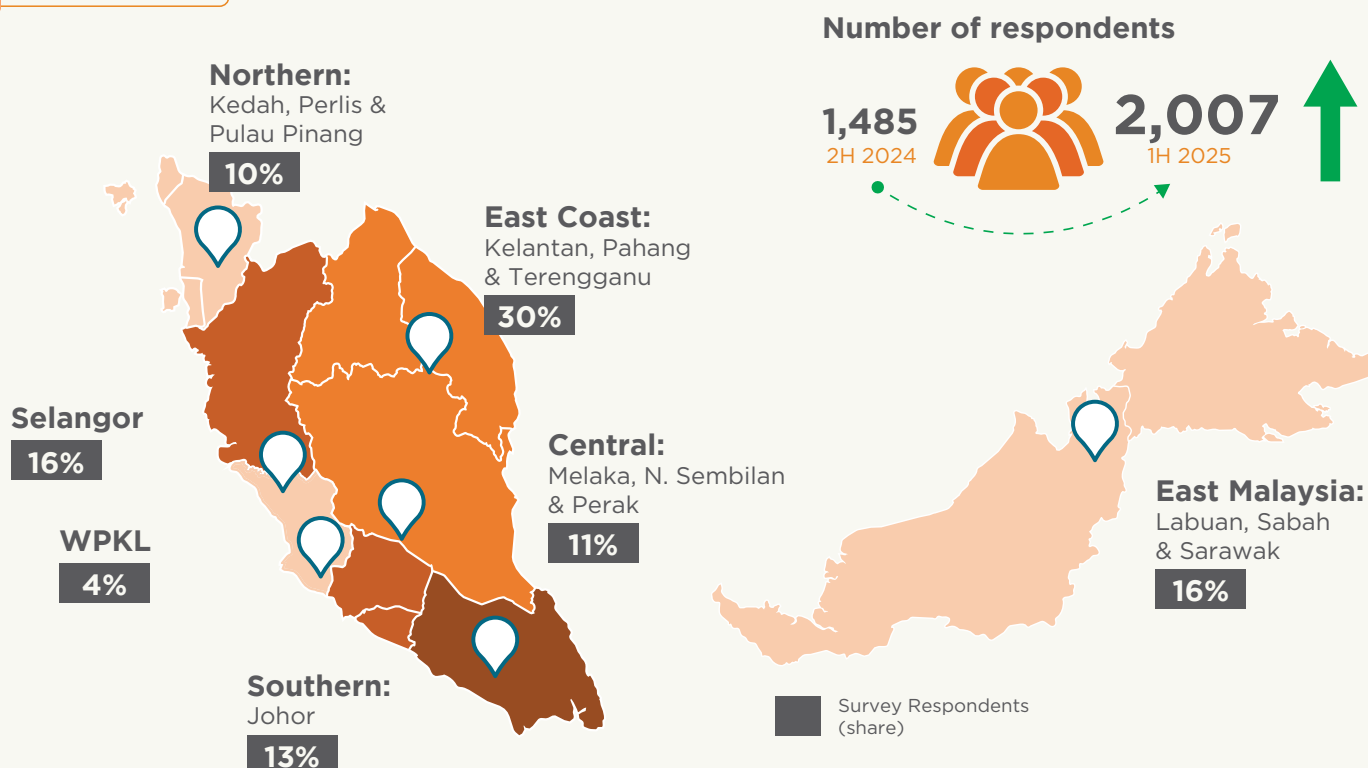
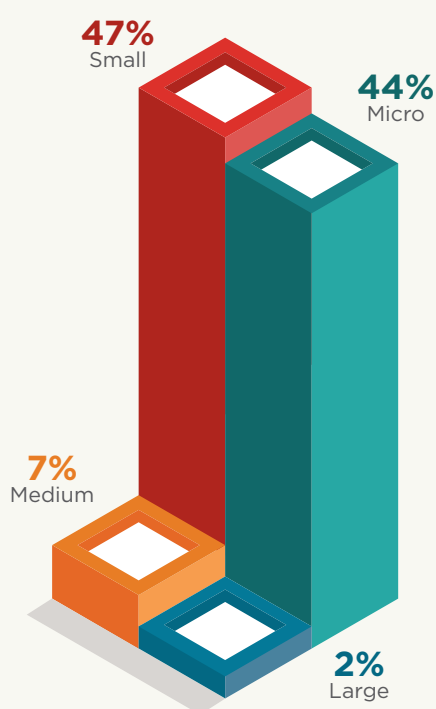


