Impact of COVID-19 on Malaysian Businesses
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Foreword

The emergence of COVID-19 not only created a health crisis, but it rapidly amplified into an economic and societal crisis. Business and industry consequences of COVID-19 are grave, particularly for an emerging country such as Malaysia. The sharp reduction in economic activity has placed severe stress on businesses, people and the government. How well Malaysian industry copes and comes out of this depends on the efforts and response by industry leaders to address the multiple challenges emerging as a consequence of the disruption. Actions of businesses, along with government and other stakeholders, will determine whether the recovery will be robust, resilient and sustainable. This requires understanding the nature of the challenges that confront business leaders. The strategies and actions taken today by these businesses are likely to shape the recovery for years to come.

As the pandemic unfolds, what has become clear is that the business landscape that existed before will not be same as the landscape that will emerge after the pandemic abates. Businesses, large and small, face the challenge of reacting and adapting to this fast evolving “new normal”. In this report, we identify the key challenges faced by Malaysian industry through the sentiments expressed by business leaders. Beyond the immediate situation and response, the content of the report provides analysis on the potentially longer-term consequences and impacts. Understanding these issues, the level of business preparedness and ability to absorb the COVID aftershocks provides insights into the transformational playbook that will be needed to be put in place to create a resilient path to sustained recovery.

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Financial, economic, and health impact are the top concerns for companies in Malaysia. These companies expect a decrease in revenue or profit this year due to project delays or cancellations, re-strategizing financial commitments and concerns about the workforce falling ill. They expect risks of worsening living conditions in urban areas due to stress arising from work along with employment and economic stagnation. There is also a strong fear of global instability leading to a prolonged recession where continued disruption from emerging technologies will result in major job loss and worsen living conditions for the Rakyat.

**Top Factors Affecting Malaysian Businesses**

<table>
<thead>
<tr>
<th>Impact</th>
<th>Concern</th>
<th>Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipate cancelling/postponing projects</td>
<td>Financial impact</td>
<td>Worsen living conditions (urban)</td>
</tr>
<tr>
<td>Re-strategizing financial commitments</td>
<td>Potential global recession</td>
<td>Risk of work stress</td>
</tr>
<tr>
<td>Concern about workforce becoming ill</td>
<td>Risk of closure of company</td>
<td>Economic stagnation</td>
</tr>
</tbody>
</table>

The industries most concerned with a decrease in **consumer confidence** are the food & beverage, entertainment & tourism, and agriculture industries.

With the gradual opening of the economy, businesses have yet to see domestic consumer demand rising back to pre-pandemic levels.
When asked how long their business can financially stay afloat and weather the impact of COVID-19, about a third of the firms from food & beverage, entertainment & tourism, and advanced manufacturing reported that they could only stay afloat for 1 to 3 months.

Almost half of the firms within the business and financial services industry are concerned of a potential global recession.

The construction industry is most worried (35%) about a reduction in productivity of their workforce. As the government impose stringent health and safety standard operating procedures, construction firms struggle to balance between worker well-being and productivity.

Food-related industries are expected to be hit the hardest as the food service sector were faced with an overnight drop in demand while food producers struggle to cope with demand spikes and supply chain disruptions. With more than a quarter of food-related businesses being family-owned, they face the highest risks of going out of business.

The manufacturing and food & beverage industry are most vulnerable to supply chain shocks. With an increasingly connected and hyper-converged economy, the pandemic has surfaced the risks of being internationally dependent for key production resources.

When asked how long their business can financially stay afloat and weather the impact of COVID-19, about a third of the firms from food & beverage, entertainment & tourism, and advanced manufacturing reported that they could only stay afloat for 1 to 3 months.
Business Sentiments

Levels Of Concern
What is your company's current level of concern related to COVID-19?

78% of firms are either moderately or extremely concerned about the COVID-19 pandemic. The continued rise of COVID-19 cases in advanced economies highlighted the importance of meticulous planning and timely execution. Failure to adhere to either has resulted in major setbacks in strong economies as governments were forced to impose draconian measures to contain the pandemic. While Malaysia moves into the Recovery Movement Control Order (RMCO) phase, a potential resurgence such as the case of China and South Korea still looms over the progression of the pandemic and its subsequent economic impact.

