夜政策利率（OPR）挂钩；

  e. 85.7% 支持对退税延误设立自动税款抵扣机制。

42.3% 的受访企业曾出现多缴税款的情况

收到全额退税的时长

13.9%	20.3%	22.3%	20.6%	13.0%	9.9%
< 3 个月	3-6 个月	7-12 个月	13-24 个月	3-4 年	> 4 年

对现金流的影响程度

轻微影响 36.2%	中度影响 27.8%
显著影响 23.2%	完全没有影响 12.8%
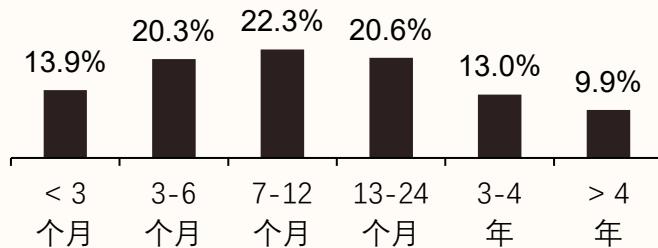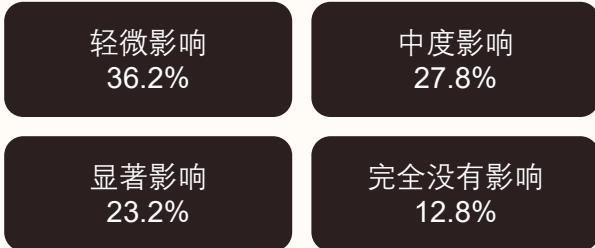
76.4% — 多缴的公司所得税应在 3 个月内完成退还

52.6% — 在 CP204 预估税制度下，应将税额估算门槛下调至 50%

85.7% — 应设立自动化税款抵扣机制

41.6% — 逾期越久，利率越高（分层制度）

31.6% — 将利率与国家银行标准化基本利率挂钩（浮动利率）

26.8% — 维持目前固定利率 2%
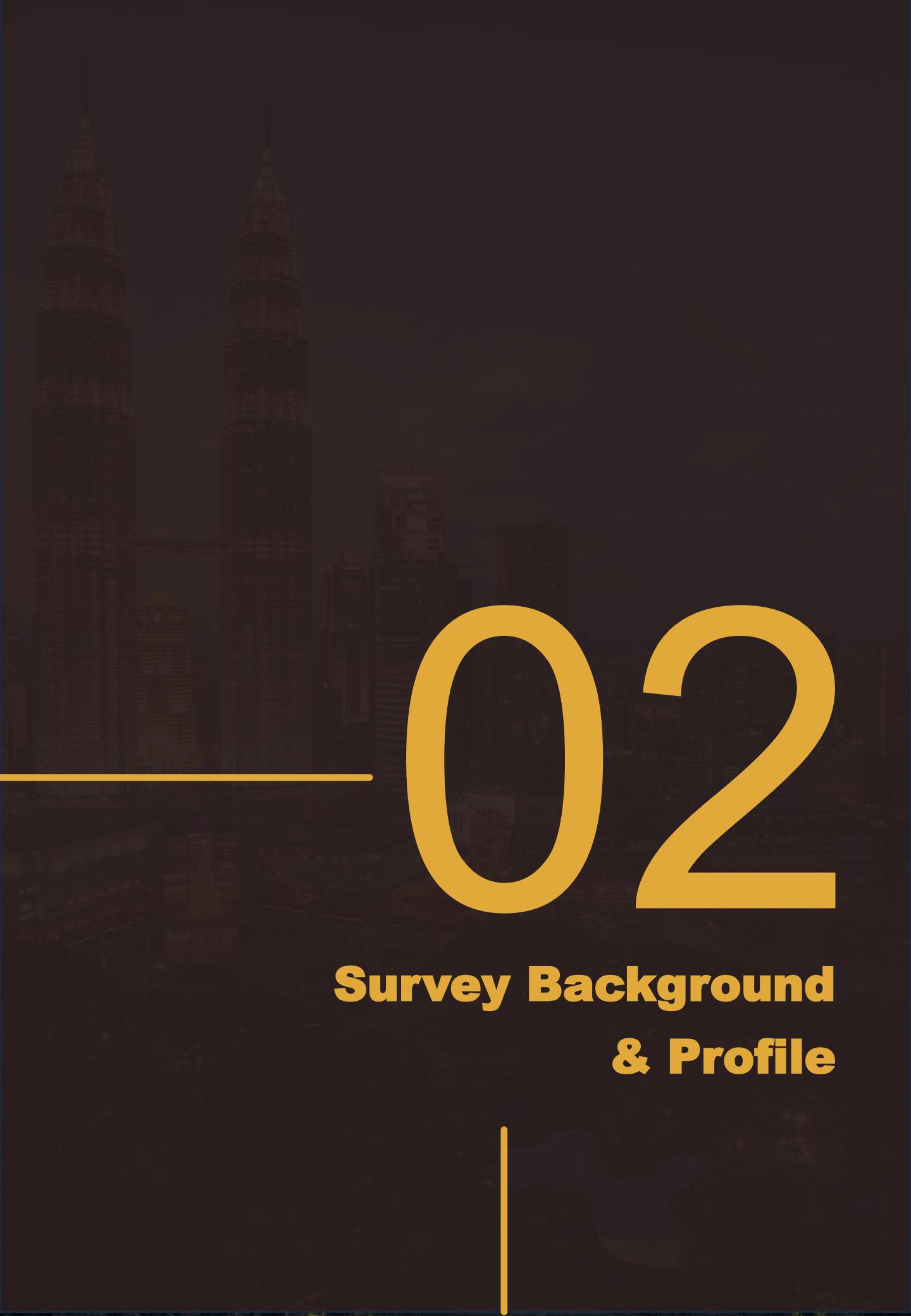
02

Survey Background & Profile

About the Survey

Malaysia's Business and Economic Conditions Survey (M-BECS), which is conducted biannually by the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), has been a key business sentiment gauge since 1992. **Renamed in 2019, M-BECS is a good barometer to offer collective assessment and expectations of the Malaysian Chinese business community concerning domestic economic and business conditions.**

This report covers business performance for the period of Jul-Dec 2025 (2H 2025) and expectations for Jan-Jun 2026 (1H 2026). The survey comprises two main focus areas:

- Business Conditions and Sentiment
- Current Business Issues

M-BECS plays a complementary role to other national and private sector surveys, offering business-grounded feedback to policymakers. The survey's responses are used as inputs to offer specific and actionable insights and prepare policy recommendations for submission to the Government, while also serving as a valuable reference for both public and private stakeholders.

Starting in 2025, M-BECS has introduced two new measures, namely Business Condition Index (BCI) and Business Sentiment Index (BSI). The BCI captures key trends in current business performance, while the BSI reflects businesses' expectations. Both indices use equally weighted component indicators to ensure clarity, consistency, and comparability.

Survey Coverage and Methodology

The survey was distributed nationwide via SurveyMonkey and physical forms through ACCCIM's wide network of 17 Constituent Members, 35 Associate Members and other associations. Respondents include a broad spectrum of businesses across sectors and different operational sizes, representing a significant portion of the Chinese business community in Malaysia.

The questionnaire comprises three sections:

- **Section A: Respondents and Business Profile** – business activity, sales markets, workforce composition
- **Section B: Business Assessment** – assessment of factors affecting performance and overall outlook
- **Section C: Current Issues** – Technical and Vocational Education and Training (TVET), and Overpaid Corporate Income Tax Refund

A total of 817 responses were received throughout **the survey period (3 December 2025 to 1 January 2026)**, covering a broad representation of the economy.

Further details on the survey sample, question structure, and methodology are provided in **Appendix 1**.

Profile of Survey Respondents

% of respondents

By economic sector
Sample size = 817

	MSMEs	Large
Services (67.2%)	92.5%	7.5%
Manufacturing (15.9%)	87.7%	12.3%
Construction (12.2%)	89.0%	11.0%
Agriculture, forestry, and fisheries (4.0%)	93.9%	6.1%
Mining and quarrying (0.7%)	66.7%	33.3%

By size of business operations[1]
Sample size = 817

Large 8.8%
Micro 28.3%
Medium 13.5%
MSMEs 91.2%
Small 49.4%
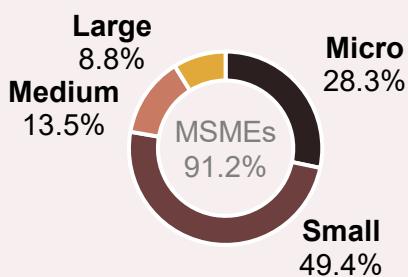
By sales orientation[2]
Sample size = 817

Export-market 7.1%
Domestic-market 92.9%
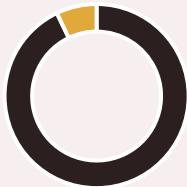
Note: Numbers may not add up to 100.0% due to rounding, which is also applied to the rest of the report.
[1] A business will be deemed as an SME if it meets either one of the two specified qualifying criteria, namely sales turnover or full-time employees, whichever is lower, as endorsed by the National SME Development Council (NSDC) and published by SME Corporation Malaysia in 2013. For a detailed definition, please refer to Appendix 2.
[2] Domestic-market orientation indicates that at least 50% of total sales are generated from the domestic market; Export-market orientation indicates more than 50% of sales are generated from overseas markets.

Professional and business services (17.3%)
MSMEs 95.7%   Large 4.3%

Wholesale and retail trade (incl. repair of motor vehicles) (15.4%)
MSMEs 92.1%   Large 7.9%

Hotels, restaurants, recreation, and entertainment (6.9%)
MSMEs 94.6%   Large 5.4%

Trading (imports and exports) (5.8%)
MSMEs 89.4%   Large 10.6%

Financial and insurance (5.0%)
MSMEs 90.2%   Large 9.8%

Real estate (4.9%)
MSMEs 87.5%   Large 12.5%

Information and Communications Technology (ICT) (3.8%)
MSMEs 90.3%   Large 9.7%

Health and education (3.8%)
MSMEs 93.5%   Large 6.5%

Transportation, forwarding, and warehousing (3.2%)
MSMEs 88.5%   Large 11.5%

Electricity and water supply (1.1%)
MSMEs 100.0%   Large 0.0%

03

Business Condition & Sentiment Tracker

Business Condition Index & Business Sentiment Index

Overall
Base = 100

Legend: —○— Business Condition Index (BCI)   —○— Business Sentiment Index (BSI)

COVID-19

US Tariff

107.3

89.0

(X-axis: 2H 2018, 1H 2019, 2H 2019, 1H 2020, 2H 2020, 1H 2021, 2H 2021, 1H 2022, 2H 2022, 1H 2023, 2H 2023, 1H 2024, 2H 2024, 1H 2025, 2H 2025, 1H 2026)

Industry
Base = 100

111.5

83.1

(X-axis: 1H 2022, 1H 2023, 1H 2024, 1H 2025, 1H 2026)

Construction
Base = 100

120.8

117.5

(X-axis: 1H 2022, 1H 2023, 1H 2024, 1H 2025, 1H 2026)

Wholesale and Retail Trade
Base = 100

88.7

77.4

(X-axis: 1H 2022, 1H 2023, 1H 2024, 1H 2025, 1H 2026)

Services
Base = 100

111.4

100.3

(X-axis: 1H 2022, 1H 2023, 1H 2024, 1H 2025, 1H 2026)

Note: Please refer to Appendix 1 for the methodology. Industry includes agriculture, mining, manufacturing, and the electricity and water supply; services include all services except for wholesale and retail trade, and electricity and water supply. Business Condition Index (BCI) captures the current and past performance, while Business Sentiment Index (BSI) captures the future outlook.

Economic Conditions and Prospects

Chart legend: ■ Better ■ Neutral ■ Worse

Year	Worse	Neutral	Better
2022	21.6	64.3	14.1
2023	27.5	57.0	15.5
2024	24.6	58.1	17.3
2025 (E)	29.3	62.3	8.4
2026 (F)	32.4	45.6	22.0
2H 2025	32.0	57.8	10.2
1H 2026	29.5	54.1	16.4
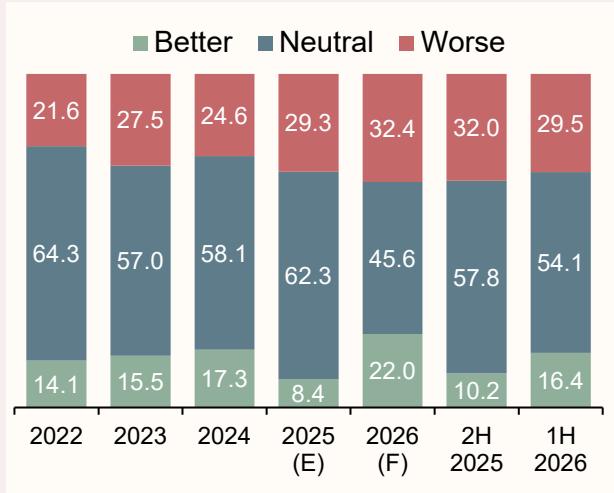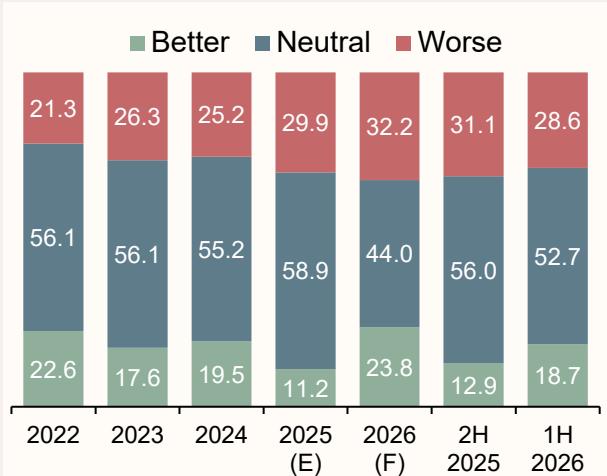
E=Estimation; F=Forecast

Business Conditions and Prospects

Chart legend: ■ Better ■ Neutral ■ Worse

Year	Worse	Neutral	Better
2022	21.3	56.1	22.6
2023	26.3	56.1	17.6
2024	25.2	55.2	19.5
2025 (E)	29.9	58.9	11.2
2026 (F)	32.2	44.0	23.8
2H 2025	31.1	56.0	12.9
1H 2026	28.6	52.7	18.7

- 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.

- Both indices are broadly aligned with other reference indicators, including the SME Sentiment Index for 2H 2025 and the RAM BCI for 3Q 2025. Collectively, these measures point to a gradual easing of business conditions in 2H 2025 and better expectations for 1H 2026 amid persistent concerns surrounding the US tariff developments and other external uncertainties.

- Notwithstanding these positive signals, overall business sentiment remains cautious. In 2025, 29.3% and 29.9% of respondents have expressed pessimism regarding economic conditions and business conditions, respectively, marking further deterioration compared with 2024.

- Although the government has implemented economic reforms and regulatory changes to steer the economy towards a more sustainable trajectory, such as through targeted subsidy rationalisation, weak policy communication and limited implementation lead time have resulted in significant operational challenges.

- Throughout 2025, several cost-related measures were introduced, including the expanded and rate adjustments of the Sales Tax and Service Tax (SST), increases in Port Klang tariffs, higher minimum wages, stricter enforcement measures for heavy vehicles, mandatory EPF contributions for foreign workers, electricity tariffs and subsidy rationalisation. As a result, high operating costs remained as the most significant factor negatively affecting businesses in 2H 2025 (54.5%), followed by higher prices of raw materials (39.5%) and weaker domestic demand (33.8%).

- Industry (which includes agriculture, mining, manufacturing, and the electricity and water supply) and the wholesale and retail trade sector recorded weaker BCI readings, although expectations are expected to improve in 1H 2026. In contrast, the construction sector registered strong positive momentum in 2H 2025 and 1H 2026, partly supported by the implementation of ongoing and new public infrastructure and transportation projects, as well as continued private investment upcycle.

Factors Affecting Business Performance in 2H 2025

#1 High operating cost

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%

#6 Regulatory change

30.0%

#7 Cash flow problem

29.8%

#8 Political climate

27.6%

#9 Skilled manpower shortage

26.8%

#10 Rising bad debts & delayed receivables

25.9%

1 - High operating cost

- High operating costs remained the most frequently cited factor weighing on business performance in 2H 2025, as indicated by 54.5% of respondents.

- Operating costs is a major concern, reported by more than 60% of respondents in the agriculture sector, forestry and fisheries (69.7%), hotels, restaurants, recreation and entertainment (63.6%), and manufacturing sector (60.9%).

- In 2025, businesses are operating in a markedly higher cost environment following the full implementation of the RM1,700 minimum wage and the introduction of mandatory 2% EPF contributions for non-citizen workers, which have permanently raised labour costs. The planned multi-tier foreign workers' levy in 2026 will add to employment costs.

- Other cost pressures emanated from the expansion of service tax to include rental charges, phased increases in Port Klang tariffs, electricity tariffs and the rationalisation of petrol subsidies.

- E-invoicing implementation was phased in on 1 Jul 2025 for firms with an annual turnover of RM5 million to RM25 million, and on 1 Jan 2026 for firms with RM1 million to RM5 million turnover (with a one-year grace period). Firms with a turnover below RM1 million are exempted, helping to ease compliance costs for micro and small enterprises.

- While the recalibration of some tax-related measures in early January 2026 provides some relief to MSMEs, businesses would continue to manage sustaining higher structural costs and more complex cost pressures heading into 2026.

Recalibration of tax-related measures in 2026 (Source: Prime Minister's speech and the MoF's press statement [dated 5 Jan 2026])

Service Tax on rental or leasing services (effective 1 Jan 2026)

Rate reduced from 8% to 6%

SMEs exemption threshold increased from RM1.0 million to RM1.5 million

Newly established SMEs tenants exempt for one year from registration date

Sales Tax for manufacturers (effective 1 Jan 2026)

Exemption on raw materials and critical inputs for livestock and agricultural products (e.g., animal feed, fertiliser, pesticide)

Construction services – Non-reviewable contracts

Service Tax exemption for contracts signed before 1 July 2025 extended to 30 June 2027

Construction of places of worship (effective 1 July 2025)

Full Service Tax exemption for construction of religious and spiritual sites (e.g., suraus, mosques, temples, churches, shrines)

Stamp duty

Voluntary disclosure program for six months: 1 Jan 2026 – 30 Jun 2026

e-Invoicing

12-month interim relaxation period for taxpayers (until 31 Dec 2026) with an annual turnover of up to RM5 million

Allow the issuance of consolidated e-Invoices for wholesale and retailers of construction materials for any single transaction with a value not exceeding RM10,000

Income tax exemption – Section 44(6) ITA

IOFs can apply for extension within six months of expiry; automatic 10-year extension for IOFs expiring before 31 Dec 2025 with audit report submission.

CP500 – Instalment payment for individuals

One-year transition period with no penalties; employment-only taxpayers not required to comply but should update YA 2025 reporting.

2 - Increase in prices of raw materials

- Rising raw material prices remained the second most adverse factor (39.5%), with the impact most pronounced in the construction sector (66.0%).

- 67.8% of respondents reported higher local input costs in 2H 2025, with 27.9% experiencing increases of more than 10%.

- Increases in raw material prices are expected to persist, as 65.9% of respondents foresee further increases in local input costs in 1H 2026.

●●●

3 - Lower domestic demand

- Lower domestic demand ranked third (33.8%), up from sixth in the previous survey.