## PROFILE

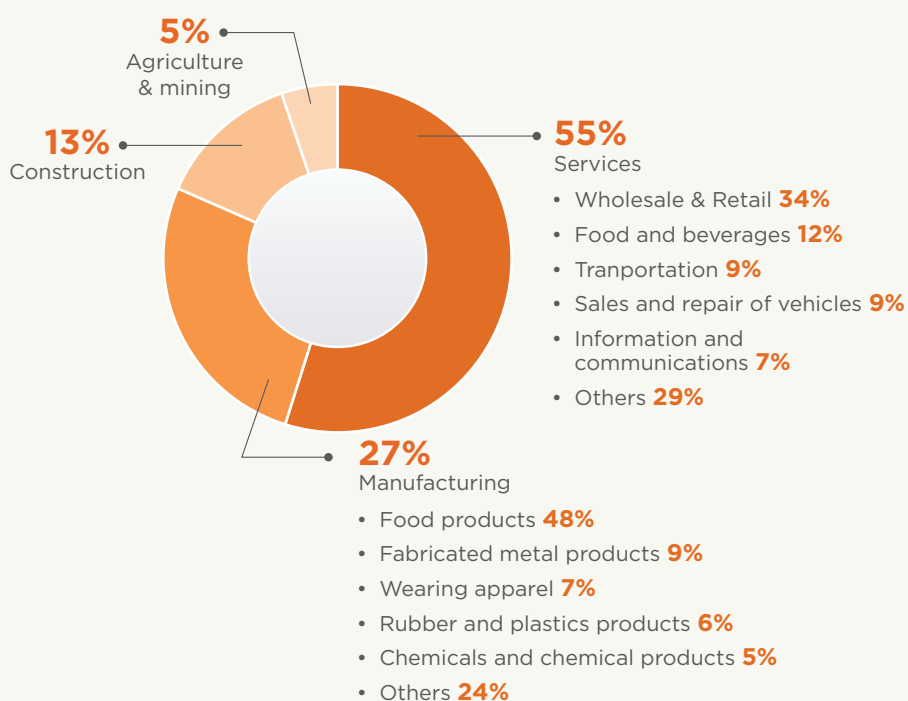
### 1 State/ Region



### 2 Size of business



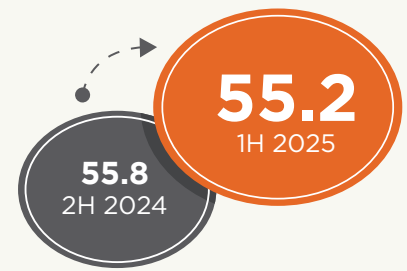
### 3 Type of sector



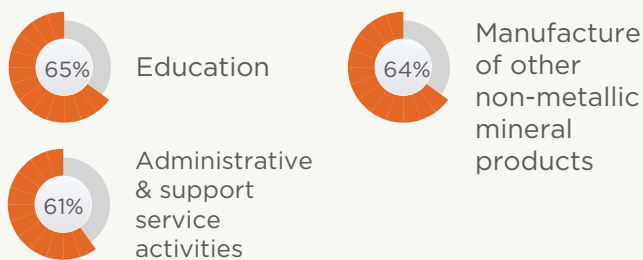
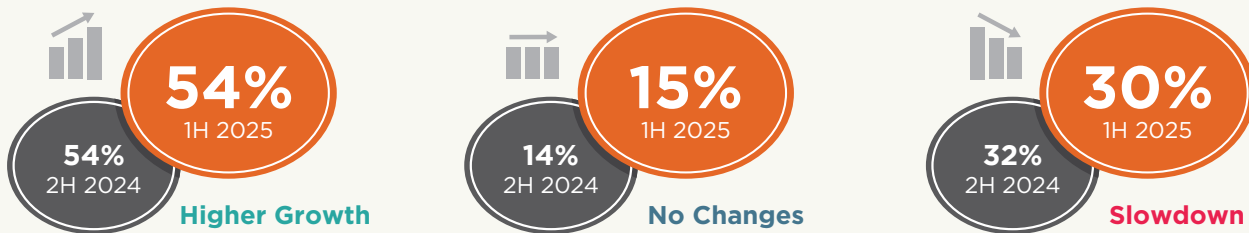
**Note:** All figures are rounded; they might not add up to 100%  
**Source:** SME Bank Economic Research