While various stimulus packages have been announced by the government to assist vulnerable businesses and communities, the medium-term and long-term economic impact remains a concern for businesses, as unemployment rates reached decade-long highs. Consumer confidence has been one of the lowest during the same period. This is further exacerbated by the low global demand conditions due to the trade war between United States and China, prior to COVID-19 pandemic.
### Impact on Business

*How is your business being impacted by COVID-19?*

<table>
<thead>
<tr>
<th>Impact</th>
<th>Strongly Impacted</th>
<th>Moderately Impacted</th>
<th>Little/no Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Re-strategizing financial commitments</td>
<td>65%</td>
<td>31%</td>
<td>5%</td>
</tr>
<tr>
<td>Concern about the workforce becoming ill</td>
<td>63%</td>
<td>30%</td>
<td>8%</td>
</tr>
<tr>
<td>Anticipate cancelling/postponing expansion project</td>
<td>60%</td>
<td>32%</td>
<td>8%</td>
</tr>
<tr>
<td>Event cancellations/order cancellations</td>
<td>60%</td>
<td>30%</td>
<td>9%</td>
</tr>
<tr>
<td>Changes to travel/meetings/conference</td>
<td>54%</td>
<td>34%</td>
<td>11%</td>
</tr>
<tr>
<td>Need to adjust work schedules/locations</td>
<td>53%</td>
<td>39%</td>
<td>8%</td>
</tr>
<tr>
<td>Decrease in consumer demand for certain products/services</td>
<td>52%</td>
<td>39%</td>
<td>9%</td>
</tr>
<tr>
<td>Supply chain disruptions</td>
<td>51%</td>
<td>39%</td>
<td>9%</td>
</tr>
<tr>
<td>Increase in consumer demand for certain products/services</td>
<td>41%</td>
<td>42%</td>
<td>17%</td>
</tr>
<tr>
<td>Concern about the ability to retain skilled workers</td>
<td>38%</td>
<td>46%</td>
<td>16%</td>
</tr>
<tr>
<td>Technology upgrades/changes</td>
<td>35%</td>
<td>45%</td>
<td>21%</td>
</tr>
</tbody>
</table>

65% of respondents are re-strategizing their financial commitments given high levels of uncertainties. Around 63% of the businesses are concerned about the health of the workforce. Businesses are expected to adopt a more conservative approach to their plans in the second half of the year as 60% of respondents reported that their revenue channels (i.e. projects, events, order cancellations) have been adversely impacted as well. Furthermore, daily operations such as workforce well-being, business-related travels and meetings are amongst the top 5 impacted areas too.
Impact on Revenue and/or Profits
What impact do you expect for your company’s revenue and/or profits this year as a result of COVID-19?

Managers and company owners appear to have a bleak outlook as 73% of overall business expect company’s revenue to decrease this year. Around 15% state that it was difficult for them to assess their performance for the year, as there are too many market uncertainties. Approximately, 8% of the business leaders believe that there will not be any changes to their revenue and/or profits. Only 3% of the firms expect revenue to increase. These results suggest that the majority of businesses are expecting poor corporate performance (revenue and/or profits) due to the COVID-19 pandemic and the movement control order (MCO) imposed by the government to curtail the spread of COVID-19 infection.
Issues of Concern

What are your company’s top three concerns with regards to COVID-19?

- Financial impact: 60%
- Potential global recession: 42%
- Risk of closure of company: 31%
- Decrease in consumer confidence, consumption: 29%
- Reduction in productivity of workforce: 26%
- Supply chain issues: 26%
- Reduction to current/existing workforce: 22%
- Difficulties with funding, loans etc.: 22%
- Lack of a comprehensive/tested company emergency preparedness plan: 17%
- Impacts on tax, trade or immigration: 12%
- Not having enough information to make good decisions: 10%

60% of companies cited the immediate financial impact of the pandemic as their greatest concern followed by a potential global recession (42%) and whether the company can stay afloat (31%).

