

15 March 2018

Malaysian small businesses investing in technology, creating jobs

Malaysia's small businesses are experiencing positive business conditions, with many adding jobs and investing in technology, according to a new survey released today.

The findings, from CPA Australia's eighth annual Asia-Pacific Small Business Survey, follow extensive surveying of nearly 3,000 small business operators in Malaysia, Vietnam, Indonesia, Hong Kong, Singapore, Australia, New Zealand and China.

CPA Australia Head of Policy, Paul Drum FCPA, said that while Malaysia's small businesses reported weaker business growth than in 2016, the sector was still experiencing positive business conditions and was a strong creator of jobs in 2017. Malaysia's small businesses were likely to create even more jobs in 2018.

"More than a quarter (27.5 per cent) of Malaysia's small businesses added staff in 2017, reflecting strong growth for many Malaysian small businesses. A healthy 40.1 per cent are expecting to add additional staff members in 2018.

"Small businesses from Malaysia continue to be strong users of digital technologies in their business. Over half of Malaysian businesses surveyed (53.4 per cent) earned over 10 per cent of their income from online sales, and over 80 per cent use social media for business purposes.

"However, Malaysia's small businesses would benefit from a stronger focus on new digital payment options, such as AliPay, ApplePay and WeChat Pay. Only 29.1 per cent allow customers to pay through this new technology, well below China (65.5 per cent) and the survey average (42.7 per cent).

Malaysian businesses were the most likely to nominate customer loyalty as having the most positive impact on their business in 2017. "It is good business practice to focus attention on existing customers, as it is always much easier to keep a customer than attract a new customer."

"With high numbers of Malaysian small businesses having the characteristics associated with growth – such as a focus on innovation, e-commerce and technology – we are likely to see better results in 2018. I expect we'll see an increasing number of Malaysia's small businesses evolve to become large, successful global businesses in the next few years," Drum said.

The relatively strong focus on technology by small businesses in Malaysia is flowing through to concerns over the security of systems, with more than half (52.4 per cent) of respondents stating that they believe it is likely their business will be cyberattacked in 2018 – the third highest result of the markets surveyed. This concern is leading to action, with businesses being highly likely to be taking steps to improve their cybersecurity.

The CPA Australia Asia-Pacific Small Business Survey provides annual insights into the views of small businesses across the region and forms part of a longitudinal study that began in 2009.

A summary of survey results for Malaysia (in English) can be viewed here:

https://www.cpaaustralia.com.au/~/_media/corporate/allfiles/document/professional-resources/business-management/small-business-survey/2017-market-summary-malaysia.pdf?la=en

The full results of the CPA Australia Asia-Pacific Small Business Survey (in English) can be viewed here.

<https://www.cpaaustralia.com.au/professional-resources/business-management/small-business/asia-pacific-small-business-survey>

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