## RESULT (1/3)

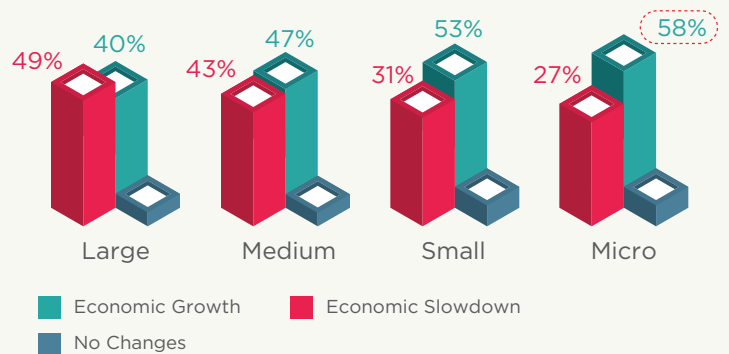
The positive reading of **55.2** indicates that MSMEs are generally still **robust, optimistic, and adaptable** despite slower growth on the international front. As a leading economic indicator, the Index suggests that Malaysia's **overall economy will continue to expand** in 2025, albeit at a **modest pace**.



### 1 54% of MSMEs expect the economy to grow over the next 6 to 12 months...

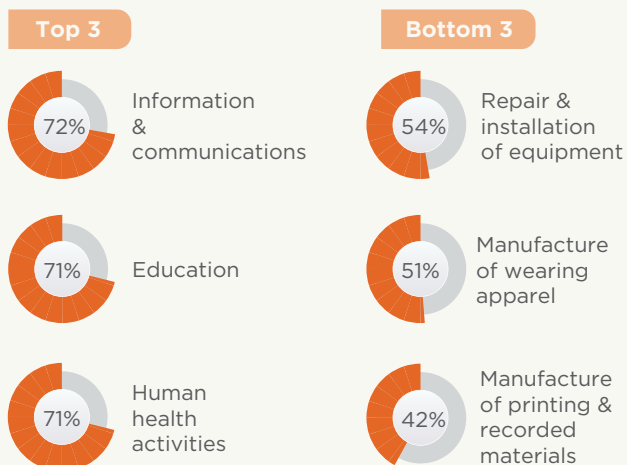


...with **micro businesses** being the most optimistic

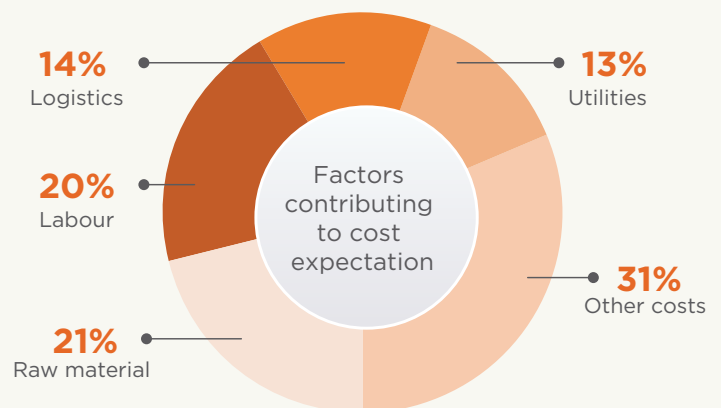