- Slower consumer spending was most pronounced in the wholesale and retail trade sector, cited by 50.0% of respondents. This shift in demand reflected changing consumer behaviour and weaker consumer sentiment, which was highlighted as the fourth and fifth most significant influences, respectively in the survey.

- The manufacturing sector registered slower growth as reflected by 46.9% of respondents citing lower domestic demand was a contributory factor. Companies have slowed down production and restrained production plans, adjusting to softer demand.

- Amid a challenging external demand, domestic demand will continue to anchor overall economy, underpinned by a strong labour market, continued wage growth, robust tourism activity, and continued income support such as RM15 billion cash handouts.

●●●

4 - Declining business & consumer sentiment

- Declining business and consumer sentiment was cited by 32.8% of respondents, particularly in the wholesale and retail trade (45.2%), reflecting cautious domestic spending amid rising costs and global uncertainties.

- Price pressures stemmed from the expansion of the Sales Tax and Service Tax (SST), RON95 subsidy rationalisation for non-subsidised users, mandatory EPF contributions for foreign workers, and stricter enforcement on commercial vehicles.

- Persistent global uncertainties and geopolitical concerns are causing firms to adopt more cautious attitudes, restrain production, delay investing and hiring amid weaker demand.

●●●

5 - Changing consumer behaviour

- Changing consumer behaviour was voted by 32.6% of respondents, down from 37.3% (third-ranked) in the previous survey, with the trading sector most affected (51.1%), followed by the wholesale and retail trade (48.4%).

- This reflected a shift towards more value-conscious and needs-based spending as households adjust to higher cost of living and tighter budgets even with cash assistance under STR and SARA.

- Greater use of e-commerce, digital payments, and price-comparison tools have intensified competition and shifted purchasing patterns, reducing footfall in physical stores and prompting firms to recalibrate product mix, pricing, and sales channels to keep pace with evolving consumer preferences.

●●●

1 Historical Tracker (Rank)

Left labels (top to bottom):
- Increase in prices of raw materials
- High operating cost
- Changing consumer behaviour
- Lower domestic demand
- Declining business & consumer sentiment

Right labels (top to bottom):
- High operating cost
- Increase in prices of raw materials
- Lower domestic demand
- Declining business & consumer sentiment
- Changing consumer behaviour

X-axis: 2H 2021 | 1H 2022 | 2H 2022 | 1H 2023 | 2H 2023 | 1H 2024 | 2H 2024 | 1H 2025 | 2H 2025

2 Factors 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%)

ACCCIM M-BECS 2H2025 & 1H2026F

Business Assessment

🟡 ≤ 5 percentage points below the top (a little different)

	2H 2025 (Actual)			1H 2026 (Forecast)		

Business Management

| 1 - Cash Flow Conditions | 8.1% | 69.1% | 22.8% | 13.8% | 63.6% | 22.6% |
| 2 - Debtors' Conditions | 4.7% | 70.8% | 24.5% | 7.8% | 66.8% | 25.4% |

Sales Performance

| 3 - Domestic Sales | 30.2% | 30.4% | 39.4% | 36.0% | 32.5% 🟡 | 31.5% 🟡 |
| 4 - Export Sales | 30.5% | 39.1% | 30.4% | 37.2% 🟡 | 38.5% | 24.3% |

Price Levels

| 5 - Domestic Price | 42.0% | 35.5% | 22.5% | 44.2% | 35.9% | 19.9% |
| 6 - Export Price | 22.3% | 45.6% | 32.1% | 26.7% | 46.2% | 27.1% |

Business Production
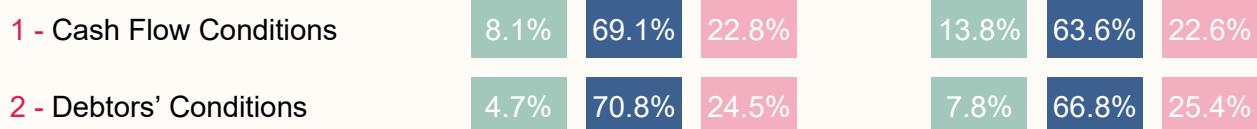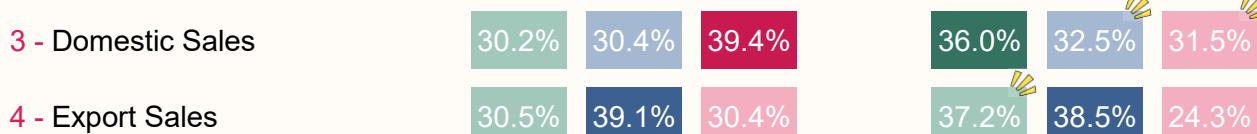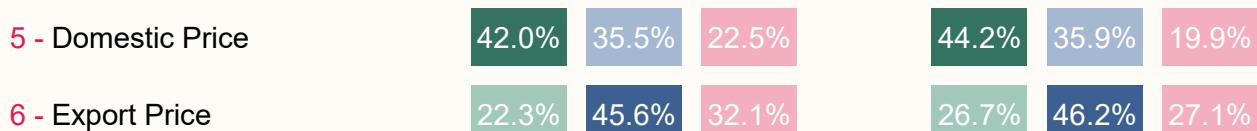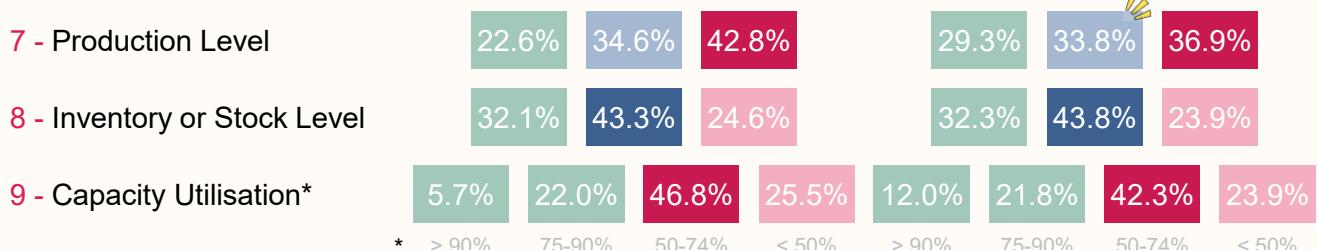
| 7 - Production Level | 22.6% | 34.6% | 42.8% | 29.3% | 33.8% 🟡 | 36.9% |
| 8 - Inventory or Stock Level | 32.1% | 43.3% | 24.6% | 32.3% | 43.8% | 23.9% |

| 9 - Capacity Utilisation* | 5.7% | 22.0% | 46.8% | 25.5% | 12.0% | 21.8% | 42.3% | 23.9% |
| | > 90% | 75-90% | 50-74% | < 50% | > 90% | 75-90% | 50-74% | < 50% |

Cost of Inputs**

| 10 - Local | 7.2% | 25.0% | 67.8% | 7.9% | 26.2% | 65.9% |
| 11 - Imported | 10.7% | 41.5% | 47.8% | 10.8% | 43.6% 🟡 | 45.6% |
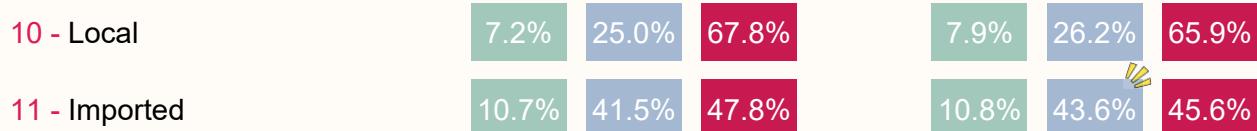
** Decrease / Unchanged / Increase

Manpower

| 12 - Number of Employees | 29.2% | 58.5% | 12.3% | 33.4% | 55.4% | 11.2% |
| 13 - Wage Growth | 57.8% | 39.1% | 3.1% | 61.8% | 34.6% | 3.6% |

Investment

| 14 - Capital Expenditure | 47.0% | 44.6% 🟡 | 8.4% | 48.1% | 42.0% | 9.9% |
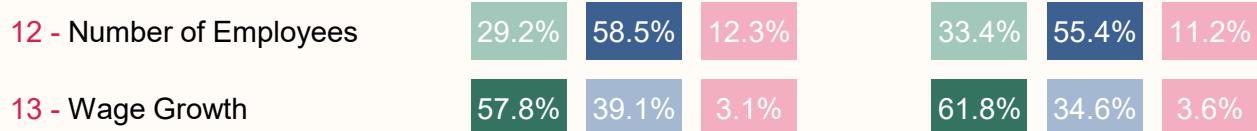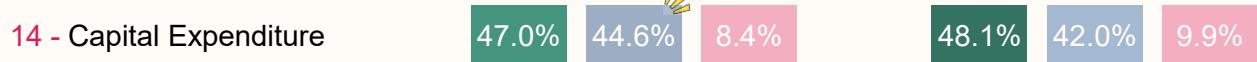
■ Assessments

- Cash flows and debtor conditions remained broadly neutral in 2H 2025 and 1H 2026.

- Domestic sales have declined in 2H 2025 as reported by 39.4% of respondents, compared with 30.2% have recorded an increase in sales. For 1H 2026, 36.0% of the respondents expect a modest improvement in sales conditions, while foreign sales were flat with a neutral outlook (2H 2025: 39.1%; 1H 2026: 38.5%).

- Domestic prices have increased in 2H 2025 (42.0%) and will continue to increase in 1H 2026 (44.2%). Export prices were broadly neutral in 2H 2025 (45.6%) and are expected to remain largely stable in 1H 2026 (46.2%), with a slight upward bias.

- Production has declined in 2H 2025 (42.8%) and is expected to decline, albeit at a smaller magnitude in 1H 2026. Businesses' inventory levels remained broadly unchanged (43.3%). Most respondents also reported relatively low capacity utilisation, largely within the 50%–74% range.

- Cost of both local (67.8%) and imported inputs (47.8%) have increased in 2H 2025 and are expected to persist in 1H 2026, though at a slightly lower magnitude.

- Most businesses (58.5%) maintained their manpower, while wage growth remained strong in 2H 2025 (57.8%) and is expected to persist into 1H 2026 (61.8%).

- Businesses (48.1%) are expected to expand their capital expenditure in 1H 2026, signalling positive investment sentiment.

■ Discussion

- Overall, domestic business conditions and prospects are shaped by a combination of domestic policy adjustments and evolving external developments.

- The year 2025 was characterised by heightened external volatility amid rising operating costs. Domestically, cost pressures stemmed from the expansion of the SST, rationalisation of RON95 fuel subsidies, a phased implementation of e-invoicing, restructured electricity tariffs, and labour-related measures, including higher minimum wage and mandatory EPF contributions for non-citizen workers. Externally, geopolitical tensions, protectionist policies, supply-chain disruptions, and the impact of the US tariffs on Malaysian goods added uncertainty, weighing on business sentiment and trade.

- The lingering effects of these pressures are expected to influence business operations and cost structures in 2026. Domestic demand will continue to anchor the economy, supported by resilient consumer demand, investment, and targeted fiscal support, as well as less restrictive monetary policy. Continued wage growth, salary adjustments for civil servants, as well as income supportive measures such as STR and SARA, will sustain households' discretionary spending. Private investment upcycle will continue in the services, manufacturing, and construction sectors. Exports prospects remain cautious due to ongoing tariff policy uncertainty.

- Businesses are cautiously optimistic about business conditions for 2026. While businesses expect softer external sales, financial conditions are generally expected to remain stable despite persistently higher costs. Businesses' continued intention to expand capital expenditure underscores positive sentiment and confidence in Malaysia's economic growth and investment prospects.

04

Current Issues:
Technical and Vocational Education and Training (TVET)

Comparative Performance of TVET and Non-TVET Graduates

	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%

Government Measures to Encourage the Recruitment of TVET Graduates

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

62.7%
of respondents **have never hired** graduates with TVET qualifications

22.8%
were **unsure** whether they had done so

Key reasons for not hiring TVET graduates
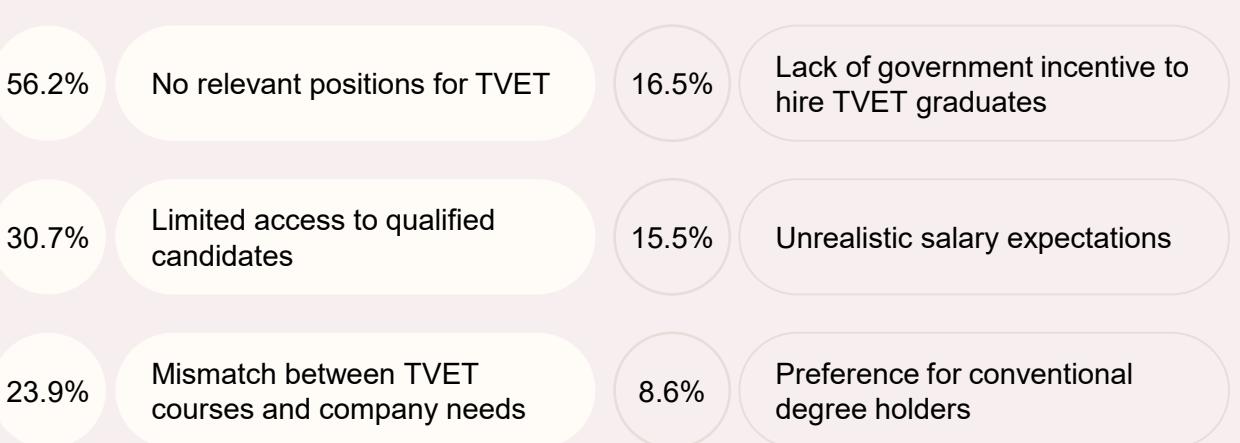
56.2%	No relevant positions for TVET	16.5%	Lack of government incentive to hire TVET graduates
30.7%	Limited access to qualified candidates	15.5%	Unrealistic salary expectations
23.9%	Mismatch between TVET courses and company needs	8.6%	Preference for conventional degree holders

14.5%
of respondents **have ever hired** graduates with TVET qualifications

Overall ratings

Poor   Fair   Good   Excellent

Have ever hired TVET graduates

	Poor	Fair	Good	Excellent
1. Overall quality of TVET institutions	6.0%	47.4%	38.8%	3.4%
1.1 Industry exposure provided to TVET students	7.8%	50.9%	31.9%	5.2%
1.2 Collaboration between TVET institutions and industry	14.7%	40.5%	31.9%	5.2%
2. Work performance of TVET graduates	6.0%	47.4%	37.9%	1.7%
2.1 Relevance of TVET graduates' skills to company needs	7.8%	44.8%	38.8%	2.6%
3. Quality of TVET-related training by national agency	13.8%	42.2%	27.6%	2.6%
4. Quality of TVET-related training by private institutions	3.4%	41.4%	42.2%	2.6%

100%   50%   0%   50%   100%

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

Key challenges in hiring and training TVET graduates

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 incentives utilised for TVET hiring and training

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%

Technical and Vocational Education and Training (TVET)

Background

- Technical and vocational education and training (TVET) is a major focus in Malaysia's manpower development agenda. In the 13th Malaysian Plan, several initiatives have been introduced to strengthen the TVET ecosystem, including the development of a dedicated TVET legislation, the establishment of a National TVET Commission, and the introduction of a rating system for TVET institutions. Budget 2026 also allocated RM7.9 billion for TVET.

- Historically, TVET training, certification, and delivery were governed by multiple ministries and agencies. The establishment of National TVET Council in 2020 marked an important step towards high-level policy coordination. Despite some progress, the TVET ecosystem remains operationally fragmented, particularly in the programmes delivery, industry engagement, financing mechanisms, and information accessibility.

- Demand for technicians and skilled workers has grown across the manufacturing, services, and emerging industries. TVET is increasingly positioned as an alternative pathway to traditional degree education, with a stronger emphasis on occupational competence and applied skills. Nevertheless, weak public-industry-academia coordination and unclear differentiation between qualification pathways limit its effectiveness in meeting market needs.

- To address these challenges, the government has amended National Skills Development Act to expand the scope of TVET and strengthen industry integration. Financing mechanisms have also been consolidated to better support advanced TVET programmes. In addition, the Cabinet's approval has been granted for the establishment of National TVET Commission to centralise regulations and standard-setting in the skills sector, in line with the 13th Malaysian Plan. However, most of these reforms will only take effect over the next few years.

The survey findings showed that...

- Lower employment of TVET graduates. Only 14.5% of respondents reported hiring graduates with TVET qualifications, while 62.7% indicated that they have never hired, and 22.8% were unsure. Among the employers who did not hire TVET graduates, the main reasons cited were the absence of relevant positions (56.2%), limited access to qualified candidates (30.7%), and a perceived mismatch between TVET courses and company needs (23.9%).

- These findings point to three interrelated concerns. First, many employers may not clearly distinguish between TVET graduates (such as engineering technicians) and non-TVET graduates (such as engineers), particularly when recruiting for technical or operational roles. As a result, TVET graduates may be absorbed into the workforce without being explicitly recognised as such, or may be overlooked altogether due to unclear acknowledgement of qualifications.

- Second, there appears to be a mismatch between the overall supply of TVET graduates and industry demand across different fields, reflecting uneven alignment between training provision and sectoral needs. Third, even within the same occupational fields, gaps persist between the skills taught by training institutions and those required by employers, particularly in industry-specific applications.

TVET performance in Malaysia

- According to the Graduate Tracer Study Report 2024, the overall employment rate of TVET graduates (excluding MTUN) stood at 95.0%, a slight increase from 94.8% in 2023. Most graduates are concentrated in the field of engineering, manufacturing, and construction (64.2%), followed by business, administration and law (10.0%), and services (9.5%).

- In terms of employment, 63.5% of graduates work in local companies, followed by 12.6% in the gig economy and 10.1% in multinational companies. By sector, 71.5% are employed in the services and 17.2% in the manufacturing sector.

- Despite relatively high placement in the mid- and high-skill roles (45.6% and 46.4% respectively), most TVET graduates have remained in low wage brackets. Diploma holders typically earn between RM1,000 and RM2,000 per month, while those with bachelor's and advanced diploma qualifications earn between RM2,000 and RM3,000 per month.

- Based on survey results, employers' perceptions of TVET graduates' performance are slightly positive overall. Employers generally assess TVET graduates to perform on par with non-TVET graduates, with relatively stronger performance in technical skills, theoretical knowledge, analytical and problem-solving capabilities, and teamwork.

- Aggregate employers' ratings further suggest that Malaysia's TVET ecosystem performs at a fair-to-good level across key indicators, indicating a broadly satisfactory standard of training delivery.

Monthly income of TVET graduates in 2024

%	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-RM5,000	3.2	7.1	0.8	0.5	1.0
RM5,001-RM10,000	0.6	2.7	0.7	0.8	1.6
>RM10,000	0.6	0.4	0.1	0.1	0.5

Graduate employment by skill levels in 2024

Skilled 46.4%	Semi-Skilled 45.6%	Low-Skilled 8.0%

Source: Graduate Tracer Study Report 2024

Reconciling employer behaviour and labour market outcomes

- 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. While TVET graduates are largely absorbed into employment, hiring patterns indicate that recruitment is often driven by immediate job requirements rather than explicit recognition of TVET qualifications as a distinct skills pathway.

- On the employer side, limited differentiation between TVET and non-TVET qualifications reduces the visibility of TVET graduates in recruitment processes. From the training system perspective, inconsistencies in curriculum alignment, certification standards, and inadequate industry engagement weaken employers' confidence that TVET qualifications consistently possess job-ready competencies across institutions and fields, especially with the rapid development of AI.

