

'Gov't policies top drawback for business'

MalaysiaKini.com

Aug 26, 2013

By Aidila Razak

Government policies were the biggest damper on business performance in the first half of 2013, a survey found.

According to the Associated Chinese Chambers of Commerce and Industry Malaysia (ACCCIM), this was agreed upon by 43 percent of its members surveyed.

ACCIM's president Lim Kok Cheong (right) said this was because some policies were "political" and had not benefited the business community.

Lim said there were also many uncertainties, such as the electricity tariff hike and diesel shortage, which directly affected the bottom lines of businesses.

The survey found that other top factors that affected business were manpower shortage (39 percent), domestic competition (39 percent) and increase in operating and raw material costs (30 percent).

Shrinking business and dimmer outlook

The survey also found that compared with the second half of 2012, sales in the first half of 2013 were shrinking while the outlook, though still optimistic, has become dimmer.

There is a slight drop in those who are satisfied with their sales performance, from 85 percent in the second half of last year to 81 percent in the first half of 2013.

This is driven by the manufacturing sector, where the number of respondents satisfied with their sales performance dropped a significant 12 percent, with those claiming sales were poor up by eight percent compared with the second half of 2012.

The same trend was spotted in terms of production volumes, which were seen to be contracting, with manufacturing production shrinking by 22 percent in the first half of 2013 compared with the second half of 2012.

More manufacturers are also reporting poorer collections from customers, the survey found.

Thirty-three percent said this was so for the first half of 2013, compared with 20 percent who said the same in the second half of last year.

According to ACCCIM's socio-economic research committee deputy chairperson Peck Boon Soon (above, right), although respondents have a positive outlook for the future, the period ahead is still more pessimistic compared with last year.

Optimism due to external factors

Fifty-five percent of those surveyed were positive about the future, compared with 59 percent during the second half of 2012, Peck said.

The optimism, he added, was more driven by international conditions, with the European economy rising out of the recession.

NONEThe survey covered 392 respondents, while the ACCCIM represents 30,000 Chinese businessman and trade associations in Malaysia.

Last week, Bank Negara Malaysia cut the overall gross domestic product target for Malaysia in 2012 from five to six percent to 4.5 to five percent.

This follows a growth of 4.3 percent during the three months to June, below market expectations of 4.7 percent year-on-year.

However, Bank Negara governor Zeti Akhtar Aziz (above) said this was due to external factors and that domestic demand "remains strong".

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