### 2 Most MSMEs (62%) remain positive on their sales...

...although **moderated (64%)** from 2H 2024



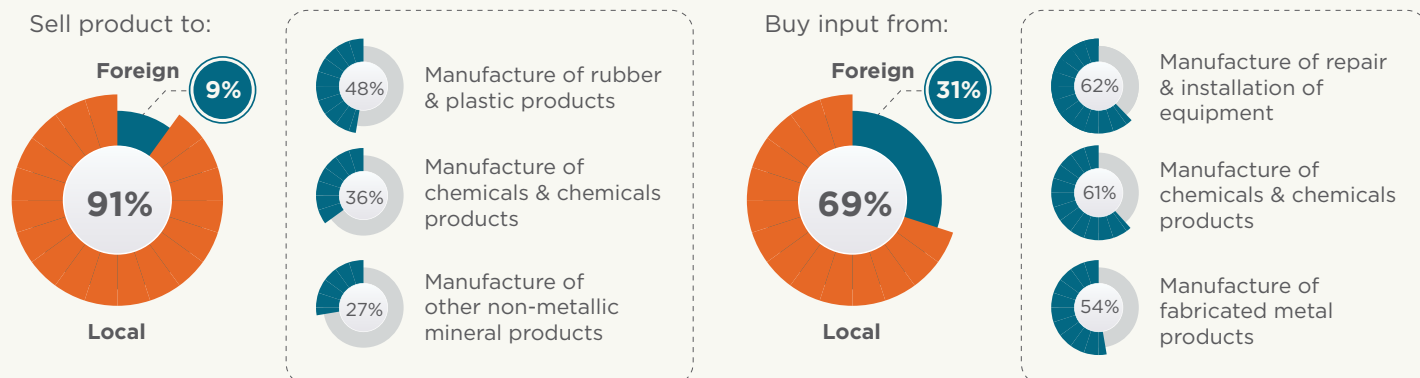
### 3 83% (2H 2024: 87%) of MSMEs foresee a broad-based increase in costs



**Note:** All figures are rounded; they might not add up to 100%  
**Source:** SME Bank Economic Research

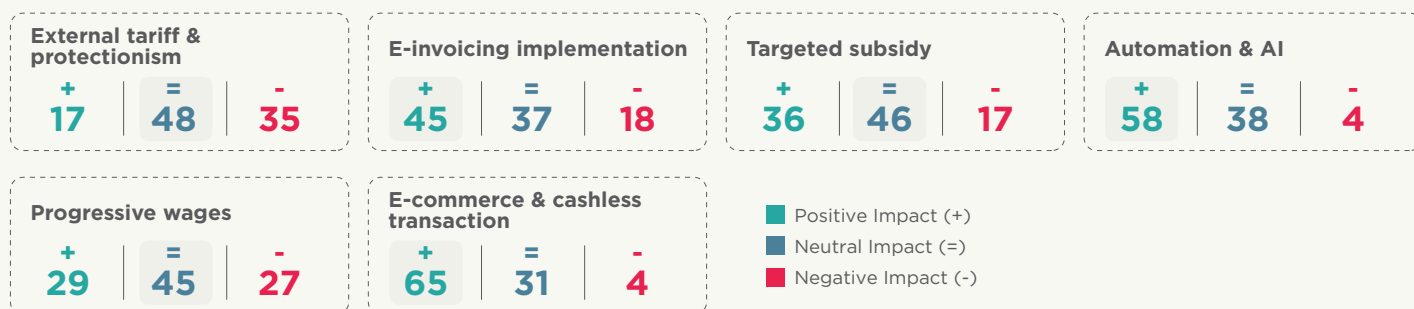
## RESULT (2/3)

### 4 MSMEs that engage in export and import activities may be more exposed to Trump's tariff risks



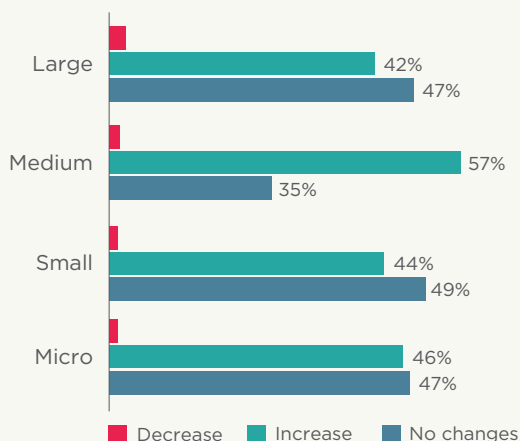
### 5 Neutral sentiments toward government policies and external tariff & protectionism...