- This dual challenge helps explain why employers indicated difficulty in sourcing qualified candidates (50.0%) and concerns over limited industry-specific skills (38.8%) despite employers are generally have positive assessment of TVET graduates performance. In practice, graduates who meet firm-specific needs tend to perform well, but uneven alignment between training outcomes and industry standards increases search costs and discourages systematic TVET-based recruitment.

- These findings highlight the importance of strengthening collaboration between training providers and industry to ensure that skills development is continuously aligned with evolving occupational standards. More structured industry participation in curriculum design, assessment, certification, and workplace exposure would help improve graduates' competencies, enhance employers' confidence, and support more intentional hiring of TVET graduates.

Although the government provides various incentives to support TVET hiring and training, the awareness and utilisation were low. Almost half of respondents (47.4%) were either unaware of these incentives or did not use them, with relatively low take-up of schemes such as HRD Corp levy for employees' training (26.7%) and HRD Corp levy for graduates' salary support (25.0%), while other schemes recorded participation even lower than 25.0%.

To strengthen the TVET ecosystem, respondents have emphasised the need for better policy integration and delivery. Over one-third (35.1%) supported the creation of a one-stop portal consolidating TVET- and training-related incentives, while 30.0% called for an integration of fragmented training and upskilling platforms administered by different agencies. Meanwhile, 29.5% supported the introduction of double tax deduction for hiring certified TVET graduates.

Beyond structural and fiscal measures, a sequencing and communication of reforms remain critical. TVET reforms should involve training providers, employers, students, and workers, with a communication-first approach followed by phased implementation to allow firms, particularly SMEs, to adjust hiring and training practices without disruption.

We caution the use of wage-setting instrument targeted specifically at TVET graduates. Introducing a TVET-specific minimum wage risks distorting labour market signals and encouraging credential-driven rather than skills-based hiring. More sustainable wage progression for TVET graduates should instead be supported through productivity-linked mechanisms, clearer occupational pathways, and stronger employer recognition of skills certification.

These findings suggest that future TVET reforms must balance institutional consolidation with behavioural considerations, ensuring that policy design, communication, and implementation timelines reinforce, rather than undermine the long-term alignment between skills development, labour demand, and economic sustainability.
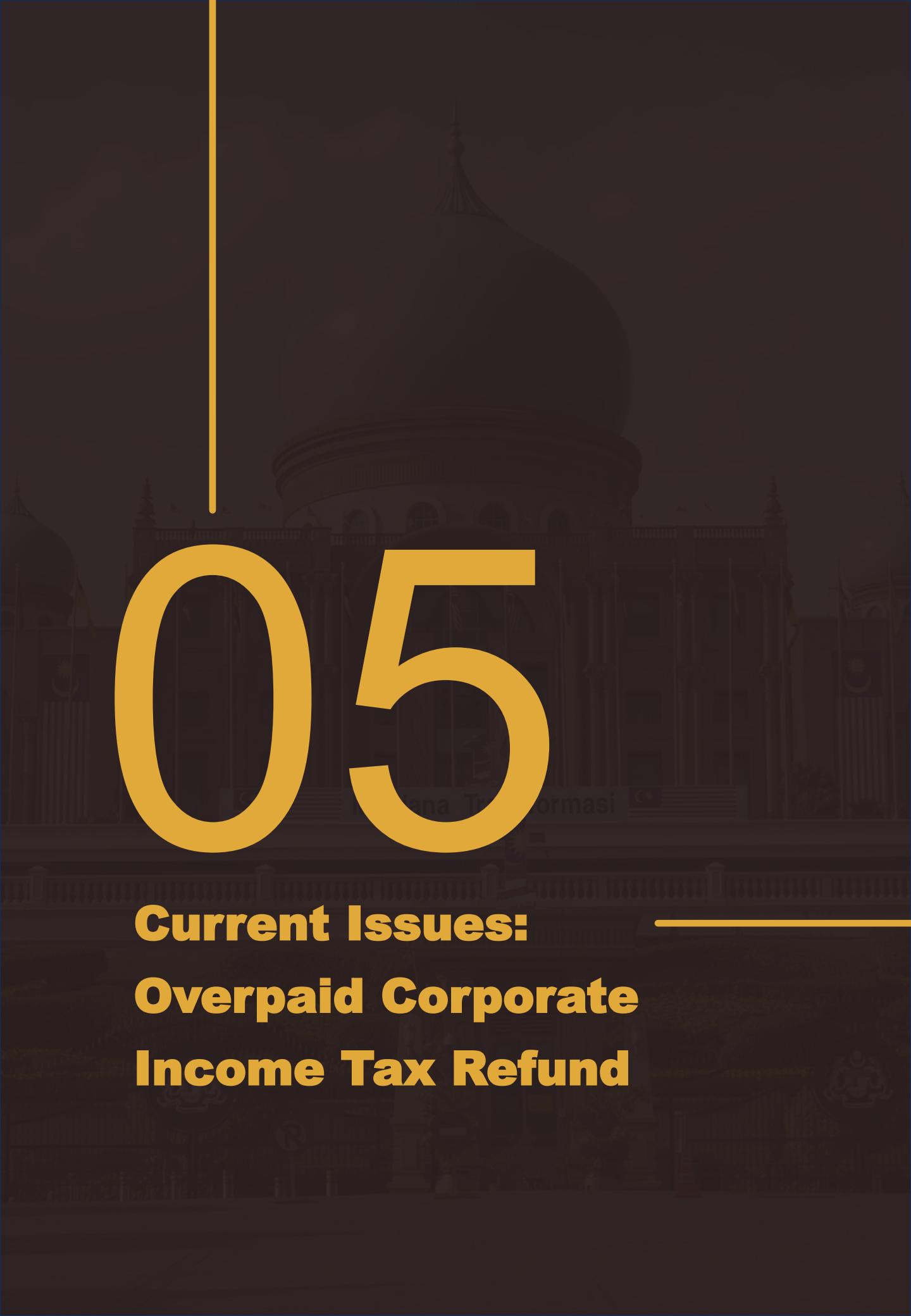
05

Current Issues: Overpaid Corporate Income Tax Refund

- **Business tax payers have filed corporate income tax, but:**
    - **45.9%** don't have overpaid tax

    - **42.3%** have overpaid tax

    - **Duration for receiving tax refunds after filling**

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

Duration	%
< 3 months	13.9%
3-6 months	20.3%
7-12 months	22.3%
13-24 months	20.6%
3-4 years	13.0%
> 4 years	9.9%

Impact on cash flow
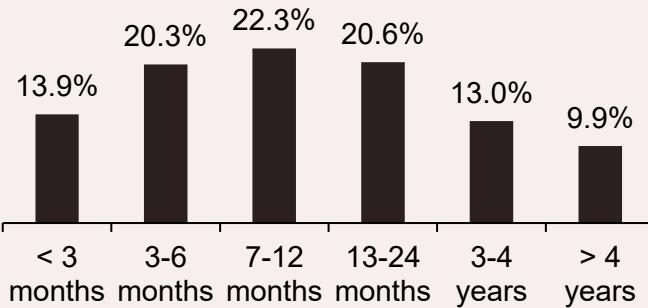
Slightly 36.2%	Moderately 27.8%
Significantly 23.2%	Not at all 12.8%

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

52.6% Lower to 50%

29.6% No minimum threshold

17.8% Maintain 85%

Compensation policy for overdue refunds

Apply higher rates for longer delays (tiered system) — 41.6%

Peg the interest rate to Bank Negara Malaysia's standardised base rate (floating rate) — 31.6%

Maintain the current fixed 2% interest rate — 26.8%

85.7%

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

Overpaid Corporate Income Tax Refund

Overpayment and delayed refunds

- Overpaid corporate income tax, combined with delayed refunds, has exerted financial pressure on businesses, particularly those with tight cash flow. When business taxpayers overpaid their taxes throughout the year and experience delays in refund, they are essentially lending the government money. While overpayment provides a "safe harbour" for the taxpayer, it represents an opportunity cost for the business, as that capital is tied up with the government rather than being used for investment or operations.

- Firms often adopt conservative tax estimates to avoid penalties, but this strategy can strain liquidity when refunds are not processed in a timely manner. 42.3% of respondents have overpaid their corporate income tax, while 45.9% have not. Among those who have overpaid, refunds were most commonly received after prolonged delays, with 22.3% waiting between 7 and 12 months, 20.6% waiting between 13 and 24 months, and 22.9% taking more than 2 years after filing. The tax refund delays have affected businesses' cash flow, and the impact of magnitude varies, with 23.2% of respondents reporting a significant impact.

- By firm size, about 61.8% of respondents who have filed corporate tax returns from large enterprises and 62.3% from medium enterprises have incurred overpayment of corporate income tax. In contrast, a majority (70.4%) of microenterprises indicated they did not face overpayment issues. Large enterprises, in general, have experienced prolonged tax refund periods, with 26.2% reporting taking more than 2 years.

Malaysia's tax estimation system and regional practices

- Malaysian companies are required to forecast their annual corporate tax liability and pay it in monthly instalments throughout the year. To avoid a penalty for underestimation, a company's estimated tax payable for the current year must not be less than 85% of the estimated tax payable for the preceding year of assessment. A penalty of 10% is imposed if the final tax liability exceeds the latest estimated tax by more than 30%.

- While this system incentivises compliance, it can also encourage overpayment as firms err on the side of caution. When tax refunds are delayed, a combination of overestimation and administrative lag can cause liquidity challenges, particularly for MSMEs and capital-intensive firms.

Malaysia can draw lessons from regional practices:

a. **Singapore**: Corporate income tax is filed within three months after the financial year-end. Tax credits are automatically refunded, with interest paid if the refund is not completed within 30 days. This system ensures rapid resolution of overpayments, though the adoption in Malaysia would require stronger enforcement and fiscal planning to maintain timely compliance.

b. **Thailand**: Firms file semi-annual provisional tax returns, paying estimated tax within two months after the first half of the year, then reconcile annually. This approach balances advance payments with mid-year adjustments, reducing the pressure to overestimate.

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

Table 1: Comparison of regional countries' tax mechanisms

	Malaysia	Singapore	Thailand	Indonesia	Vietnam
Tax mechanism	• Estimate annual tax before the financial year (FY) and pay via monthly instalments. • Final tax settled after FY based on actual income.	File estimated chargeable income (ECI) within 3 months after the FY end.	• Prepay 50% of projected annual tax 2 months after 1H FY. • Pay balance after FY based on actual profit.	• Monthly provisional tax based on estimated annual tax or prior year. • Final return reconciles actual tax within 4 months after FY-end.	• Quarterly prepayments based on projected current-year profit. • Final annual return reconciles actual taxable profit.
Adjustment to tax payment (if any)	Allowed; estimate must be ≥ 85 % of the prior year's estimate and can be revised up to three times.	Allowed; subject to the Inland Revenue Authority of Singapore (IRAS) review.	No allowed as final balance is reconciled at filing.	Allowed and no fixed threshold; final balance will be reconciled at filing.	Allowed, but total payments must cover at least 80% of the final annual tax; underpayment attracts interest.
Refund period	30 working days for e-filing and 90 working days for manual e-filing.	Automatic; interest if not refunded within 30 days.	NA	Generally, within 1 month after issuance.	NA
Interest rate on late refund	2% per annum if not processed within 90 days (e-file) or 120 days (manual)	Singapore Overnight Rate Average (SORA).		NA	

Note: NA denotes not available
Source: Various official sources

- Respondents have indicated the following tax refund mechanisms to reduce tax overpayment and expedite tax refunds:

  a. 76.4% prefer a maximum tax refunds duration of three months.

  b. 52.6% support lowering the tax estimation threshold to 50%, allowing more room for accurate adjustments.

  c. 41.6% favour tiered compensation for delayed refunds (higher rates for longer delays), while 31.6% prefer pegging interest to Bank Negara Malaysia's overnight policy rate (OPR).

  d. 85.7% support an automatic tax offset mechanism if refunds cannot be processed on time. The Ministry of Finance has indicated that the Inland Revenue Board (IRB) currently has no plans to permit offsetting excess tax payments against future liabilities.

Discussion

- The government will expedite the refund of tax overpaid for the year assessment (YA) 2023 and 2024 in 2026. Total refunds remained substantial, amounting to RM22.5 billion in 2024 – the highest in five years.

- Malaysia's corporate tax system has operated under a self-assessment regime since 2001, prioritising accuracy and predictability. However, challenges remain, particularly in timely tax refund processing. This highlights the need for a structured reform approach that balances taxpayer interests with enforcement, ensuring a fair and efficient system for all.

- Across the region, countries have adopted various mechanisms for corporate tax prepayments (please refer to Table 1 on page 32), generally imposing fewer restrictions on regular tax payments and income estimation (with the exception of Vietnam, which requires quarterly payments covering at least 80% of the final annual tax). Malaysia's 15% downward adjustment limit on estimated tax can impose a burden on companies, potentially leading to temporary overpayment. Delays in refund processing can further strain cash flow and create operational challenges.

- It is recognised that the government is actively addressing these concerns by expediting refunds and enhancing a digitally administered, robust refund mechanism. Further improvements, such as shorter refund timelines, automatic offsets, flexible estimation thresholds, and transparent compensation, can help the government alleviate cash-flow pressures for businesses and strengthen taxpayers' confidence in a more efficient and predictable tax system.

Appendix 1: Survey Methodology

A1.1 Survey Methodology

Survey Period: 3 December 2025 – 1 January 2026

Distribution Channels:

1. Online via SurveyMonkey
2. Physical questionnaires distributed through ACCCIM's 17 Constituent Members, 35 Associate Members and other associations.

Data Cleaning & Validation:

1. **Sector-Specific Questions**

   - **Agriculture, Mining, Manufacturing, and Electricity & Water:** capacity utilisation, production volume, inventory levels.

   - **Trading (Import & Export), Wholesale & Retail Trade and Repair of Motor Vehicle & Motorcycle:** inventory levels.

   - **The "Not Applicable" option for all sectors in selected questions** is included to reduce forced-response bias.

2. **Sales Orientation Adjustment**

   - **Ensure consistency between reported domestic and foreign sales** and **responses in business-condition modules**.

3. **Incomplete Responses**

   - **Drop respondents missing core respondent- and business-profile items** (industry type, turnover, employee count).

   - **Retain completed sections**; discard blank sections.

4. **Duplicate Removal**

   - **Matched on respondent identifiers** (i.e. name, email, phone) **and business profiles** (i.e. company name, chamber).

   - **Respondents who are not owners, senior management, middle management, or secretaries were excluded to ensure data quality**, given their limited understanding of the business's performance.

   - **Kept the most recent entry or highest designation (if any) per respondent**; retained separate entries for distinct business entities.

17 Constituent Members

KLSCCCI
Negeri Sembilan CCCI
Penang CCC
Kelantan CCC
Perak CCCI

ACCCI Sarawak
Johor ACCCI
ACCCI Pahang
Klang CCCI

Terengganu CCCI
Sabah UCCC
Kedah CCCI
CCC Batu Pahat

Kluang CCCI
North Perak CCCI
Malacca CCCI
Perlis CCCI

A1.2 Survey Structure

The questionnaire is organised into three sections. (Full questionnaire in Appendix 4)

Section A "Respondents and Business Profile"	Section B "Overall Assessment"	Section C "Current Issues"
• Respondent's profile, type of principal business activity, and its size of business operations; • Share of total sales in domestic vs. overseas market; and • Number of employees and the proportion of local vs. foreign workers to total employment.	• Economic and business conditions and outlook; • Key factors affecting performance; and • Past six-month performance vs. next six-month outlook.	• Technical and Vocational Education and Training (TVET) • Overpaid Corporate Income Tax Refund

A1.3 Business Condition Index (BCI) & Business Sentiment Index (BSI)

Overview

The Business Conditions Index (BCI) and Business Sentiment Index (BSI) are introduced in M-BECS 1H 2025 and are designed to track key trends in business performance and expectations. Component indicators are equally weighted to enhance clarity, consistency, and comparability across sectors and over time.

Index Structure & Groupings

Industry Group	BCI Components (Current & Past)	BSI Components (Future)
Agriculture, Mining, Manufacturing, Electricity & Water Supply	(Domestic Sales + Production) / 2	(Domestic Sales + Production + Capital Expenditure) / 3
Construction	(Domestic Sales + Number of Employees) / 2	(Domestic Sales + Number of Employees) / 2
Wholesale & Retail Trade (incl. Motor Repair and Trading)	(Business Condition + Domestic Sales - Inventory) / 3	(Business Condition + Domestic Sales) / 2
Other Services	(Business Condition + Domestic Sales) / 2	

Scoring & Weights

- **A three-point scale to capture directional sentiment:** Better (+1), Neutral (0), Worse (−1).

- **The index is calculated using the formula:** Index = (% Better − % Worse) × 100.

- Sectoral weights are applied based on **the three-year average GDP** contribution (2022–2024), ensuring that each sector's influence reflects its relative economic size.

Interpretation & Benchmarking

- **The index ranges from 0 to 200, with a reading of**: >100 indicating expansion; <100 indicating contraction.

- **The Business Condition Index (BCI) shows strong alignment with other leading indicators since M-BECS 2H 2018**: 0.8 correlation with RAM-CTOS Business Confidence Index; 0.7 correlation with Department of Statistics Malaysia's (DOSM) Business Tendency Survey (BTS); and 0.2 correlation with the MIER Business Conditions Index (BCI).

- **Future editions will refine the benchmarking framework**, including alignment with selected international indices to improve global comparability.

A1.4 Enhancements & New Features in M-BECS 2H 2025

For M-BECS 2H 2025, several enhancements were introduced to improve data quality and respondent experience.

1. **The sector label for electricity and water was refined to electricity and water supply.** This adjustment was informed by respondent behaviour observed in previous survey rounds, where businesses involved in water pumping services frequently selected this category instead of construction. The revised wording is intended to better reflect the operational scope of the sector and improve the accuracy of sectoral classification.

2. **The wholesale and retail trade sector was consolidated with the repair of motor vehicles and motorcycles** to reduce respondent burden while preserving sectoral clarity and comprehension.

3. **The survey data collection period was adjusted to run from 3 December 2025 to 1 January 2026**. This timing was deliberately chosen to minimise potential bias from developments in 1H 2026, thereby ensuring that the BCI more accurately reflects business conditions specific to 2H 2025.

A1.5 Significance of M-BECS

- **A complementary role to other surveys.** M-BECS serves to complement as well as fill the gaps of existing market and industry surveys conducted by various private organisations, namely the Federation of Malaysian Manufacturing (FMM), RAM Holdings Berhad, etc. It can be used to supplement the Department of Statistics, Malaysia (DOSM) to gauge Malaysia's overall economic and business conditions.

- **An important input for the national development process.** ACCCIM is a major national organisation representing the Malaysian Chinese business community and has been playing an effective contributory role in providing our perspectives on current economic and business conditions, as well as our expectations.

- **Gathering of feedback, inputs and suggestions.** The respondents' feedback and suggestions concerning pertinent business and economic issues, as well as problems faced, will provide a basis for the preparation of memoranda and policy papers/notes for onward submission to the Government and relevant Ministries and agencies for their consideration.

- **Reference sources for both public and private sectors.** M-BECS also serves as a source of reference for the Government, researchers, business community and investors in the formulation of public policy, business expansion and investment planning.

  In particular, it helps the Government to gauge the effectiveness of public policies implemented and hence, would consider making the necessary adjustments for future policy formulation.