As the pandemic disrupted both supply and demand of the global economy, companies find themselves stretched to the limits by maintaining supply chains and stimulating consumer demand. The abrupt and stringent regulations enacted by the government in response to the pandemic has also left firms with little preparation time, forcing many companies to fall back on emergency funds and requiring government support to sustain themselves with no clear end to the pandemic.
Business as Usual?
In your opinion, how long would you estimate it would take for your company operations to get back to business as usual after the COVID-19 crisis is considered normal?

57% of respondents expect company operations to resume to pre-pandemic levels in the third and fourth quarter of 2020. As Malaysia successfully contains the pandemic, a second-half economic recovery is much anticipated this year. The effectiveness of the various stimulus packages in strengthening both consumer and investor confidence, bringing about swift economic recovery by the end of 2020 will depend very much on a number of local domestic and global issues.

Domestic issues include political uncertainties, effective management of the pandemic and the speed at which the local supply chains become a substitute to the global supply chains. The global economic uncertainties include trade war between United State and China and the recovery of the developed economies.
Business Operations in The Next 6 Months

Due to COVID-19, which of the following is expected to occur in the next 6 months?

- Insufficient staff to accomplish critical work: 35%
- Higher demand for employee protection: 36%
- Separation of staff (layoffs): 37%
- Productivity loss due to the lack of remote work capabilities: 48%
- A change in staffing due to low/slow demand: 49%
- Financial difficulties leading to business closure: 54%
- Decline/reduction of business opportunities, investments and future commitments: 63%

As the majority (63%) of businesses expected a decline or reduction of business opportunities, investments, and future commitments, the government has carried out initiatives to encourage businesses in Malaysia to adopt greater usage of digital technology and encourage growth toward the Fourth Industrial Revolution (IR 4.0). Aside from tax relief for pandemic related prevention measures, the package also includes a low financing interest rate of 3.5% to assist SMEs and relieves them from certain contractual obligations disrupted by COVID-19.

While the loan moratorium period until the end of September is expected to help with cash flows, 54% of businesses still expect strong financial difficulties that could threaten their ability to stay afloat.

Almost half of the businesses expect managing their staffing profile will be a challenge. 49% fear that they are unable to retain workers due to slower demand while 48% foresee a productivity loss due to the lack of remote work capabilities.
Financial Actions Resulting from Covid-19
Which of the following financial actions is your company considering to undertake or already undertaken as a result of COVID-19?

Companies are exploring all avenues to mitigate the impacts of the pandemic, with near equal focus on changing business and operational strategy (66%), cost containment (65%), and changing company financing and expenditure plans (63%). Leaving no stone unturned, the corporate sector is likely to see significant changes to its operating and financial models as companies scramble to recover and begin to prepare their businesses for future shocks.

Interestingly, only about half (51%) of the businesses stated that they will defer or cancel their planned investments. It appears that businesses recognise the importance of committing to necessary investments and expansions and are following through on existing plans while being prudent about future plans.
Business Survival
How long can your business financially stay afloat and weather the impact of COVID-19?

Overall, only 34% of the companies can financially sustain themselves for more than 7 months. That means more than half of Malaysian businesses may see financials approaching critical levels within 7 months from April to November 2020. Wage subsidies and other forms of aid are only available till the end of September, this may pose a bleak outlook for many of the firms.

The current planned end date of the RMCO is at the end of August. The health of local businesses will need to be closely monitored where many (53%) see themselves hanging by a thread by that time. There will need to be a strong surge of consumer demand for businesses to revert to comfortable financial levels, similar to those prior to the health pandemic.
In your perception, what is the level of risk for Malaysia over the next 5 years in the following areas?