...while positive toward tech changes

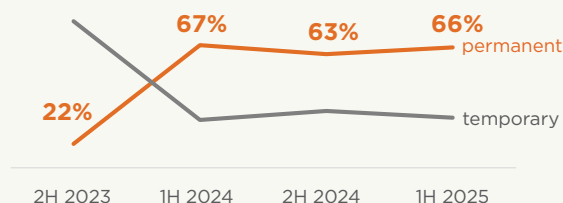


### 6 47% of MSMEs plan to maintain current workforce while 46% intends to hire more...

...with medium sized business most enthusiastic:



**Continuous preference for permanent staff over temporary roles since 1H 2024**



Top 3 sectors that are hiring:



**Note:** All figures are rounded; they might not add up to 100%  
**Source:** SME Bank Economic Research

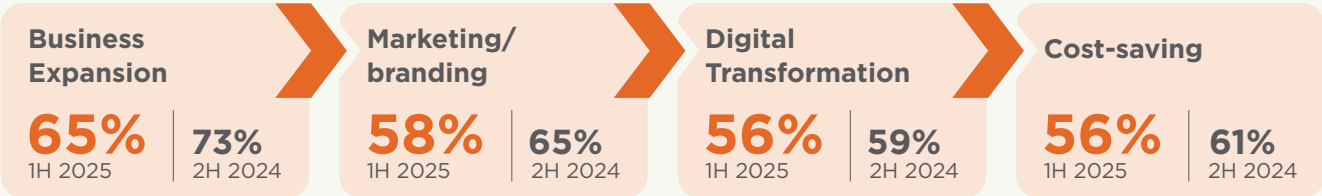
RESULT (3/3)

7 64% of businesses (2H 2024: 62%) are embracing ESG practices

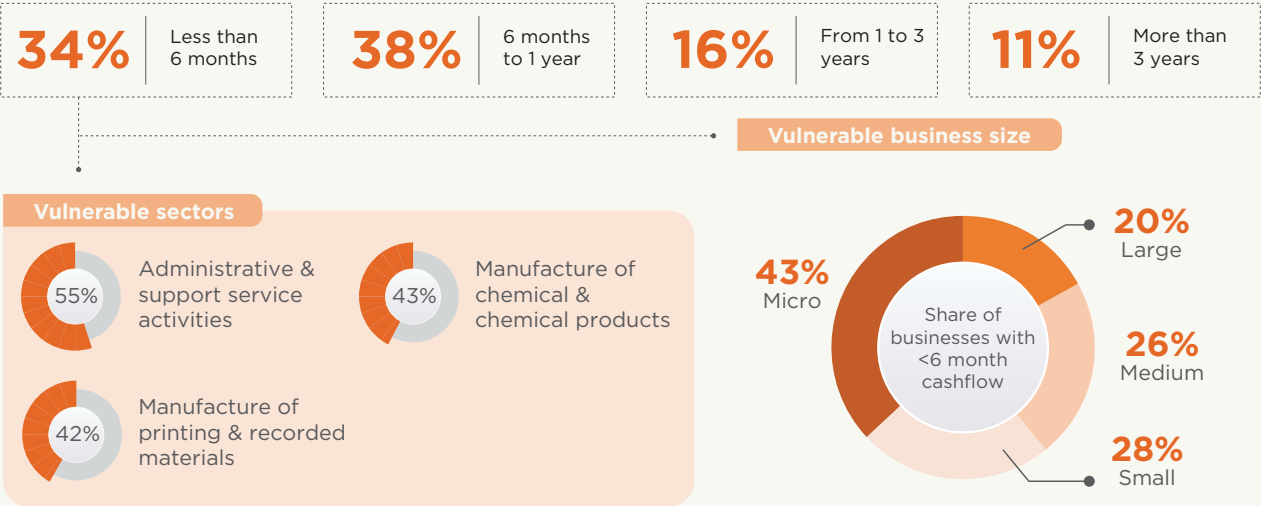
Those that have not embraced ESG are mostly (34%) unsure of where to start:



8 Expansion remains as top priority (65%) albeit moderating (2H 2024: 73%)



9 34% of MSMEs (2H 2024: 32%) only have short-term cash



Note: All figures are rounded; they might not add up to 100%  
Source: SME Bank Economic Research

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