A1.6 Limitations & Considerations

Several methodological limitations should be taken into account when interpreting the survey results:

- **Sampling Bias:** The survey is based on a quota sample of ACCCIM member businesses, which may not fully reflect the structure of the broader business population.

- **Voluntary Response:** Participation was voluntary, introducing the potential for self-selection bias, where more engaged or affected businesses may be overrepresented.

- **Unweighted Estimates:** Results are based on direct respondent proportions and are not weighted to reflect population benchmarks. As such, caution is advised when making wave-to-wave comparisons, especially in periods of shifting response profiles.

- **Non-official Statistics:** The indicators are intended for timely insights rather than exhaustive coverage, and should be interpreted as supplementary to official economic statistics.

A1.7 Future Enhancement

To strengthen the quality, relevance, and usability of the M-BECS, several improvements are planned for future iterations:

- **Timelier Data Collection:** Adjust the data collection period to better capture real-time business conditions and sentiments, reducing biases for the Business Condition and Sentiment Index.

- **Improved Sampling and Credibility:** Explore techniques to reduce potential biases and improve representativeness, such as applying appropriate sample weights to the quota sample.

- **Ongoing Questionnaire Refinement:** Continue gathering feedback from members to further refine the questionnaire's structure, ensuring clarity, relevance, and ease of response.

- **Enhanced Data Presentation:** Improve the presentation of findings and accompanying information, including more intuitive visualisations and clearer communication of insights to support decision-making.

Appendix 2: Summary of Guidelines for MSMEs Definition & Respondents' Profile by Turnover and Employees

Size of Enterprise		Criteria	Manufacturing Sector	Services and Other Sectors
MSME	Micro	Sales Turnover	Below RM300,000 OR	Below RM300,000 OR
		Number of Full-Time Employees	Less than 5	Less than 5
	Small	Sales Turnover	RM300,000 to less than RM15 million OR	RM300,000 to less than RM3 million OR
		Number of Full-Time Employees	5 to less than 75	5 to less than 75
	Medium	Sales Turnover	RM15 million to RM50 million OR	RM3 million to RM20 million OR
		Number of Full-Time Employees	75 to 200	30 to 75
Large		Sales Turnover	Above RM50 million OR	Above RM20 million OR
		Number of Full-Time Employees	Above 200	Above 75

Respondents' profile: Annual turnover and number of employees by major sectors:

	Primary	Manufacturing	Construction	Services	Total
Annual turnover:					
Less than RM300k	15.4%	4.6%	13.0%	16.6%	14.2%
RM300k to < RM3mil	28.2%	28.5%	38.0%	40.7%	37.8%
RM3mil to < RM15mil	20.5%	26.9%	24.0%	21.7%	22.8%
RM15mil to < RM20mil	5.1%	9.2%	3.0%	5.7%	5.9%
RM20mil to ≤ RM50mil	25.6%	14.6%	10.0%	8.4%	10.4%
More than RM50mil	5.1%	16.2%	12.0%	6.9%	8.9%
Number of full-time employees:					
Less than 5	20.5%	8.5%	21.0%	32.1%	26.4%
5 to < 30	46.2%	42.3%	51.0%	46.2%	46.1%
30 to < 75	23.1%	19.2%	16.0%	12.2%	14.3%
75 to ≤ 200	10.3%	16.9%	7.0%	5.1%	7.5%
More than 200	0.0%	13.1%	5.0%	4.4%	5.6%

Malaysia's Business and Economic Conditions Survey (M-BECS)

This survey aims to assess **Malaysia's business and economic conditions in the second half-year of 2025** (2H 2025: Jul – Dec 2025) and **prospects for the first half-year of 2026** (1H 2026: Jan – Jun 2026) and beyond.

The survey results will be used as input to **prepare memoranda concerning domestic economic and industrial issues, including public policies impacting the business community, for submission to the Government and relevant Ministries for their consideration. ALL INFORMATION WILL BE TREATED IN THE STRICTEST CONFIDENCE.**

We seek your kind cooperation to return the duly completed questionnaire to ACCCIM Secretariat by **31 December 2025** (Email: commerce@acccim.org.my). Thank you for your support and cooperation.

SECTION A: RESPONDENT AND BUSINESS PROFILE

** If you have multiple businesses, please refer to the principal business / sector when answering the questions.

A1. Respondent Profile

i.   Company name:

_____

ii. Respondent's name:

_____

iii. Email address:

_____

iv. Contact number:

_____

v.   Job designation:

- ☐₁ Owner
- ☐₂ Senior Management
- ☐₃ Middle Management
- ☐₄ Personal Assistant (PA) / Secretary
- ☐₅ Other: _____

A2. Constituent Members:

- ☐₁ KLSCCCI
- ☐₂ Negeri Sembilan CCCI
- ☐₃ Penang CCC
- ☐₄ Kelantan CCC
- ☐₅ Perak CCCI
- ☐₆ ACCCI Sarawak
- ☐₇ Johor ACCCI
- ☐₈ ACCCI Pahang
- ☐₉ Klang CCCI
- ☐₁₀ Terengganu CCCI
- ☐₁₁ Sabah UCCC
- ☐₁₂ Kedah CCCI
- ☐₁₃ CCC Batu Pahat
- ☐₁₄ Kluang CCCI
- ☐₁₅ North Perak CCCI
- ☐₁₆ Malacca CCCI
- ☐₁₇ Perlis CCCI

More on the next page…

Associate Members:

☐18 Federation of Chinese Physicians and Medicine Dealers Associations of Malaysia	☐36 Malaysian Wood Moulding & Joinery Council
☐19 Malaysian Wood Industries Association	☐37 Malaysia Stationery Importers and Exporters Association
☐20 Malaysian Textile Manufacturers Association	☐38 Malaysia Printers Association
☐21 Malaysia Mobile Technology Association	☐39 Federation of Sundry Goods Merchants Associations of Malaysia
☐22 Malaysian Furniture Council	☐40 Branding Association of Malaysia
☐23 Federation of Goldsmith and Jewellers Association of Malaysia	☐41 Persatuan Pemborong Malaysia
☐24 The Federation of Malaysia Hardware, Machinery & Building Materials Dealers' Association	☐42 Malaysia-China Chamber of Commerce for Traditional Medicines & Health Products
☐25 Malaysia Fujian Chamber of Commerce and Industry	☐43 Malaysia International Vocational Association
☐26 Pawnbroker's Association of Malaysia	☐44 Malaysia Aquaculture Development Association
☐27 Malaysia Retailers Association	☐45 Malaysia Retail Chain Association
☐28 Malaysian Association of Convention & Exhibition Organisers & Suppliers	☐46 Malaysia Fish Industries General Association
☐29 Malaysia Teochew Chamber of Commerce	☐47 Malaysia Woodworking Machinery Association
☐30 Malaysian Photovoltaic Industry Association	☐48 Malaysia Pallet Association
☐31 Malaysian Nail Technicians & Make Up Association	☐49 Companies of Industry and Trade Association
☐32 Malaysian Hairdressing Association	☐50 Malaysian Interior Industry Partners Association
☐33 Automotive Accessories Traders Association of Malaysia	☐51 Malaysia Hakka Chamber of Commerce and Industry
☐34 Malaysia Guangxi Chamber of Commerce	☐52 Malaysian Gifts & Premium Association
☐35 Persatuan Anggun Menawan Malaysia	**Other:**
	☐53 _____

A3. Type of principal industry or sub-sector: [Please select only ONE (1)]

☐1 Agriculture, forestry, and fisheries	☐8 Hotels, restaurants, recreation, and entertainment
☐2 Mining and quarrying	☐9 Transportation, forwarding, and warehousing
☐3 Manufacturing	☐10 Information and Communications Technology (ICT)
☐4 Electricity and water supply	☐11 Financial and insurance
☐5 Construction	☐12 Real estate
☐6 Wholesale and retail trade, repair of motor vehicles and motorcycles	☐13 Professional and business services
☐7 Trading (imports and exports)	☐14 Health and education

A4. **Annual turnover:**

☐₁ Less than RM300k

☐₂ RM300k to < RM3mil

☐₃ RM3mil to < RM15mil

☐₄ RM15mil to < RM20mil

☐₅ RM20mil to ≤ RM50mil

☐₆ More than RM50mil

A5. **Number of full-time employees:**

☐₁ Less than 5

☐₂ 5 to 29

☐₃ 30 to 74

☐₄ 75 to 200

☐₅ More than 200

A6. **Please indicate the share of total sales generated from export market:**

☐₁ 0%

☐₂ 1% to 25%

☐₃ 26% to 50%

☐₄ 51% to 75%

☐₅ 76% to 99%

☐₆ 100%

A7. **Please indicate the share of foreign employees to total employees:**

☐₁ 0%

☐₂ 1% to 25%

☐₃ 26% to 50%

☐₄ 51% to 75%

☐₅ 76% to 99%

☐₆ 100%

SECTION B: OVERALL ASSESSMENT

B1. Overall economic conditions and outlook:				B2. Overall business conditions and outlook:			
(Tick ✓ per row)	*Better*	*Neutral*	*Worse*	*(Tick ✓ per row)*	*Better*	*Neutral*	*Worse*
2H 2025	□₁	□₂	□₃	2H 2025	□₁	□₂	□₃
1H 2026	□₁	□₂	□₃	1H 2026	□₁	□₂	□₃
Estimation for 2025	□₁	□₂	□₃	Estimation for 2025	□₁	□₂	□₃
Forecast for 2026	□₁	□₂	□₃	Forecast for 2026	□₁	□₂	□₃

B3. Which of the following factors adversely affected your business performance in 2H 2025?
(Select all that apply)

□₁	Changing consumer behaviour	□₁₁	Declining business & consumer sentiment
□₂	High operating cost	□₁₂	Regulatory change
□₃	Supply chain disruptions	□₁₃	Lower external demand
□₄	Shortage of raw materials	□₁₄	Lower domestic demand
□₅	Increase in prices of raw materials	□₁₅	Cash flow problem
□₆	Shortage of workers	□₁₆	Rising bad debts & delayed receivables
□₇	Technology disruptions	□₁₇	ESG compliance
□₈	Access to financing	□₁₈	Climate-related risk
□₉	Skilled manpower shortage	□₁₉	Geopolitical tensions
□₁₀	The Ringgit's fluctuation	□₂₀	Political climate

B4. Performance and Forecast

Note: N/A = Not Applicable *N/R = Not Relevant*	***Current Performance*** **2H 2025 (Jul – Dec)** vs. 1H 2025 (Jan – Jun)			***Forecast*** **1H 2026 (Jan – Jun)** vs. 2H 2025 (Jul – Dec)		
B4.1 Overall	**Better**	**Neutral**	**Worse**	**Better**	**Neutral**	**Worse**
i. Cash flows conditions	□	□	□	□	□	□
ii. Debtors' conditions	□	□	□	□	□	□
iii. Capacity utilisation level ◇ N/A or N/R	□ Less than 50% □ 50% to 74% □ 75% to 90% □ More than 90%			□ Less than 50% □ 50% to 74% □ 75% to 90% □ More than 90%		
B4.2 Domestic sales	**Increase**	*Unchanged*	**Decrease**	**Increase**	*Unchanged*	**Decrease**
i. Sales revenue ◇ N/A or N/R	□ 1-5% □ 6-10% □ > 10%	○	□ 1-5% □ 6-10% □ > 10%	□ 1-5% □ 6-10% □ > 10%	○	□ 1-5% □ 6-10% □ > 10%
ii. Price level ◇ N/A or N/R	□ 1-5% □ 6-10% □ > 10%	○	□ 1-5% □ 6-10% □ > 10%	□ 1-5% □ 6-10% □ > 10%	○	□ 1-5% □ 6-10% □ > 10%

Note: N/A = Not Applicable N/R = Not Relevant	*Current Performance* **2H 2025 (Jul – Dec)** vs. 1H 2025 (Jan – Jun)			*Forecast* **1H 2026 (Jan – Jun)** vs. 2H 2025 (Jul – Dec)		
B4.3 Export sales	**Increase**	*Unchanged*	**Decrease**	**Increase**	*Unchanged*	**Decrease**
i. Sales revenue	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
ii. Price level	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
B4.4 Business production	**Increase**	*Unchanged*	**Decrease**	**Increase**	*Unchanged*	**Decrease**
i. Production volume	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
ii. Inventory or stock level	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
B4.5 Cost of inputs	**Increase**	*Unchanged*	**Decrease**	**Increase**	*Unchanged*	**Decrease**
i. Local	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
ii. Imported	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
B4.6 Manpower	**Increase**	*Unchanged*	**Decrease**	**Increase**	*Unchanged*	**Decrease**
i. Number of employees	☐ 1-5	○	☐ 1-5	☐ 1-5	○	☐ 1-5
	☐ 6-10		☐ 6-10	☐ 6-10		☐ 6-10
	☐ > 10		☐ > 10	☐ > 10		☐ > 10
ii. Wage growth	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%
B4.7 Investment	**Increase**	*Unchanged*	**Decrease**	**Increase**	*Unchanged*	**Decrease**
i. Capital expenditure	☐ 1-5%	○	☐ 1-5%	☐ 1-5%	○	☐ 1-5%
◇ N/A or N/R	☐ 6-10%		☐ 6-10%	☐ 6-10%		☐ 6-10%
	☐ > 10%		☐ > 10%	☐ > 10%		☐ > 10%

SECTION C: CURRENT ISSUES

Issue 1: Technical and Vocational Education and Training (TVET)

TVET develops **practical and technical skills** for specific occupations through **hands-on training, industry practices, and direct workplace preparation** (e.g., automotive technician, computer technician).

Traditional academic degrees (non-TVET) are qualifications generally earned at traditional universities, focusing on **broader theoretical knowledge, analytical abilities, and disciplinary depth**, with the learning process that is **mainly classroom- or research-based** (e.g., engineer)**.**

C1. Have you ever hired graduates with TVET qualifications?

☐₁ Yes → *Continue to C2* ●

☐₂ No → *Skip C2 and Proceed to C3 (next page)* ●

☐₃ I don't know → *Skip C2 & C3 and Proceed to C4 (next page)* ●

C2. If your company <u>has hired</u> TVET graduates:

A. How would you rate the overall TVET quality and industry readiness in the following aspects?

	Excellent	Good	Fair	Poor	Not familiar
A.1 Overall quality of TVET institutions	☐₁	☐₂	☐₃	☐₄	☐₅
A.1.1 Industry exposure provided to TVET graduate	☐₁	☐₂	☐₃	☐₄	☐₅
A.1.2 Collaboration between TVET institutions and industry	☐₁	☐₂	☐₃	☐₄	☐₅
A.2 Work performance of TVET graduates	☐₁	☐₂	☐₃	☐₄	☐₅
A.2.1 Relevance of TVET graduates' skills to company needs	☐₁	☐₂	☐₃	☐₄	☐₅
A.3 Quality of TVET-related training by *national agency*	☐₁	☐₂	☐₃	☐₄	☐₅
A.4 Quality of TVET-related training by *private institutions*	☐₁	☐₂	☐₃	☐₄	☐₅

B. What are your company's biggest challenges in hiring or training TVET graduates?
(Select up to 3)

☐₁ Difficulty finding qualified candidates

☐₂ Limited industry-specific skills

☐₃ Difficulty retaining TVET hires

☐₄ High training costs

☐₅ Limited in-house training capacity

☐₆ Lack of structured collaboration with TVET institutions

☐₇ Need for significant retraining after hiring

☐₈ Limited government support or unclear incentives

☐₉ Other (please specify): _____

C. **What types of government's incentives related to TVET hiring or training is your company benefiting from?** *(Select all that apply)*

- [ ]₁ None / Not aware of any incentive
- [ ]₂ Double tax deduction for structured internships (MySIP)
- [ ]₃ Internship placement matching grant for SMEs/startups (LiKES)
- [ ]₄ HRD Corp levy for graduates' salary support
- [ ]₅ HRD Corp levy for employees' training
- [ ]₆ Akademi Dalam Industri (ADI)
- [ ]₇ National internship matching platform (MyNext)
- [ ]₈ Other (please specify): _____

●► *Skip C3 and Proceed to C4*

C3. **If your company has not hired TVET graduates:**

A. **What are the main reasons for not hiring TVET graduates?** *(Select up to 3)*

- [ ]₁ Limited access to qualified candidates
- [ ]₂ Preference for conventional degree holders
- [ ]₃ Mismatch between TVET courses and company needs
- [ ]₄ Concern about the credibility of TVET qualifications
- [ ]₅ Lack of government incentive to hire TVET graduates
- [ ]₆ Unrealistic salary expectations
- [ ]₇ No relevant positions for TVET
- [ ]₈ Other (please specify): _____

●► *Continue to C4*

C4. **For all respondents:**

A. **Based on your experience or general perception, how do TVET graduates compare with non-TVET graduates in the following areas?**

Compared to non-TVET, TVET is:	Stronger	Similar	Weaker	Not familiar
A.1 Technical / practical skills	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.2 Theoretical / conceptual understanding	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.3 Communication skills	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.4 Analytical and problem-solving ability	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.5 Adaptability to workplace	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.6 Teamwork	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.7 Professional attitude	[ ]₁	[ ]₂	[ ]₃	[ ]₄
A.8 Self-initiated learning	[ ]₁	[ ]₂	[ ]₃	[ ]₄

B. **What measures do you think the government could encourage companies to recruit more TVET graduates?** *(Select up to 3)*

- ☐₁ Create a one-stop portal for all TVET or training incentives
- ☐₂ Integrate all training and upskilling platforms into one
- ☐₃ Make TVET qualifications comparable to conventional degrees
- ☐₄ Improve the reputation of TVET qualifications
- ☐₅ Launch a national career and skills passport to track competencies
- ☐₆ Introduce a government-funded universal individual skills credit for continuous upskilling
- ☐₇ Enhance industry-oriented training programs with better incentives
- ☐₈ Include TVET graduates under hiring incentive schemes (i.e. Daya Kerjaya)
- ☐₉ Provide incentive of up to RM500 for TVET holders in relevant positions under the Progressive Wage Policy (PWP)
- ☐₁₀ Offer a double tax deduction for hiring certified TVET graduates
- ☐₁₁ Government-funded sign-on or retention bonuses for TVET hires in high-demand roles
- ☐₁₂ Other (please specify): _____

Issue 2: Overpaid Corporate Income Tax Refund

C5. **Does your business file corporate income tax with LHDN?**

- ☐₁ Yes, and we have overpaid tax → *Continue to C6 & C7* ●
- ☐₂ Yes, but we have not overpaid tax → *Skip C6 and Proceed to C7 (next page)* ●
- ☐₃ No (e.g. sole proprietor) → *End of Survey*

C6. **If your company has filed corporate income tax and overpaid tax:**

A. **How long does it take to receive the full refund of overpaid corporate income tax for a particular assessment year after filing the refund application?**

- ☐₁ Less than 3 months
- ☐₂ 3-6 months
- ☐₃ 7-12 months
- ☐₄ 13-24 months
- ☐₅ 3-4 years
- ☐₆ More than 4 years

B. **To what extent do the delayed refunds affect your company's cash flow?**

- ☐₁ Not at all
- ☐₂ Slightly
- ☐₃ Moderately
- ☐₄ Significantly

●► *Proceed to C7 (next page)*

C7. **If your company has <u>filed corporate income tax</u>:**

A. **What would you consider a reasonable maximum duration to receive a full tax refund after filing for refund?**

| | Within 3 months

| | Within 6 months

| | Within 12 months

| | Within 2 years

B. **What do you think is the most appropriate minimum tax estimation percentage under CP204 requirements?**

| | Maintain 85%

| | Lower to 50%

| | No minimum threshold

C. **What compensation policy do you think LHDN should apply for overdue refunds?**

| | Maintain the current fixed 2% interest rate

| | Apply higher rates for longer delays (tiered system)

