

Headline	Undaunted by uncertainties
MediaTitle	The Star
Date	16 May 2017
Section	StarSpecial
Page No	P6
Language	English
Journalist	N/A
Frequency	Daily



MORE than half of businesses in the country believe that the business environment will worsen in the next 12 months, according to the *Malaysian Business Sentiment Survey 2016/17*.

This is mostly due to an unprecedented and volatile past year with dampened global demand, Brexit and potential further fracturing of the European Union, protectionist policies in the United States under the Trump administration, and the US withdrawal from the Trans-Pacific Partnership.

Despite a restrained business environment and in an election year, the spirit of the local business community remains optimistic with 58% confident or somewhat confident about their business prospects.

This optimism is partly because of increased infrastructure investment and domestic consumption, boosted by the various corridor development programmes under the 11th Malaysia Plan and Budget 2017.

The key issues that concern the local market are the increasing cost of doing business and the weakening Malaysian currency, which will severely impact firms dependent on imported goods for their production process.

The *Malaysian Business Sentiment Survey 2016/17*, conducted by Monash University Malaysia's Global Asia in the 21st Century research platform in collaboration with CPA Australia, gathers the voices of the country's business leaders.

"The *Malaysian Business Sentiment Survey* helps measure the confidence of local business leaders across key macro-economic areas and provides them with a

Undaunted by uncertainties



(From left) CPA Australia's deputy president Sharman Arumugam, Monash Malaysia's vice-president (research and development) Prof Mahendhiran Nair, Monash Malaysia's deputy head of school (research) Prof Pervailz Ahmed, CPA Australia's deputy president Jimmy Lai, and Monash Malaysia School of Business' Assoc Prof Santha Vaithilingam and Dr Prabhakaran Narayanan.

platform to voice their sentiments and estimations about the business environment in Malaysia as well as its impact on their global competitiveness," says Prof Mahendhiran Nair, vice-president (research and development) of Monash Malaysia.

"The primary objective of the survey is to enable policymakers, industry bodies and other key stakeholders to adopt proactive measures to improve the business environment and enable Malaysian firms to build a global competitive advantage."

Highlights from the survey include:

- Fifty-four per cent of

businesses identified cost management as their prime strategic/investment priority over the next 12 months, followed by seeking new markets (48%), developing business relationships (34%), new product development (30%) and marketing and branding activities (25%).

- Forty-nine per cent view that there are both more opportunities and more threats now compared to three years ago.
- More than one-third of respondents (39%) informed that the government remains an important buyer of their products.
- Seventy per cent of chief executive officers (CEOs) and

senior managers responded that to stay competitive, the most important ability to cultivate is to proactively manage the business using strategic foresight and thinking.

"The survey looks at the challenges Malaysian businesses face and the options they are considering to navigate the complex dynamics being played out in their immediate environments," says Prof Pervailz Ahmed, deputy head of school (research), Monash Malaysia.

CEOs and senior managers highlighted the importance of universities in nurturing talent

that will enable firms to enhance their innovative capacity, process improvement and product development.

They believe that the top three primary focus areas of universities should be to enhance graduate employability (63%), ensure that research and development initiatives meet industrial needs (61%) and develop training programmes that are relevant and beneficial to the industry (59%).

They believe that creative, articulate and self-motivated graduates are important for enhancing the innovative capacity of firms in a competitive global economy.

"Monash Malaysia continues to work closely with businesses and industries. We recognise the importance of right-skilling graduates to improve their employability and enable them to succeed amid current uncertainties," adds Prof Nair.

The *Malaysian Business Sentiment Survey 2016/17* consisted of three phases. Phase 1 was a scoping and content analysis of information from press releases, media reports and commentaries from stakeholders.

Phase 2 involved face-to-face in-depth interviews with CEOs and senior managers. Phase 3 was an online survey of 194 randomly selected CEOs and senior managers across industries.

■ For more information, visit www.monash.edu.my.