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

D. **Would you support an automatic tax offset mechanism if LHDN is unable to refund the overpaid tax on time?**

| | Yes

| | No

Closing Date: 31 December 2025

Disclaimer: The information provided in this survey will be treated in the strictest confidence

~ Thank you very much for your cooperation ~

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS

FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
Section A: Business Background																
A	**Size of business operations**															
	SME	93.9%	66.7%	87.7%	100.0%	89.0%	92.1%	89.4%	94.6%	88.5%	90.3%	90.2%	87.5%	95.7%	93.5%	91.2%
	Large enterprise	6.1%	33.3%	12.3%	0.0%	11.0%	7.9%	10.6%	5.4%	11.5%	9.7%	9.8%	12.5%	4.3%	6.5%	8.8%
	Sample size (n)	**33**	**6**	**130**	**9**	**100**	**126**	**47**	**56**	**26**	**31**	**41**	**40**	**141**	**31**	**817**
A6	**Market orientation**															
	100% sales from domestic market	87.9%	66.7%	35.4%	100.0%	80.0%	81.7%	31.9%	62.5%	34.6%	51.6%	87.8%	77.5%	66.7%	48.4%	63.9%
	76%-99% sales from domestic market	0.0%	33.3%	34.6%	0.0%	16.0%	15.1%	40.4%	28.6%	38.5%	45.2%	4.9%	20.0%	27.0%	25.8%	24.1%
	51%-75% sales from domestic market	3.0%	0.0%	7.7%	0.0%	2.0%	0.8%	10.6%	5.4%	15.4%	3.2%	4.9%	0.0%	3.5%	19.4%	4.9%
	26%-50% sales from domestic market	6.1%	0.0%	10.0%	0.0%	2.0%	1.6%	12.8%	3.6%	11.5%	0.0%	0.0%	2.5%	0.7%	0.0%	3.9%
	1%-25% sales from domestic market	3.0%	0.0%	8.5%	0.0%	0.0%	0.8%	4.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.4%	3.2%	2.2%
	100% sales from overseas market	0.0%	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	0.0%	0.7%	3.2%	1.0%
	Sample size (n)	**33**	**6**	**130**	**9**	**100**	**126**	**47**	**56**	**26**	**31**	**41**	**40**	**141**	**31**	**817**
A7	**Share of total employees**															
	100% local employees	24.2%	50.0%	27.7%	33.3%	44.0%	78.6%	72.3%	44.6%	69.2%	80.6%	90.2%	75.0%	86.5%	67.7%	61.8%
	76%-99% local employees	24.2%	33.3%	30.8%	55.6%	21.0%	18.3%	17.0%	19.6%	23.1%	12.9%	4.9%	20.0%	9.9%	19.4%	19.3%
	51%-75% local employees	15.2%	16.7%	21.5%	11.1%	9.0%	2.4%	8.5%	28.6%	7.7%	6.5%	2.4%	2.5%	2.8%	9.7%	9.8%
	25%-50% local employees	15.2%	0.0%	14.6%	0.0%	14.0%	0.8%	2.1%	5.4%	0.0%	0.0%	0.0%	2.5%	0.7%	3.2%	5.6%
	1%-25% local employees	18.2%	0.0%	4.6%	0.0%	12.0%	0.0%	0.0%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.1%
	100% foreign employees	3.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	0.0%	0.0%	0.0%	0.4%
	Sample size (n)	**33**	**6**	**130**	**9**	**100**	**126**	**47**	**56**	**26**	**31**	**41**	**40**	**141**	**31**	**817**
Section B: Overall Assessment																
B1	**Economic conditions and prospects**															
	2H 2025															
	Better	12.1%	16.7%	6.3%	0.0%	8.0%	7.9%	8.5%	10.9%	15.4%	10.0%	12.2%	7.7%	14.2%	23.3%	10.2%
	Neutral	51.5%	66.7%	56.3%	44.4%	64.0%	45.2%	61.7%	52.7%	69.2%	50.0%	70.7%	69.2%	61.7%	56.7%	57.8%
	Worse	36.4%	16.7%	37.5%	55.6%	28.0%	46.8%	29.8%	36.4%	15.4%	40.0%	17.1%	23.1%	24.1%	20.0%	31.9%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
	1H 2026															
	Better	18.2%	16.7%	10.2%	22.2%	13.0%	10.3%	12.8%	10.9%	11.5%	13.3%	19.5%	17.9%	27.7%	40.0%	16.4%
	Neutral	42.4%	50.0%	57.8%	55.6%	59.0%	59.5%	44.7%	63.6%	61.5%	53.3%	63.4%	46.2%	46.8%	36.7%	54.1%
	Worse	39.4%	33.3%	32.0%	22.2%	28.0%	30.2%	42.6%	25.5%	26.9%	33.3%	17.1%	35.9%	25.5%	23.3%	29.5%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
	Estimation for 2025															
	Better	12.1%	0.0%	3.1%	0.0%	3.0%	6.3%	6.4%	7.3%	11.5%	16.7%	7.3%	0.0%	16.3%	26.7%	8.4%
	Neutral	54.5%	66.7%	63.3%	77.8%	71.0%	57.9%	55.3%	63.6%	76.9%	50.0%	73.2%	71.8%	58.2%	50.0%	62.3%
	Worse	33.3%	33.3%	33.6%	22.2%	26.0%	35.7%	38.3%	29.1%	11.5%	33.3%	19.5%	28.2%	25.5%	23.3%	29.3%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
	Forecast for 2026															
	Better	18.2%	33.3%	18.0%	22.2%	22.0%	17.5%	17.0%	18.2%	23.1%	20.0%	24.4%	17.9%	31.9%	30.0%	21.9%
	Neutral	45.5%	16.7%	47.7%	66.7%	50.0%	46.0%	34.0%	52.7%	42.3%	53.3%	56.1%	41.0%	38.3%	46.7%	45.6%
	Worse	36.4%	50.0%	34.4%	11.1%	28.0%	36.5%	48.9%	29.1%	34.6%	26.7%	19.5%	41.0%	29.8%	23.3%	32.4%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
B2	**Business conditions and prospects**															
	2H 2025															
	Better	12.1%	16.7%	8.6%	0.0%	10.0%	13.5%	10.6%	14.5%	15.4%	16.7%	17.1%	5.1%	17.0%	23.3%	12.9%
	Neutral	51.5%	66.7%	56.3%	66.7%	62.0%	42.9%	57.4%	47.3%	73.1%	50.0%	65.9%	64.1%	60.3%	50.0%	56.0%
	Worse	36.4%	16.7%	35.2%	33.3%	28.0%	43.7%	31.9%	38.2%	11.5%	33.3%	17.1%	30.8%	22.7%	26.7%	31.1%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
	1H 2026															
	Better	18.2%	16.7%	12.5%	22.2%	13.0%	15.1%	14.9%	12.7%	11.5%	23.3%	22.0%	20.5%	29.1%	43.3%	18.7%
	Neutral	36.4%	50.0%	56.3%	66.7%	58.0%	56.3%	46.8%	67.3%	65.4%	53.3%	63.4%	43.6%	41.8%	36.7%	52.7%
	Worse	45.5%	33.3%	31.3%	11.1%	29.0%	28.6%	38.3%	20.0%	23.1%	23.3%	14.6%	35.9%	29.1%	20.0%	28.6%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
	Estimation for 2025															
	Better	15.2%	50.0%	3.9%	0.0%	6.0%	12.7%	6.4%	7.3%	11.5%	23.3%	9.8%	2.6%	18.4%	26.7%	11.2%
	Neutral	48.5%	33.3%	60.2%	88.9%	62.0%	51.6%	59.6%	63.6%	76.9%	46.7%	68.3%	66.7%	58.2%	50.0%	58.9%
	Worse	36.4%	16.7%	35.9%	11.1%	32.0%	35.7%	34.0%	29.1%	11.5%	30.0%	22.0%	30.8%	23.4%	23.3%	29.8%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
	Forecast for 2026															
	Better	24.2%	50.0%	18.0%	33.3%	23.0%	15.9%	19.1%	21.8%	23.1%	26.7%	19.5%	23.1%	35.5%	36.7%	23.8%
	Neutral	39.4%	16.7%	47.7%	55.6%	45.0%	49.2%	29.8%	50.9%	46.2%	50.0%	61.0%	41.0%	35.5%	33.3%	44.0%
	Worse	36.4%	33.3%	34.4%	11.1%	32.0%	34.9%	51.1%	27.3%	30.8%	23.3%	19.5%	35.9%	29.1%	30.0%	32.2%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS
FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

	Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
B3 Which of the following factor(s) may adversely affect your business performance in 2H 2025? *(Select all that apply)*															
Changing consumer behaviour	33.3%	16.7%	25.8%	0.0%	23.0%	48.4%	51.1%	40.0%	19.2%	30.0%	31.7%	20.5%	30.5%	36.7%	32.6%
High operating cost	**69.7%**	33.3%	**60.9%**	44.4%	**59.0%**	51.6%	53.2%	**63.6%**	57.7%	50.0%	34.1%	59.0%	**51.1%**	40.0%	54.5%
Supply chain disruptions	9.1%	16.7%	4.7%	0.0%	13.0%	8.7%	10.6%	9.1%	19.2%	6.7%	2.4%	17.9%	5.0%	10.0%	8.5%
Shortage of raw materials	12.1%	33.3%	10.2%	0.0%	18.0%	6.3%	12.8%	10.9%	0.0%	3.3%	0.0%	20.5%	5.0%	10.0%	9.4%
Increase in prices of raw materials	54.5%	50.0%	47.7%	44.4%	66.0%	30.2%	23.4%	47.3%	26.9%	43.3%	14.6%	59.0%	24.8%	30.0%	39.5%
Shortage of workers	51.5%	33.3%	26.6%	33.3%	31.0%	17.5%	21.3%	32.7%	30.8%	16.7%	9.8%	20.5%	24.8%	23.3%	25.2%
Technology disruptions	9.1%	16.7%	11.7%	0.0%	2.0%	13.5%	6.4%	3.6%	3.8%	13.3%	14.6%	0.0%	14.9%	10.0%	9.6%
Access to financing	15.2%	0.0%	14.8%	0.0%	21.0%	11.9%	17.0%	10.9%	11.5%	23.3%	19.5%	23.1%	14.9%	3.3%	15.2%
Skilled manpower shortage	30.3%	33.3%	39.1%	22.2%	18.3%	19.1%	23.6%	26.9%	43.3%	14.6%	26.8%	26.7%	26.8%	
The Ringgit's fluctuation	24.2%	16.7%	23.4%	11.1%	12.0%	15.1%	23.4%	9.1%	26.9%	23.3%	26.8%	5.1%	18.4%	10.0%	17.6%
Declining business & consumer sentiment	18.2%	0.0%	30.5%	11.1%	29.0%	45.2%	34.0%	36.4%	34.6%	26.7%	26.8%	30.8%	36.2%	23.3%	30.0%
Regulatory change	24.2%	16.7%	27.3%	22.2%	40.0%	23.8%	36.2%	21.8%	30.8%	20.0%	29.3%	30.8%	36.2%	30.0%	30.0%
Lower external demand	21.2%	33.3%	29.7%	0.0%	9.0%	4.0%	10.6%	9.1%	11.5%	10.0%	0.0%	5.1%	3.5%	6.7%	10.6%
Lower domestic demand	27.3%	50.0%	46.9%	44.4%	29.0%	50.0%	44.7%	23.6%	15.4%	33.3%	12.2%	25.6%	26.2%	20.0%	33.8%
Cash flow problem	39.4%	16.7%	22.7%	44.4%	39.0%	33.3%	31.9%	21.8%	46.2%	36.7%	26.8%	30.8%	24.1%	23.3%	29.8%
Rising bad debts & delayed receivables	33.3%	33.3%	31.3%	11.1%	32.0%	34.9%	34.0%	7.3%	19.2%	23.3%	19.5%	7.7%	24.8%	6.7%	25.9%
ESG compliance	15.2%	0.0%	14.1%	22.2%	11.0%	4.8%	10.6%	3.6%	11.5%	6.7%	7.3%	5.1%	9.2%	13.3%	9.4%
Climate-related risk	24.2%	16.7%	10.2%	0.0%	7.0%	7.1%	14.9%	9.1%	7.7%	3.3%	4.9%	5.1%	2.1%	0.0%	7.4%
Geopolitical tensions	15.2%	16.7%	14.8%	0.0%	6.0%	12.7%	23.4%	16.4%	3.8%	10.0%	4.9%	12.8%	16.3%	13.3%	12.9%
Political climate	39.4%	33.3%	24.2%	22.2%	23.0%	27.8%	25.5%	27.3%	23.1%	23.3%	24.4%	33.3%	34.0%	23.3%	27.6%
Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
B4 Performance and forecast															
Performance: 2H 2025 (Jul-Dec 2025) compared to 1H 2025 (Jan-Jun 2025)															
I Overall															
i Cash flows conditions															
Better	3.0%	0.0%	6.3%	22.2%	6.0%	4.8%	2.1%	9.1%	15.4%	13.3%	9.8%	12.8%	10.6%	16.7%	8.1%
Neutral	81.8%	83.3%	71.9%	66.7%	62.0%	68.3%	78.7%	60.0%	65.4%	63.3%	68.3%	74.4%	70.9%	63.3%	69.1%
Worse	15.2%	16.7%	21.9%	11.1%	32.0%	27.0%	19.1%	30.9%	19.2%	23.3%	22.0%	12.8%	18.4%	20.0%	22.8%
Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
ii Debtors' conditions															
Better	0.0%	16.7%	2.3%	11.1%	3.0%	0.8%	2.1%	1.8%	7.7%	13.3%	14.6%	2.6%	8.5%	6.7%	4.7%
Neutral	66.7%	33.3%	71.1%	77.8%	65.0%	72.2%	66.0%	85.5%	76.9%	63.3%	65.9%	82.1%	68.8%	76.7%	70.8%
Worse	33.3%	50.0%	26.6%	11.1%	32.0%	27.0%	31.9%	12.7%	15.4%	23.3%	19.5%	15.4%	22.7%	16.7%	24.5%
Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
iii Capacity utilisation level															
Less than 50%	21.1%	16.7%	27.0%	20.0%											25.5%
50% to 74%	52.6%	33.3%	45.0%	80.0%											46.8%
75% to 90%	15.8%	50.0%	22.5%	0.0%											22.0%
More than 90%	10.5%	0.0%	5.4%	0.0%											5.7%
Sample size (n)	**19**	**6**	**111**	**5**											**141**
II Domestic sales															
i Sales revenue															
Increased 1%-5%	15.6%	16.7%	6.8%	0.0%	12.5%	12.2%	8.7%	10.9%	20.8%	20.7%	5.3%	13.2%	11.7%	21.4%	11.7%
Increased 6%-10%	9.4%	33.3%	12.8%	11.1%	11.5%	8.1%	8.7%	12.7%	8.3%	17.2%	13.2%	7.9%	5.5%	10.7%	10.1%
Increased >10%	9.4%	0.0%	2.6%	11.1%	11.5%	2.4%	6.5%	14.5%	4.2%	13.8%	10.5%	5.3%	15.6%	3.6%	8.3%
Unchanged	31.3%	16.7%	26.5%	44.4%	30.2%	25.2%	23.9%	23.6%	50.0%	24.1%	39.5%	44.7%	31.3%	46.4%	30.4%
Decreased 1%-5%	9.4%	0.0%	16.2%	22.2%	9.4%	13.0%	17.4%	10.9%	12.5%	13.8%	15.8%	15.8%	15.6%	7.1%	13.5%
Decreased 6%-10%	12.5%	16.7%	14.5%	0.0%	12.5%	21.1%	17.4%	3.6%	4.2%	0.0%	10.5%	10.5%	11.7%	3.6%	12.4%
Decreased >10%	12.5%	16.7%	20.5%	11.1%	12.5%	17.9%	17.4%	23.6%	0.0%	10.3%	5.3%	2.6%	8.6%	7.1%	13.5%
Sample size (n)	**32**	**6**	**117**	**9**	**96**	**123**	**46**	**55**	**24**	**29**	**38**	**38**	**128**	**28**	**769**
ii Price level															
Increased 1%-5%	6.3%	16.7%	9.5%	0.0%	18.9%	18.2%	8.5%	13.2%	16.7%	21.4%	12.9%	34.2%	17.9%	11.5%	15.6%
Increased 6%-10%	18.8%	33.3%	6.0%	12.5%	11.6%	11.6%	12.8%	13.2%	16.7%	14.3%	22.6%	10.5%	9.4%	19.2%	11.7%
Increased >10%	3.1%	16.7%	12.1%	25.0%	25.3%	18.2%	8.5%	15.1%	8.3%	10.7%	12.9%	13.2%	13.7%	11.5%	14.7%
Unchanged	40.6%	33.3%	39.7%	25.0%	31.6%	30.6%	40.4%	32.1%	45.8%	28.6%	32.3%	34.2%	37.6%	42.3%	35.4%
Decreased 1%-5%	12.5%	0.0%	15.5%	12.5%	7.4%	7.4%	14.9%	9.4%	12.5%	10.7%	9.7%	0.0%	7.7%	3.8%	9.4%
Decreased 6%-10%	9.4%	0.0%	6.0%	25.0%	6.3%	8.3%	8.5%	1.9%	0.0%	7.1%	3.2%	7.9%	6.8%	7.7%	6.6%
Decreased >10%	9.4%	0.0%	11.2%	0.0%	1.1%	5.8%	6.4%	15.1%	0.0%	7.1%	6.5%	0.0%	6.8%	3.8%	6.5%
Sample size (n)	**32**	**6**	**116**	**8**	**95**	**121**	**47**	**53**	**24**	**28**	**31**	**38**	**117**	**26**	**742**

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS
FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

	Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
III Export sales															
i Sales revenue															
Increased 1%-5%	0.0%	100.0%	7.8%	0.0%	25.0%	15.8%	11.1%	8.3%	10.0%	18.2%	25.0%	0.0%	23.5%	25.0%	14.3%
Increased 6%-10%	0.0%	0.0%	6.5%	0.0%	6.3%	5.3%	0.0%	16.7%	0.0%	9.1%	25.0%	33.3%	2.9%	16.7%	6.5%
Increased >10%	0.0%	0.0%	6.5%	0.0%	18.8%	5.3%	11.1%	8.3%	30.0%	0.0%	0.0%	33.3%	8.8%	16.7%	9.6%
Unchanged	75.0%	0.0%	32.5%	0.0%	25.0%	47.4%	37.0%	33.3%	50.0%	63.6%	50.0%	0.0%	47.1%	41.7%	39.1%
Decreased 1%-5%	25.0%	0.0%	16.9%	0.0%	6.3%	15.8%	22.2%	8.3%	10.0%	9.1%	0.0%	33.3%	2.9%	0.0%	12.6%
Decreased 6%-10%	0.0%	0.0%	13.0%	0.0%	18.8%	10.5%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	0.0%	7.8%
Decreased >10%	0.0%	0.0%	16.9%	0.0%	0.0%	0.0%	11.1%	25.0%	0.0%	0.0%	0.0%	0.0%	11.8%	0.0%	10.0%
Sample size (n)	4	1	77	0	16	19	27	12	10	11	4	3	34	12	230
ii Price level															
Increased 1%-5%	0.0%	0.0%	7.9%	0.0%	20.0%	11.8%	7.4%	9.1%	20.0%	27.3%	50.0%	50.0%	11.8%	8.3%	12.1%
Increased 6%-10%	0.0%	0.0%	3.9%	0.0%	13.3%	5.9%	0.0%	9.1%	0.0%	18.2%	25.0%	0.0%	2.9%	0.0%	4.9%
Increased >10%	0.0%	0.0%	2.6%	0.0%	13.3%	5.9%	11.1%	0.0%	20.0%	0.0%	0.0%	0.0%	5.9%	0.0%	5.4%
Unchanged	0.0%	0.0%	43.4%	0.0%	33.3%	52.9%	33.3%	54.5%	40.0%	36.4%	0.0%	50.0%	64.7%	75.0%	45.5%
Decreased 1%-5%	25.0%	0.0%	25.0%	0.0%	6.7%	23.5%	25.9%	0.0%	20.0%	18.2%	25.0%	0.0%	8.8%	8.3%	18.3%
Decreased 6%-10%	25.0%	100.0%	9.2%	0.0%	6.7%	0.0%	7.4%	9.1%	0.0%	0.0%	0.0%	0.0%	0.0%	8.3%	6.3%
Decreased >10%	50.0%	0.0%	7.9%	0.0%	6.7%	0.0%	14.8%	18.2%	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	7.6%
Sample size (n)	4	1	76	0	15	17	27	11	10	11	4	2	34	12	224
IV Business production															
i Production volume															
Increased 1%-5%	7.1%	20.0%	7.2%	0.0%											7.5%
Increased 6%-10%	7.1%	0.0%	8.8%	100.0%											8.8%
Increased >10%	14.3%	0.0%	4.8%	0.0%											6.3%
Unchanged	50.0%	40.0%	31.2%	0.0%											34.6%
Decreased 1%-5%	7.1%	20.0%	17.6%	0.0%											15.7%
Decreased 6%-10%	7.1%	0.0%	11.2%	0.0%											10.1%
Decreased >10%	7.1%	20.0%	19.2%	0.0%											17.0%
Sample size (n)	28	5	125	1											159
ii Inventory or stock level															
Increased 1%-5%	7.4%	0.0%	6.0%	0.0%		12.5%	17.9%								9.7%
Increased 6%-10%	7.4%	0.0%	12.0%	0.0%		10.2%	10.3%								10.5%
Increased >10%	11.1%	0.0%	12.8%	0.0%		11.4%	12.8%								11.9%
Unchanged	48.1%	100.0%	45.3%	0.0%		38.6%	38.5%								43.3%
Decreased 1%-5%	18.5%	0.0%	12.0%	100.0%		13.6%	7.7%								12.6%
Decreased 6%-10%	7.4%	0.0%	5.1%	0.0%		4.5%	7.7%								5.4%
Decreased >10%	0.0%	0.0%	6.8%	0.0%		9.1%	5.1%								6.5%
Sample size (n)	27	5	117	1		88	39								277
V Cost of inputs															
i Local															
Increased 1%-5%	21.2%	33.3%	19.4%	22.2%	17.0%	22.6%	11.6%	22.4%	31.8%	11.1%	32.3%	29.7%	18.3%	25.0%	20.7%
Increased 6%-10%	12.1%	16.7%	18.5%	0.0%	18.1%	27.0%	14.0%	18.4%	0.0%	37.0%	29.0%	13.5%	18.3%	14.3%	19.1%
Increased >10%	42.4%	0.0%	27.4%	44.4%	35.1%	24.3%	39.5%	32.7%	27.3%	22.2%	0.0%	32.4%	24.2%	25.0%	27.9%
Unchanged	15.2%	50.0%	26.6%	11.1%	23.4%	21.7%	25.6%	14.3%	27.3%	25.9%	32.3%	18.9%	32.5%	32.1%	25.1%
Decreased 1%-5%	9.1%	0.0%	4.0%	11.1%	6.4%	3.5%	9.3%	8.2%	13.6%	3.7%	6.5%	2.7%	1.7%	0.0%	4.9%
Decreased 6%-10%	0.0%	0.0%	2.4%	0.0%	0.0%	0.9%	0.0%	4.1%	0.0%	0.0%	0.0%	2.7%	1.7%	0.0%	1.2%
Decreased >10%	0.0%	0.0%	1.6%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	3.3%	3.6%	1.1%
Sample size (n)	33	6	124	9	94	115	43	49	22	27	31	37	120	28	738
ii Imported															
Increased 1%-5%	22.2%	0.0%	17.7%	0.0%	13.8%	17.2%	6.8%	14.8%	20.0%	12.5%	13.3%	22.2%	11.1%	21.4%	14.9%
Increased 6%-10%	11.1%	50.0%	19.8%	50.0%	20.7%	8.6%	18.2%	22.2%	6.7%	18.8%	20.0%	5.6%	9.5%	0.0%	15.6%
Increased >10%	22.2%	25.0%	10.4%	25.0%	17.2%	22.4%	25.0%	22.2%	20.0%	12.5%	6.7%	11.1%	15.9%	28.6%	17.3%
Unchanged	27.8%	25.0%	35.4%	25.0%	46.6%	44.8%	31.8%	29.6%	53.3%	43.8%	53.3%	50.0%	55.6%	28.6%	41.6%
Decreased 1%-5%	11.1%	0.0%	9.4%	0.0%	1.7%	5.2%	11.4%	3.7%	0.0%	6.3%	0.0%	0.0%	4.8%	14.3%	6.0%
Decreased 6%-10%	5.6%	0.0%	4.2%	0.0%	0.0%	1.7%	4.5%	7.4%	0.0%	6.3%	6.7%	11.1%	1.6%	0.0%	3.3%
Decreased >10%	0.0%	0.0%	3.1%	0.0%	0.0%	0.0%	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	1.6%	7.1%	1.3%
Sample size (n)	18	4	96	4	58	58	44	27	15	16	15	18	63	14	450
VI Manpower															
i Number of employees															
Increased 1-5	24.2%	16.7%	12.5%	22.2%	16.0%	16.7%	14.9%	12.7%	11.5%	13.3%	17.1%	15.4%	17.7%	16.7%	15.8%
Increased 6-10	12.1%	16.7%	5.5%	22.2%	9.0%	1.6%	6.4%	7.3%	11.5%	13.3%	17.1%	0.0%	2.8%	10.0%	6.5%
Increased >10	3.0%	16.7%	3.1%	0.0%	16.0%	4.8%	2.1%	10.9%	3.8%	13.3%	2.4%	5.1%	5.7%	16.7%	6.9%
Unchanged	54.5%	50.0%	51.6%	44.4%	52.0%	64.3%	66.0%	61.8%	65.4%	53.3%	56.1%	69.2%	63.8%	40.0%	58.4%
Decreased 1-5	3.0%	0.0%	17.2%	0.0%	7.0%	11.9%	8.5%	3.6%	7.7%	6.7%	2.4%	5.1%	6.4%	10.0%	8.6%
Decreased 6-10	3.0%	0.0%	6.3%	11.1%	0.0%	0.8%	0.0%	3.6%	0.0%	0.0%	2.4%	2.6%	2.8%	0.0%	2.3%
Decreased >10	0.0%	0.0%	3.9%	0.0%	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	2.4%	2.6%	0.7%	6.7%	1.4%
Sample size (n)	33	6	128	9	100	126	47	55	26	30	41	39	141	30	811
ii Wage growth															
Increased 1%-5%	39.4%	16.7%	28.1%	33.3%	25.0%	27.8%	34.0%	27.3%	42.3%	30.0%	34.1%	38.5%	24.8%	26.7%	29.1%
Increased 6%-10%	15.2%	33.3%	14.1%	11.1%	19.0%	14.3%	14.9%	10.9%	11.5%	26.7%	19.5%	10.3%	15.6%	10.0%	15.3%
Increased >10%	9.1%	0.0%	10.2%	11.1%	13.0%	15.1%	12.8%	23.6%	11.5%	6.7%	7.3%	15.4%	16.3%	13.3%	13.4%
Unchanged	30.3%	33.3%	44.5%	44.4%	42.0%	41.3%	36.2%	36.4%	34.6%	36.7%	34.1%	30.8%	37.6%	46.7%	39.1%
Decreased 1%-5%	3.0%	0.0%	0.8%	0.0%	1.0%	1.6%	2.1%	1.8%	0.0%	0.0%	2.4%	2.6%	4.3%	0.0%	1.8%
Decreased 6%-10%	3.0%	16.7%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.4%	2.6%	0.7%	0.0%	0.7%
Decreased >10%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	3.3%	0.5%
Sample size (n)	33	6	128	9	100	126	47	55	26	30	41	39	141	30	811

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS
FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
VII	**Investment**															
i	**Capital expenditure**															
	Increased 1%-5%	34.6%	33.3%	15.8%	14.3%	11.0%	15.5%	10.0%	10.9%	16.7%	17.4%	29.6%	11.4%	13.9%	27.3%	15.8%
	Increased 6%-10%	7.7%	0.0%	10.5%	0.0%	7.3%	16.5%	17.5%	15.2%	5.6%	30.4%	18.5%	11.4%	9.3%	22.7%	12.6%
	Increased >10%	19.2%	16.7%	17.5%	42.9%	29.3%	16.5%	12.5%	23.9%	27.8%	17.4%	7.4%	17.1%	14.8%	13.6%	18.6%
	Unchanged	26.9%	50.0%	48.2%	28.6%	41.5%	39.8%	45.0%	43.5%	50.0%	34.8%	44.4%	48.6%	56.5%	27.3%	44.6%
	Decreased 1%-5%	3.8%	0.0%	0.9%	0.0%	6.1%	6.8%	5.0%	0.0%	0.0%	0.0%	0.0%	5.7%	0.9%	4.5%	3.0%
	Decreased 6%-10%	3.8%	0.0%	1.8%	14.3%	2.4%	3.9%	2.5%	2.2%	0.0%	0.0%	0.0%	2.9%	1.9%	0.0%	2.3%
	Decreased >10%	3.8%	0.0%	5.3%	0.0%	2.4%	1.0%	7.5%	4.3%	0.0%	0.0%	0.0%	2.9%	2.8%	4.5%	3.0%
	Sample size (n)	**26**	**6**	**114**	**7**	**82**	**103**	**40**	**46**	**18**	**23**	**27**	**35**	**108**	**22**	**657**
	Forecast: 1H 2026 (Jan-Jun 2025) compared to 2H 2025 (Jul-Dec 2025)															
I	**Overall**															
i	**Cash flows conditions**															
	Better	3.0%	33.3%	14.1%	22.2%	10.0%	11.1%	4.3%	14.5%	23.1%	16.7%	17.1%	12.8%	17.0%	26.7%	13.8%
	Neutral	66.7%	33.3%	62.5%	66.7%	61.0%	67.5%	74.5%	56.4%	65.4%	66.7%	63.4%	69.2%	62.4%	53.3%	63.6%
	Worse	30.3%	33.3%	23.4%	11.1%	29.0%	21.4%	21.3%	29.1%	11.5%	16.7%	19.5%	17.9%	20.6%	20.0%	22.6%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
ii	**Debtors' conditions**															
	Better	3.0%	16.7%	7.0%	11.1%	4.0%	2.4%	6.4%	9.1%	19.2%	13.3%	12.2%	5.1%	12.1%	10.0%	7.8%
	Neutral	51.5%	50.0%	59.4%	88.9%	66.0%	74.6%	55.3%	80.0%	61.5%	66.7%	68.3%	71.8%	66.7%	73.3%	66.8%
	Worse	45.5%	33.3%	33.6%	0.0%	30.0%	23.0%	38.3%	10.9%	19.2%	20.0%	19.5%	23.1%	21.3%	16.7%	25.4%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
iii	**Capacity utilisation level**															
	Less than 50%	21.1%	16.7%	24.1%	40.0%											23.9%
	50% to 74%	52.6%	33.3%	41.1%	40.0%											42.3%
	75% to 90%	5.3%	33.3%	24.1%	20.0%											21.8%
	More than 90%	21.1%	16.7%	10.7%	0.0%											12.0%
	Sample size (n)	**19**	**6**	**112**	**5**											**142**
II	**Domestic sales**															
i	**Sales revenue**															
	Increase 1%-5%	12.9%	0.0%	9.4%	0.0%	12.9%	10.6%	15.2%	14.8%	17.4%	17.9%	15.8%	18.4%	14.8%	10.7%	13.0%
	Increase 6%-10%	6.5%	16.7%	7.7%	0.0%	11.8%	7.3%	4.3%	7.4%	13.0%	17.9%	23.7%	10.5%	10.9%	7.1%	9.8%
	Increase >10%	16.1%	16.7%	7.7%	22.2%	12.9%	14.6%	6.5%	22.2%	13.0%	14.3%	2.6%	10.5%	14.1%	28.6%	13.1%
	Unchanged	35.5%	0.0%	34.2%	66.7%	32.3%	33.3%	28.3%	20.4%	39.1%	32.1%	42.1%	36.8%	30.5%	32.1%	32.5%
	Decrease 1%-5%	12.9%	33.3%	15.4%	11.1%	8.6%	13.0%	15.2%	16.7%	13.0%	7.1%	5.3%	13.2%	11.7%	10.7%	12.5%
	Decrease 6%-10%	3.2%	16.7%	11.1%	0.0%	12.9%	10.6%	13.0%	9.3%	0.0%	7.1%	10.5%	7.9%	10.2%	3.6%	9.7%
	Decrease >10%	12.9%	16.7%	14.5%	0.0%	8.6%	10.6%	17.4%	9.3%	4.3%	3.6%	0.0%	2.6%	7.8%	7.1%	9.3%
	Sample size (n)	**31**	**6**	**117**	**9**	**93**	**123**	**46**	**54**	**23**	**28**	**38**	**38**	**128**	**28**	**762**
ii	**Price level**															
	Increase 1%-5%	9.7%	0.0%	7.8%	0.0%	22.6%	20.2%	12.8%	23.1%	25.0%	25.9%	12.9%	28.9%	19.5%	11.5%	17.6%
	Increase 6%-10%	19.4%	0.0%	7.0%	12.5%	12.9%	10.9%	12.8%	11.5%	16.7%	18.5%	22.6%	21.1%	9.3%	11.5%	12.2%
	Increase >10%	0.0%	33.3%	9.6%	12.5%	21.5%	14.3%	17.0%	13.5%	8.3%	14.8%	9.7%	10.5%	16.9%	26.9%	14.4%
	Unchanged	41.9%	50.0%	46.1%	50.0%	24.7%	36.1%	34.0%	28.8%	37.5%	25.9%	45.2%	28.9%	37.3%	34.6%	35.9%
	Decrease 1%-5%	9.7%	0.0%	15.7%	12.5%	9.7%	8.4%	14.9%	5.8%	8.3%	7.4%	0.0%	7.9%	5.1%	7.7%	9.0%
	Decrease 6%-10%	12.9%	16.7%	5.2%	12.5%	6.5%	5.0%	4.3%	5.8%	4.2%	3.7%	3.2%	2.6%	5.9%	3.8%	5.6%
	Decrease >10%	6.5%	0.0%	8.7%	0.0%	2.2%	5.0%	4.3%	11.5%	0.0%	3.7%	6.5%	0.0%	5.9%	3.8%	5.3%
	Sample size (n)	**31**	**6**	**115**	**8**	**93**	**119**	**47**	**52**	**24**	**27**	**31**	**38**	**118**	**26**	**735**
III	**Export sales**															
i	**Sales revenue**															
	Increase 1%-5%	0.0%	0.0%	6.7%	0.0%	6.7%	26.3%	11.1%	9.1%	10.0%	27.3%	50.0%	0.0%	26.5%	16.7%	14.2%
	Increase 6%-10%	0.0%	0.0%	9.3%	0.0%	26.7%	5.3%	11.1%	9.1%	10.0%	9.1%	25.0%	33.3%	5.9%	8.3%	10.2%
	Increase >10%	0.0%	0.0%	13.3%	0.0%	13.3%	5.3%	11.1%	27.3%	20.0%	0.0%	0.0%	66.7%	8.8%	25.0%	12.8%
	Unchanged	50.0%	100.0%	38.7%	0.0%	26.7%	42.1%	29.6%	36.4%	60.0%	54.5%	25.0%	0.0%	41.2%	33.3%	38.5%
	Decrease 1%-5%	50.0%	0.0%	12.0%	0.0%	13.3%	10.5%	7.4%	0.0%	0.0%	9.1%	0.0%	0.0%	0.0%	8.3%	8.4%
	Decrease 6%-10%	0.0%	0.0%	8.0%	0.0%	6.7%	10.5%	11.1%	9.1%	0.0%	0.0%	0.0%	0.0%	5.9%	0.0%	6.6%
	Decrease >10%	0.0%	0.0%	12.0%	0.0%	6.7%	0.0%	18.5%	9.1%	0.0%	0.0%	0.0%	0.0%	11.8%	8.3%	9.3%
	Sample size (n)	**4**	**1**	**75**	**0**	**15**	**19**	**27**	**11**	**10**	**11**	**4**	**3**	**34**	**12**	**226**
ii	**Price level**															
	Increase 1%-5%	0.0%	0.0%	8.1%	0.0%	0.0%	11.1%	3.7%	10.0%	20.0%	36.4%	50.0%	50.0%	17.6%	16.7%	12.2%
	Increase 6%-10%	0.0%	100.0%	2.7%	0.0%	28.6%	16.7%	11.1%	10.0%	10.0%	0.0%	25.0%	50.0%	0.0%	8.3%	8.1%
	Increase >10%	0.0%	0.0%	4.1%	0.0%	7.1%	5.6%	11.1%	0.0%	30.0%	0.0%	0.0%	0.0%	8.8%	0.0%	6.3%
	Unchanged	0.0%	0.0%	51.4%	0.0%	35.7%	55.6%	37.0%	60.0%	20.0%	36.4%	0.0%	0.0%	58.8%	58.3%	46.2%
	Decrease 1%-5%	25.0%	0.0%	18.9%	0.0%	21.4%	5.6%	14.8%	0.0%	20.0%	18.2%	25.0%	0.0%	8.8%	8.3%	14.5%
	Decrease 6%-10%	25.0%	0.0%	10.8%	0.0%	0.0%	0.0%	11.1%	20.0%	0.0%	9.1%	0.0%	0.0%	2.9%	0.0%	7.2%
	Decrease >10%	50.0%	0.0%	4.1%	0.0%	7.1%	5.6%	11.1%	0.0%	0.0%	0.0%	0.0%	0.0%	2.9%	8.3%	5.4%
	Sample size (n)	**4**	**1.0**	**74**	**0**	**14**	**18**	**27**	**10**	**10**	**11**	**4**	**2**	**34**	**12**	**221**

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS
FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

		Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
IV	**Business production**															
i	**Production volume**															
	Increase 1%-5%	7.1%	0.0%	12.2%	100.0%											11.5%
	Increase 6%-10%	10.7%	40.0%	7.3%	0.0%											8.9%
	Increase >10%	10.7%	0.0%	8.9%	0.0%											8.9%
	Unchanged	50.0%	20.0%	30.9%	0.0%											33.8%
	Decrease 1%-5%	14.3%	0.0%	13.0%	0.0%											12.7%
	Decrease 6%-10%	3.6%	20.0%	10.6%	0.0%											9.6%
	Decrease >10%	3.6%	20.0%	17.1%	0.0%											14.6%
	Sample size (n)	**28**	**5**	**123**	**1**											**157**
ii	**Inventory or stock level**															
	Increase 1%-5%	7.4%	20.0%	6.8%	0.0%		17.2%	15.4%								11.6%
	Increase 6%-10%	11.1%	20.0%	10.3%	0.0%		8.0%	10.3%								9.8%
	Increase >10%	11.1%	20.0%	9.4%	0.0%		10.3%	15.4%								10.9%
	Unchanged	44.4%	40.0%	50.4%	0.0%		40.2%	33.3%								43.8%
	Decrease 1%-5%	14.8%	0.0%	12.0%	100.0%		11.5%	10.3%								12.0%
	Decrease 6%-10%	11.1%	0.0%	2.6%	0.0%		5.7%	7.7%								5.1%
	Decrease >10%	0.0%	0.0%	8.5%	0.0%		6.9%	7.7%								6.9%
	Sample size (n)	**27**	**5**	**117**	**1**		**87**	**39**								**276**
V	**Cost of inputs**															
i	**Local**															
	Increase 1%-5%	18.2%	33.3%	17.7%	22.2%	17.2%	24.3%	9.3%	28.0%	19.0%	14.8%	25.8%	29.7%	19.2%	28.6%	20.624%
	Increase 6%-10%	21.2%	16.7%	12.1%	0.0%	20.4%	18.3%	16.3%	14.0%	19.0%	29.6%	29.0%	21.6%	12.5%	14.3%	16.961%
	Increase >10%	33.3%	0.0%	28.2%	55.6%	31.2%	30.4%	37.2%	32.0%	23.8%	18.5%	6.5%	24.3%	30.0%	17.9%	28.358%
	Unchanged	15.2%	50.0%	33.9%	0.0%	23.7%	22.6%	27.9%	14.0%	33.3%	33.3%	29.0%	18.9%	29.2%	32.1%	26.187%
	Decrease 1%-5%	9.1%	0.0%	4.8%	11.1%	5.4%	3.5%	9.3%	6.0%	4.8%	3.7%	6.5%	2.7%	2.5%	3.6%	4.749%
	Decrease 6%-10%	3.0%	0.0%	0.8%	11.1%	1.1%	0.9%	0.0%	4.0%	0.0%	0.0%	0.0%	2.7%	1.7%	0.0%	1.357%
	Decrease >10%	0.0%	0.0%	2.4%	0.0%	1.1%	0.0%	0.0%	2.0%	0.0%	0.0%	3.2%	0.0%	5.0%	3.6%	1.764%
	Sample size (n)	**33**	**6**	**124**	**9**	**93**	**115**	**43**	**50**	**21**	**27**	**31**	**37**	**120**	**28**	**737**
ii	**Imported**															
	Increase 1%-5%	15.8%	0.0%	15.6%	0.0%	12.1%	13.8%	6.8%	19.2%	13.3%	6.3%	6.3%	21.1%	15.9%	14.3%	13.5%
	Increase 6%-10%	15.8%	0.0%	15.6%	25.0%	20.7%	6.9%	22.7%	15.4%	13.3%	25.0%	18.8%	5.3%	11.1%	0.0%	14.6%
	Increase >10%	26.3%	25.0%	11.5%	50.0%	20.7%	24.1%	25.0%	26.9%	26.7%	12.5%	12.5%	5.3%	9.5%	7.1%	17.5%
	Unchanged	26.3%	50.0%	40.6%	0.0%	41.4%	46.6%	38.6%	26.9%	46.7%	43.8%	50.0%	57.9%	57.1%	50.0%	43.6%
	Decrease 1%-5%	10.5%	25.0%	9.4%	25.0%	5.2%	6.9%	2.3%	3.8%	0.0%	12.5%	0.0%	0.0%	1.6%	14.3%	6.0%
	Decrease 6%-10%	5.3%	0.0%	2.1%	0.0%	0.0%	0.0%	4.5%	7.7%	0.0%	0.0%	6.3%	5.3%	0.0%	0.0%	2.0%
	Decrease >10%	0.0%	0.0%	5.2%	0.0%	0.0%	1.7%	0.0%	0.0%	0.0%	0.0%	6.3%	5.3%	4.8%	14.3%	2.9%
	Sample size (n)	**19**	**4**	**96**	**4**	**58**	**58**	**44**	**26**	**15**	**16**	**16**	**19**	**63**	**14**	**452**
VI	**Manpower**															
i	**Number of employees**															
	Increase 1-5	27.3%	0.0%	11.7%	33.3%	22.0%	18.3%	17.0%	14.5%	19.2%	20.0%	29.3%	12.8%	25.5%	16.7%	19.4%
	Increase 6-10	12.1%	0.0%	6.3%	22.2%	8.0%	4.0%	6.4%	1.8%	0.0%	13.3%	9.8%	0.0%	4.3%	6.7%	5.8%
	Increase >10	3.0%	16.7%	6.3%	0.0%	12.0%	7.1%	4.3%	12.7%	11.5%	16.7%	4.9%	7.7%	7.1%	13.3%	8.3%
	Unchanged	48.5%	66.7%	59.4%	33.3%	50.0%	59.5%	61.7%	56.4%	57.7%	46.7%	48.8%	74.4%	54.6%	33.3%	55.4%
	Decrease 1-5	6.1%	16.7%	6.3%	0.0%	7.0%	8.7%	10.6%	12.7%	11.5%	3.3%	4.9%	2.6%	6.4%	13.3%	7.5%
	Decrease 6-10	3.0%	0.0%	6.3%	11.1%	0.0%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	2.6%	1.4%	6.7%	2.2%
	Decrease >10	0.0%	0.0%	3.9%	0.0%	1.0%	0.0%	0.0%	1.8%	0.0%	0.0%	2.4%	0.0%	0.7%	10.0%	1.5%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
ii	**Wage growth**															
	Increase 1%-5%	36.4%	16.7%	30.5%	33.3%	27.0%	29.4%	34.0%	25.5%	50.0%	26.7%	36.6%	30.8%	24.8%	33.3%	29.8%
	Increase 6%-10%	9.1%	33.3%	15.6%	11.1%	19.0%	11.9%	17.0%	12.7%	11.5%	26.7%	19.5%	10.3%	17.0%	6.7%	15.3%
	Increase >10%	15.2%	33.3%	12.5%	22.2%	13.0%	21.4%	10.6%	25.5%	11.5%	13.3%	9.8%	15.4%	19.1%	23.3%	16.6%
	Unchanged	36.4%	16.7%	34.4%	22.2%	40.0%	34.9%	36.2%	34.5%	23.1%	33.3%	29.3%	41.0%	34.0%	33.3%	34.6%
	Decrease 1%-5%	0.0%	0.0%	2.3%	11.1%	0.0%	1.6%	2.1%	0.0%	3.8%	0.0%	2.4%	0.0%	3.5%	0.0%	1.7%
	Decrease 6%-10%	3.0%	0.0%	3.1%	0.0%	0.0%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.7%	0.0%	0.9%
	Decrease >10%	0.0%	0.0%	1.6%	0.0%	1.0%	0.0%	0.0%	1.8%	0.0%	0.0%	2.4%	2.6%	0.7%	3.3%	1.0%
	Sample size (n)	**33**	**6**	**128**	**9**	**100**	**126**	**47**	**55**	**26**	**30**	**41**	**39**	**141**	**30**	**811**
VII	**Investment**															
i	**Capital expenditure**															
	Increase 1%-5%	26.9%	33.3%	13.2%	14.3%	6.3%	14.4%	10.0%	13.0%	5.6%	17.4%	22.2%	14.3%	15.0%	27.3%	14.2%
	Increase 6%-10%	3.8%	33.3%	11.4%	14.3%	11.3%	13.5%	12.5%	4.3%	11.1%	26.1%	25.9%	14.3%	8.4%	22.7%	12.4%
	Increase >10%	30.8%	16.7%	21.1%	42.9%	25.0%	21.2%	22.5%	28.3%	33.3%	13.0%	7.4%	17.1%	19.6%	13.6%	21.5%
	Unchanged	26.9%	16.7%	44.7%	14.3%	43.8%	41.3%	40.0%	45.7%	38.9%	39.1%	40.7%	40.0%	49.5%	27.3%	42.0%
	Decrease 1%-5%	3.8%	0.0%	1.8%	0.0%	6.3%	4.8%	5.0%	2.2%	11.1%	4.3%	3.7%	8.6%	0.0%	4.5%	3.7%
	Decrease 6%-10%	3.8%	0.0%	3.5%	14.3%	2.5%	2.9%	5.0%	2.2%	0.0%	0.0%	0.0%	0.0%	3.7%	0.0%	2.7%
	Decrease >10%	3.8%	0.0%	4.4%	0.0%	5.0%	1.9%	5.0%	4.3%	0.0%	0.0%	0.0%	5.7%	3.7%	4.5%	3.5%
	Sample size (n)	**26**	**6**	**114**	**7**	**80**	**104**	**40**	**46**	**18**	**23**	**27**	**35**	**107**	**22**	**655**

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS

FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

	Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
Section C: Current Issues															
Issue 1: Technical and Vocational Education and Training (TVET)															
C1. Have you ever hired graduates with TVET qualifications?															
Yes	6.5%	0.0%	22.0%	0.0%	21.0%	5.6%	10.6%	9.6%	7.7%	26.7%	4.9%	10.3%	16.8%	30.0%	14.5%
No	80.6%	100.0%	50.4%	55.6%	57.0%	72.2%	66.0%	59.6%	73.1%	56.7%	65.9%	61.5%	65.0%	53.3%	62.7%
I don't know	12.9%	0.0%	27.6%	44.4%	22.0%	22.2%	23.4%	30.8%	19.2%	16.7%	29.3%	28.2%	18.2%	16.7%	22.8%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
C2.A How would you rate the overall TVET quality and industry readiness in the following aspects?															
A.1 Overall quality of TVET institutions															
Excellent	50.0%	0.0%	0.0%	0.0%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.0%	3.4%
Good	0.0%	0.0%	42.9%	0.0%	23.8%	28.6%	40.0%	80.0%	0.0%	37.5%	50.0%	0.0%	34.8%	88.9%	38.8%
Fair	50.0%	0.0%	46.4%	0.0%	52.4%	71.4%	20.0%	20.0%	100.0%	37.5%	50.0%	75.0%	56.5%	11.1%	47.4%
Poor	0.0%	0.0%	7.1%	0.0%	4.8%	0.0%	40.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	6.0%
Not familiar	0.0%	0.0%	3.6%	0.0%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	4.3%	0.0%	4.3%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
A.1.1 Industry exposure provided to TVET students															
Excellent	0.0%	0.0%	3.6%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%	0.0%	8.7%	11.1%	5.2%
Good	50.0%	0.0%	32.1%	0.0%	28.6%	28.6%	20.0%	60.0%	0.0%	12.5%	50.0%	25.0%	26.1%	66.7%	31.9%
Fair	50.0%	0.0%	42.9%	0.0%	52.4%	71.4%	60.0%	40.0%	100.0%	62.5%	0.0%	50.0%	60.9%	22.2%	50.9%
Poor	0.0%	0.0%	17.9%	0.0%	4.8%	0.0%	20.0%	0.0%	0.0%	12.5%	50.0%	0.0%	0.0%	0.0%	7.8%
Not familiar	0.0%	0.0%	3.6%	0.0%	9.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	4.3%	0.0%	4.3%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
A.1.2 Collaboration between TVET institutions and industry															
Excellent	0.0%	0.0%	7.1%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.0%	0.0%	5.2%
Good	50.0%	0.0%	25.0%	0.0%	38.1%	42.9%	20.0%	40.0%	0.0%	25.0%	0.0%	0.0%	30.4%	66.7%	31.9%
Fair	0.0%	0.0%	32.1%	0.0%	38.1%	42.9%	40.0%	40.0%	50.0%	62.5%	50.0%	50.0%	47.8%	33.3%	40.5%
Poor	50.0%	0.0%	28.6%	0.0%	4.8%	14.3%	20.0%	20.0%	50.0%	0.0%	50.0%	25.0%	4.3%	0.0%	14.7%
Not familiar	0.0%	0.0%	7.1%	0.0%	14.3%	0.0%	20.0%	0.0%	0.0%	12.5%	0.0%	25.0%	4.3%	0.0%	7.8%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
A.2 Work performance of TVET graduates															
Excellent	0.0%	0.0%	0.0%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	4.3%	0.0%	1.7%
Good	50.0%	0.0%	35.7%	0.0%	38.1%	42.9%	20.0%	80.0%	0.0%	37.5%	0.0%	25.0%	30.4%	66.7%	37.9%
Fair	0.0%	0.0%	50.0%	0.0%	38.1%	57.1%	60.0%	20.0%	100.0%	50.0%	100.0%	50.0%	52.2%	33.3%	47.4%
Poor	0.0%	0.0%	10.7%	0.0%	4.8%	0.0%	20.0%	0.0%	0.0%	12.5%	0.0%	0.0%	4.3%	0.0%	6.0%
Not familiar	50.0%	0.0%	3.6%	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	8.7%	0.0%	6.9%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
A.2.1 Relevance of TVET graduates' skills to company needs															
Excellent	0.0%	0.0%	0.0%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%	0.0%	2.6%
Good	50.0%	0.0%	35.7%	0.0%	52.4%	28.6%	20.0%	60.0%	0.0%	25.0%	0.0%	0.0%	34.8%	77.8%	38.8%
Fair	50.0%	0.0%	46.4%	0.0%	23.8%	71.4%	20.0%	40.0%	100.0%	50.0%	100.0%	75.0%	52.2%	22.2%	44.8%
Poor	0.0%	0.0%	14.3%	0.0%	4.8%	0.0%	40.0%	0.0%	0.0%	25.0%	0.0%	0.0%	0.0%	0.0%	7.8%
Not familiar	0.0%	0.0%	3.6%	0.0%	14.3%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	25.0%	4.3%	0.0%	6.0%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
A.3 Quality of TVET-related training by national agency															
Excellent	0.0%	0.0%	0.0%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%	0.0%	4.3%	0.0%	2.6%
Good	50.0%	0.0%	35.7%	0.0%	28.6%	28.6%	20.0%	20.0%	0.0%	12.5%	0.0%	0.0%	17.4%	66.7%	27.6%
Fair	0.0%	0.0%	39.3%	0.0%	38.1%	42.9%	20.0%	80.0%	100.0%	50.0%	50.0%	50.0%	47.8%	22.2%	42.2%
Poor	50.0%	0.0%	14.3%	0.0%	14.3%	0.0%	40.0%	0.0%	0.0%	12.5%	0.0%	25.0%	13.0%	11.1%	13.8%
Not familiar	0.0%	0.0%	10.7%	0.0%	14.3%	28.6%	20.0%	0.0%	0.0%	12.5%	50.0%	25.0%	17.4%	0.0%	13.8%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
A.4 Quality of TVET-related training by private institutions															
Excellent	0.0%	0.0%	0.0%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	12.5%	0.0%	0.0%	4.3%	0.0%	2.6%
Good	50.0%	0.0%	46.4%	0.0%	38.1%	28.6%	40.0%	40.0%	0.0%	12.5%	50.0%	25.0%	43.5%	88.9%	42.2%
Fair	50.0%	0.0%	42.9%	0.0%	33.3%	57.1%	40.0%	60.0%	100.0%	50.0%	0.0%	50.0%	43.5%	11.1%	41.4%
Poor	0.0%	0.0%	3.6%	0.0%	4.8%	0.0%	20.0%	0.0%	0.0%	12.5%	0.0%	0.0%	0.0%	0.0%	3.4%
Not familiar	0.0%	0.0%	7.1%	0.0%	19.0%	14.3%	0.0%	0.0%	0.0%	12.5%	50.0%	25.0%	8.7%	0.0%	10.3%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
C2.B What are your company's biggest challenges in hiring or training TVET graduates? *(Select up to 3)*															
Difficulty finding qualified candidates	0.0%	0.0%	60.7%	0.0%	57.1%	71.4%	40.0%	40.0%	0.0%	50.0%	50.0%	100.0%	47.8%	0.0%	50.0%
Limited industry-specific skills	0.0%	0.0%	39.3%	0.0%	42.9%	28.6%	20.0%	20.0%	50.0%	50.0%	50.0%	75.0%	39.1%	33.3%	38.8%
Difficulty retaining TVET hires	0.0%	0.0%	35.7%	0.0%	23.8%	28.6%	40.0%	20.0%	0.0%	12.5%	0.0%	25.0%	39.1%	33.3%	29.3%
High training costs	50.0%	0.0%	7.1%	0.0%	19.0%	14.3%	20.0%	0.0%	50.0%	12.5%	50.0%	0.0%	4.3%	11.1%	12.1%
Limited in-house training capacity	0.0%	0.0%	17.9%	0.0%	19.0%	0.0%	40.0%	0.0%	0.0%	0.0%	0.0%	0.0%	13.0%	33.3%	14.7%
Lack of structured collaboration with TVET institutions	50.0%	0.0%	28.6%	0.0%	14.3%	28.6%	20.0%	40.0%	50.0%	0.0%	100.0%	25.0%	17.4%	33.3%	24.1%
Need for significant retraining after hiring	0.0%	0.0%	28.6%	0.0%	14.3%	42.9%	40.0%	40.0%	0.0%	25.0%	0.0%	0.0%	17.4%	0.0%	20.7%
Limited government support or unclear incentives	0.0%	0.0%	35.7%	0.0%	23.8%	42.9%	60.0%	40.0%	50.0%	37.5%	50.0%	25.0%	26.1%	44.4%	33.6%
Other	0.0%	0.0%	7.1%	0.0%	4.8%	0.0%	20.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.7%	0.0%	5.2%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116
C2.C What types of government's incentives related to TVET hiring or training is your company benefiting from? *(Select all that apply)*															
None / Not aware of any incentive	0.0%	0.0%	39.3%	0.0%	42.9%	42.9%	60.0%	60.0%	50.0%	62.5%	50.0%	25.0%	69.6%	22.2%	47.4%
Double tax deduction for structured internships (MySIP)	50.0%	0.0%	17.9%	0.0%	14.3%	28.6%	0.0%	0.0%	0.0%	12.5%	50.0%	0.0%	4.3%	11.1%	12.9%
Internship placement matching grant for SMEs/startups (LiKES)	50.0%	0.0%	21.4%	0.0%	23.8%	14.3%	20.0%	0.0%	50.0%	25.0%	50.0%	25.0%	21.7%	33.3%	23.3%
HRD Corp levy for graduates' salary support	0.0%	0.0%	28.6%	0.0%	33.3%	14.3%	20.0%	20.0%	50.0%	25.0%	50.0%	50.0%	4.3%	44.4%	25.0%
HRD Corp levy for employees' training	0.0%	0.0%	39.3%	0.0%	23.8%	42.9%	20.0%	40.0%	0.0%	0.0%	50.0%	25.0%	17.4%	33.3%	26.7%
Akademi Dalam Industri (ADI)	0.0%	0.0%	7.1%	0.0%	0.0%	0.0%	20.0%	0.0%	0.0%	12.5%	0.0%	0.0%	4.3%	22.2%	6.0%
National internship matching platform (MyNext)	0.0%	0.0%	10.7%	0.0%	4.8%	0.0%	0.0%	0.0%	0.0%	0.0%	50.0%	0.0%	4.3%	33.3%	7.8%
Other	0.0%	0.0%	0.0%	0.0%	0.0%	14.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%
Sample size (n)	2	0	28	0	21	7	5	5	2	8	2	4	23	9	116

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS
FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

	Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
C3.A What are the main reasons for not hiring TVET graduates? *(Select up to 3)*															
Limited access to qualified candidates	36.0%	33.3%	42.2%	20.0%	40.4%	29.7%	25.8%	25.8%	31.6%	35.3%	7.4%	25.0%	30.3%	12.5%	30.7%
Preference for conventional degree holders	4.0%	0.0%	3.1%	0.0%	8.8%	8.8%	6.5%	3.2%	15.8%	11.8%	11.1%	12.5%	13.5%	6.3%	8.6%
Mismatch between TVET courses and company needs	20.0%	16.7%	32.8%	40.0%	29.8%	26.4%	29.0%	9.7%	36.8%	11.8%	29.6%	16.7%	15.7%	18.8%	23.9%
Concern about the credibility of TVET qualifications	0.0%	33.3%	7.8%	0.0%	3.5%	4.4%	9.7%	0.0%	15.8%	11.8%	0.0%	0.0%	10.1%	12.5%	6.4%
Lack of government incentive to hire TVET graduates	16.0%	0.0%	21.9%	40.0%	21.1%	15.4%	29.0%	19.4%	10.5%	35.3%	0.0%	4.2%	13.5%	6.3%	16.5%
Unrealistic salary expectations	12.0%	50.0%	18.8%	0.0%	15.8%	19.8%	16.1%	19.4%	15.8%	23.5%	3.7%	4.2%	13.5%	6.3%	15.5%
No relevant positions for TVET	68.0%	50.0%	45.3%	80.0%	61.4%	56.0%	48.4%	67.7%	47.4%	41.2%	63.0%	62.5%	52.8%	75.0%	56.2%
Other	8.0%	33.3%	1.6%	0.0%	5.3%	5.5%	3.2%	3.2%	10.5%	5.9%	11.1%	4.2%	4.5%	0.0%	5.2%
Sample size (n)	25	6	64	5	57	91	31	31	19	17	27	24	89	16	502
C4.A Based on your experience or general perception, how do TVET graduates compare with non-TVET graduates in the following areas?															
A.1 Technical / practical skills															
Stronger	32.3%	0.0%	23.6%	0.0%	21.0%	20.6%	10.6%	17.3%	30.8%	36.7%	19.5%	23.1%	22.6%	33.3%	22.2%
Similar	9.7%	66.7%	30.7%	0.0%	20.0%	18.3%	19.1%	21.2%	34.6%	36.7%	22.0%	23.1%	26.3%	30.0%	24.0%
Weaker	9.7%	16.7%	6.3%	33.3%	9.0%	7.9%	8.5%	7.7%	7.7%	6.7%	4.9%	7.7%	6.6%	3.3%	7.6%
Not familiar	48.4%	16.7%	39.4%	66.7%	50.0%	53.2%	61.7%	53.8%	26.9%	20.0%	53.7%	46.2%	44.5%	33.3%	46.2%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.2 Theoretical / conceptual understanding															
Stronger	12.9%	0.0%	14.2%	0.0%	18.0%	14.3%	10.6%	11.5%	34.6%	13.3%	19.5%	10.3%	17.5%	10.0%	15.1%
Similar	19.4%	50.0%	35.4%	11.1%	22.0%	25.4%	25.5%	30.8%	30.8%	43.3%	19.5%	35.9%	26.3%	50.0%	28.8%
Weaker	16.1%	33.3%	11.8%	22.2%	14.0%	7.9%	6.4%	9.6%	11.5%	26.7%	4.9%	7.7%	9.5%	6.7%	10.9%
Not familiar	51.6%	16.7%	38.6%	66.7%	46.0%	52.4%	57.4%	48.1%	23.1%	16.7%	56.1%	46.2%	46.7%	33.3%	45.2%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.3 Communication skills															
Stronger	9.7%	0.0%	7.1%	0.0%	8.0%	11.9%	8.5%	11.5%	23.1%	6.7%	4.9%	5.1%	11.7%	10.0%	9.5%
Similar	22.6%	66.7%	44.1%	33.3%	35.0%	23.8%	19.1%	26.9%	50.0%	50.0%	43.9%	30.8%	30.7%	43.3%	33.8%
Weaker	22.6%	16.7%	9.4%	0.0%	11.0%	14.3%	14.9%	17.3%	3.8%	26.7%	4.9%	15.4%	14.6%	13.3%	13.2%
Not familiar	45.2%	16.7%	39.4%	66.7%	46.0%	50.0%	57.4%	44.2%	23.1%	16.7%	46.3%	48.7%	43.1%	33.3%	43.4%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.4 Analytical and problem-solving ability															
Stronger	16.1%	0.0%	12.6%	0.0%	12.0%	15.1%	8.5%	13.5%	30.8%	10.0%	17.1%	5.1%	14.6%	13.3%	13.4%
Similar	16.1%	50.0%	40.9%	11.1%	31.0%	23.0%	19.1%	32.7%	34.6%	56.7%	34.1%	35.9%	32.1%	46.7%	32.3%
Weaker	9.7%	33.3%	8.7%	22.2%	13.0%	11.1%	14.9%	5.8%	7.7%	16.7%	2.4%	10.3%	9.5%	6.7%	10.2%
Not familiar	58.1%	16.7%	37.8%	66.7%	44.0%	50.8%	57.4%	48.1%	26.9%	16.7%	46.3%	48.7%	43.8%	33.3%	44.1%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.5 Adaptability to workplace															
Stronger	12.9%	0.0%	7.1%	0.0%	10.0%	9.5%	4.3%	7.7%	42.3%	13.3%	4.9%	10.3%	10.9%	20.0%	10.4%
Similar	16.1%	50.0%	44.9%	22.2%	34.0%	26.2%	23.4%	34.6%	26.9%	53.3%	41.5%	30.8%	37.2%	40.0%	34.7%
Weaker	16.1%	33.3%	10.2%	11.1%	12.0%	12.7%	14.9%	9.6%	7.7%	16.7%	2.4%	10.3%	8.0%	6.7%	10.7%
Not familiar	54.8%	16.7%	37.8%	66.7%	44.0%	51.6%	57.4%	48.1%	23.1%	16.7%	51.2%	48.7%	43.8%	33.3%	44.2%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.6 Teamwork															
Stronger	9.7%	0.0%	6.3%	0.0%	12.0%	14.3%	8.5%	5.8%	30.8%	6.7%	4.9%	12.8%	8.0%	13.3%	10.0%
Similar	29.0%	66.7%	48.0%	11.1%	37.0%	21.4%	27.7%	38.5%	34.6%	56.7%	43.9%	30.8%	40.9%	46.7%	37.2%
Weaker	16.1%	0.0%	7.1%	11.1%	7.0%	10.3%	6.4%	7.7%	11.5%	20.0%	2.4%	7.7%	6.6%	6.7%	8.2%
Not familiar	45.2%	33.3%	38.6%	77.8%	44.0%	54.0%	57.4%	48.1%	23.1%	16.7%	48.8%	48.7%	44.5%	33.3%	44.6%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.7 Professional attitude															
Stronger	12.9%	16.7%	7.9%	0.0%	12.0%	9.5%	6.4%	5.8%	11.5%	3.3%	9.8%	15.4%	11.7%	6.7%	9.6%
Similar	16.1%	33.3%	43.3%	11.1%	36.0%	27.0%	23.4%	36.5%	57.7%	70.0%	39.0%	28.2%	32.1%	43.3%	35.3%
Weaker	22.6%	33.3%	10.2%	22.2%	8.0%	9.5%	12.8%	7.7%	7.7%	10.0%	2.4%	5.1%	11.7%	16.7%	10.4%
Not familiar	48.4%	16.7%	38.6%	66.7%	44.0%	54.0%	57.4%	50.0%	23.1%	16.7%	48.8%	51.3%	44.5%	33.3%	44.7%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
A.8 Self-initiated learning															
Stronger	9.7%	16.7%	9.4%	0.0%	11.0%	13.5%	6.4%	15.4%	19.2%	6.7%	12.2%	10.3%	11.7%	10.0%	11.2%
Similar	19.4%	50.0%	38.6%	22.2%	31.0%	27.8%	21.3%	28.8%	50.0%	56.7%	39.0%	33.3%	32.1%	46.7%	33.5%
Weaker	19.4%	16.7%	11.8%	11.1%	13.0%	7.9%	12.8%	5.8%	11.5%	20.0%	0.0%	10.3%	11.7%	13.3%	11.1%
Not familiar	51.6%	16.7%	40.2%	66.7%	45.0%	50.8%	59.6%	50.0%	19.2%	16.7%	48.8%	46.2%	44.5%	30.0%	44.3%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801
C4.B What measures do you think the government could encourage companies to recruit more TVET graduates? *(Select up to 3)*															
Create a one-stop portal for all TVET or training incentives	25.8%	16.7%	37.8%	33.3%	44.0%	35.7%	34.0%	38.5%	42.3%	23.3%	26.8%	38.5%	29.9%	36.7%	35.1%
Integrate all training and upskilling platforms into one	32.3%	0.0%	34.6%	44.4%	37.0%	33.3%	21.3%	23.1%	34.6%	20.0%	36.6%	28.2%	22.6%	30.0%	30.0%
Make TVET qualifications comparable to conventional degrees	12.9%	16.7%	21.3%	0.0%	23.0%	20.6%	19.1%	15.4%	23.1%	20.0%	26.8%	30.8%	21.9%	20.0%	21.1%
Improve the reputation of TVET qualifications	29.0%	33.3%	27.6%	22.2%	21.0%	30.2%	27.7%	36.5%	26.9%	16.7%	19.5%	35.9%	25.5%	26.7%	27.0%
Launch a national career and skills passport to track competencies	0.0%	16.7%	7.1%	11.1%	9.0%	12.7%	14.9%	13.5%	15.4%	3.3%	9.8%	17.9%	13.9%	13.3%	11.1%
Introduce a universal individual skills credit for continuous upskilling	16.1%	0.0%	14.2%	11.1%	14.0%	15.1%	29.8%	13.5%	7.7%	36.7%	9.8%	15.4%	9.5%	16.7%	14.9%
Enhance industry-oriented training programs with better incentives	22.6%	50.0%	20.5%	11.1%	19.0%	19.0%	25.5%	5.8%	15.4%	13.3%	7.3%	10.3%	18.2%	6.7%	17.1%
Include TVET graduates under hiring incentive schemes (i.e. Daya Kerjaya)	12.9%	33.3%	18.9%	33.3%	6.0%	11.9%	10.6%	23.1%	0.0%	26.7%	7.3%	10.3%	12.4%	13.3%	13.4%
Provide incentive of up to RM500 for TVET holders in relevant positions under the Progressive Wage Policy (PWP)	6.5%	50.0%	11.8%	0.0%	15.0%	11.9%	14.9%	9.6%	11.5%	43.3%	12.2%	10.3%	19.0%	13.3%	14.6%
Offer a double tax deduction for hiring certified TVET graduates	29.0%	50.0%	31.5%	22.2%	28.0%	26.2%	25.5%	28.8%	23.1%	36.7%	36.6%	35.9%	29.9%	23.3%	29.5%
Government-funded sign-on or retention bonuses for TVET hires in high-demand roles	9.7%	0.0%	13.4%	11.1%	13.0%	14.3%	10.6%	19.2%	3.8%	3.3%	9.8%	10.3%	15.3%	10.0%	12.6%
Other	9.7%	0.0%	4.7%	11.1%	6.0%	4.8%	2.1%	5.8%	7.7%	0.0%	7.3%	0.0%	3.6%	0.0%	4.5%
Sample size (n)	31	6	127	9	100	126	47	52	26	30	41	39	137	30	801

MALAYSIA'S BUSINESS AND ECONOMIC CONDITIONS SURVEY (M-BECS) RESULTS
FOR THE 2ND HALF-YEAR OF 2025 (JUL-DEC 2025) AND OUTLOOK FOR THE 1ST HALF-YEAR OF 2026 (JAN-JUN 2026)

	Agriculture, forestry, and fisheries	Mining and quarrying	Manufacturing	Electricity and water supply	Construction	Wholesale and retail trade (incl. repair of motor vehicle and motorcycle)	Trading (imports and exports)	Hotels, restaurants, recreation, and entertainment	Transportation, forwarding, and warehousing	Information and Communications Technology (ICT)	Financial and insurance	Real estate	Professional and business services	Health and education	OVERALL
Issue 2: Overpaid Corporate Income Tax Refund															
C5. Does your business file corporate income tax with LHDN?															
Yes, and we have overpaid tax	51.5%	50.0%	58.5%	33.3%	46.0%	33.3%	46.8%	37.5%	53.8%	38.7%	25.0%	60.0%	32.1%	32.3%	42.3%
Yes, but we have not overpaid tax	42.4%	33.3%	37.7%	44.4%	44.0%	54.0%	44.7%	51.8%	38.5%	51.6%	60.0%	30.0%	47.1%	48.4%	45.9%
No (e.g. sole proprietor)	6.1%	16.7%	3.8%	22.2%	10.0%	12.7%	8.5%	10.7%	7.7%	9.7%	15.0%	10.0%	20.7%	19.4%	11.8%
Sample size (n)	**33**	**6**	**130**	**9**	**100**	**126**	**47**	**56**	**26**	**31**	**40**	**40**	**140**	**31**	**815**
C6.A How long does it take to receive the full refund of overpaid corporate income tax for a particular assessment year after filing the refund application?															
Less than 3 months	17.6%	0.0%	15.8%	0.0%	13.0%	14.3%	18.2%	4.8%	7.1%	25.0%	10.0%	8.3%	17.8%	10.0%	13.9%
3-6 months	17.6%	0.0%	14.5%	33.3%	15.2%	26.2%	27.3%	42.9%	14.3%	0.0%	20.0%	4.2%	31.1%	30.0%	20.3%
7-12 months	41.2%	66.7%	14.5%	33.3%	37.0%	16.7%	22.7%	14.3%	21.4%	33.3%	30.0%	20.8%	17.8%	10.0%	22.3%
13-24 months	11.8%	33.3%	23.7%	0.0%	10.9%	16.7%	18.2%	23.8%	21.4%	16.7%	30.0%	50.0%	20.0%	0.0%	20.6%
3-4 years	5.9%	0.0%	18.4%	0.0%	10.9%	16.7%	9.1%	4.8%	35.7%	8.3%	0.0%	8.3%	8.9%	30.0%	13.0%
More than 4 years	5.9%	0.0%	13.2%	33.3%	13.0%	9.5%	4.5%	9.5%	0.0%	16.7%	10.0%	8.3%	4.4%	20.0%	9.9%
Sample size (n)	**17**	**3**	**76**	**3**	**46**	**42**	**22**	**21**	**14**	**12**	**10**	**24**	**45**	**10**	**345**
C6.B To what extent do the delayed refunds affect your company's cash flow?															
Not at all	11.8%	33.3%	15.8%	0.0%	6.5%	7.1%	4.5%	4.8%	28.6%	16.7%	20.0%	12.5%	15.6%	30.0%	12.8%
Slightly	41.2%	33.3%	39.5%	66.7%	34.8%	38.1%	31.8%	33.3%	28.6%	25.0%	30.0%	45.8%	33.3%	30.0%	36.2%
Moderately	17.6%	0.0%	17.1%	33.3%	30.4%	42.9%	36.4%	38.1%	28.6%	41.7%	40.0%	29.2%	22.2%	10.0%	27.8%
Significantly	29.4%	33.3%	27.6%	0.0%	28.3%	11.9%	27.3%	23.8%	14.3%	16.7%	10.0%	12.5%	28.9%	30.0%	23.2%
Sample size (n)	**17**	**3**	**76**	**3**	**46**	**42**	**22**	**21**	**14**	**12**	**10**	**24**	**45**	**10**	**345**
C7.A What would you consider a reasonable maximum duration to receive a full tax refund after filing for refund?															
Within 3 months	77.4%	80.0%	77.6%	85.7%	68.9%	80.0%	86.0%	78.0%	75.0%	67.9%	64.7%	75.0%	76.6%	84.0%	76.4%
Within 6 months	16.1%	20.0%	16.0%	14.3%	21.1%	16.4%	9.3%	16.0%	25.0%	25.0%	11.8%	19.4%	18.9%	12.0%	17.2%
Within 12 months	6.5%	0.0%	5.6%	0.0%	10.0%	2.7%	2.3%	6.0%	0.0%	7.1%	17.6%	5.6%	3.6%	4.0%	5.6%
Within 2 years	0.0%	0.0%	0.8%	0.0%	0.0%	0.9%	2.3%	0.0%	0.0%	0.0%	5.9%	0.0%	0.9%	0.0%	0.8%
Sample size (n)	**31**	**5**	**125**	**7**	**90**	**110**	**43**	**50**	**24**	**28**	**34**	**36**	**111**	**25**	**719**
C7.B What do you think is the most appropriate minimum tax estimation percentage under CP204 requirements?															
Maintain 85%	12.9%	20.0%	20.8%	0.0%	21.1%	18.2%	18.6%	14.0%	12.5%	21.4%	20.6%	13.9%	15.3%	20.0%	17.8%
Lower to 50%	61.3%	80.0%	55.2%	100.0%	42.2%	53.6%	46.5%	52.0%	58.3%	42.9%	44.1%	61.1%	51.4%	64.0%	52.6%
No minimum threshold	25.8%	0.0%	24.0%	0.0%	36.7%	28.2%	34.9%	34.0%	29.2%	35.7%	35.3%	25.0%	33.3%	16.0%	29.6%
Sample size (n)	**31**	**5**	**125**	**7**	**90**	**110**	**43**	**50**	**24**	**28**	**34**	**36**	**111**	**25**	**719**
C7.C What compensation policy do you think LHDN should apply for overdue refunds?															
Maintain the current fixed 2% interest rate	16.1%	0.0%	28.8%	42.9%	28.9%	29.1%	25.6%	24.0%	29.2%	28.6%	26.5%	25.0%	22.5%	40.0%	26.8%
Apply higher rates for longer delays (tiered system)	41.9%	60.0%	43.2%	28.6%	32.2%	33.6%	34.9%	52.0%	41.7%	53.6%	44.1%	50.0%	45.9%	44.0%	41.6%
Peg the interest rate to Bank Negara Malaysia's standardised base rate (floating rate)	41.9%	40.0%	28.0%	28.6%	38.9%	37.3%	39.5%	24.0%	29.2%	17.9%	29.4%	25.0%	31.5%	16.0%	31.6%
Sample size (n)	**31**	**5**	**125**	**7**	**90**	**110**	**43**	**50**	**24**	**28**	**34**	**36**	**111**	**25**	**719**
C7.D Would your company support an automatic tax offset mechanism if LHDN is unable to refund the overpaid tax on time?															
Yes	80.6%	60.0%	88.0%	57.1%	80.0%	86.4%	88.4%	94.0%	83.3%	96.4%	85.3%	80.6%	84.7%	92.0%	85.7%
No	19.4%	40.0%	12.0%	42.9%	20.0%	13.6%	11.6%	6.0%	16.7%	3.6%	14.7%	19.4%	15.3%	8.0%	14.3%
Sample size (n)	**31**	**5**	**125**	**7**	**90**	**110**	**43**	**50**	**24**	**28**	**34**	**36**	**111**	**25**	**719**

Note: Numbers may not add up to 100.0% due to rounding.

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2025下半年及2026上半年预测
2H 2025 and 1H 2026F