<table>
<thead>
<tr>
<th>Risk Factor</th>
<th>High Risk</th>
<th>Moderate Risk</th>
<th>Low Risk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic stagnation</td>
<td>73%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>Rise of work stress</td>
<td>68%</td>
<td>22%</td>
<td>10%</td>
</tr>
<tr>
<td>Worsen living condition (urban)</td>
<td>66%</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>Income inequality</td>
<td>66%</td>
<td>25%</td>
<td>9%</td>
</tr>
<tr>
<td>Rise of mental illness (urban)</td>
<td>65%</td>
<td>23%</td>
<td>12%</td>
</tr>
<tr>
<td>Rise in communicable diseases</td>
<td>63%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>Rise of crime rates</td>
<td>63%</td>
<td>23%</td>
<td>14%</td>
</tr>
<tr>
<td>Rise of mental illness (rural)</td>
<td>63%</td>
<td>25%</td>
<td>12%</td>
</tr>
<tr>
<td>Insufficient employment opportunity (rural)</td>
<td>62%</td>
<td>27%</td>
<td>11%</td>
</tr>
<tr>
<td>Inadequate employment opportunity (urban)</td>
<td>62%</td>
<td>27%</td>
<td>11%</td>
</tr>
<tr>
<td>Geo-political instability</td>
<td>61%</td>
<td>28%</td>
<td>11%</td>
</tr>
<tr>
<td>Lack of skills</td>
<td>58%</td>
<td>30%</td>
<td>12%</td>
</tr>
<tr>
<td>Lack of quality education</td>
<td>56%</td>
<td>29%</td>
<td>15%</td>
</tr>
<tr>
<td>Weak infrastructure</td>
<td>56%</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>Worsen living condition (rural)</td>
<td>56%</td>
<td>29%</td>
<td>14%</td>
</tr>
<tr>
<td>Rise in non-communicable diseases</td>
<td>56%</td>
<td>27%</td>
<td>16%</td>
</tr>
<tr>
<td>Technology disruption</td>
<td>53%</td>
<td>35%</td>
<td>12%</td>
</tr>
<tr>
<td>Ageing population</td>
<td>51%</td>
<td>32%</td>
<td>17%</td>
</tr>
</tbody>
</table>

73% of respondents' fear that Malaysia may be at a high risk of economic stagnation. This perspective is consistent with the IMF Global Financial stability report in April, which showed that in the mere span of three months, the 2020 outlook has shifted from an expected growth of more than 3% globally to a sharp contraction of 3%¹.

Among the top 5 risks for the country are: work stress (68%) and mental illness (65%) are included along with worsening living conditions (66%) as businesses are getting more concerned about how these will affect worker well-being and productivity.

Malaysia’s Future Economic Outlook
Taking all things into account, do you feel optimistic or pessimistic about Malaysia’s future economic outlook in the coming 12 months after COVID-19?

Despite the various headwinds from the pandemic and global economic uncertainty, 77% of respondents remain optimistic about Malaysia’s economic outlook in the coming 12 months. This reflects the expectations of a swift recovery from the negative impacts of the pandemic in the second half of 2020, with the country returning to its original economic trajectory in the first half of 2021. Nevertheless, most businesses (32%) are only moderately optimistic, which suggests a cautiously optimistic outlook.

This could be due in part to the fact that Malaysia has been relatively successful in containing the pandemic, limiting the number of new COVID-19 cases to low double-digit figures in most of June and July. The low number of active cases also bolsters consumer confidence and demand, as social distancing rules are gradually relaxed with more sectors being reopened.
Disaggregate Analysis: Firm Sizes

- SMALL
- MEDIUM
- LARGE
Levels of Concern
What is your company’s current level of concern related to COVID-19?

The level of concern appears to be similar across all sizes of organisations. However, there are more medium-sized firms (61%) that are extremely concerned than other firms.

Despite the higher levels of concerns, medium-sized firms have greater agility than their larger counterparts in pivoting toward IR 4.0 initiatives and leverage on technological advancement encouraged by PENJANA policies².

Business as Usual?

In your opinion, how long would you estimate it would take for your company operations to get back to business as usual after the COVID-19 crisis is considered normal?

Most respondents estimated that a duration of 4 to 7 months is needed for their respective companies to resume business operations after the crisis is considered normal. It is important to note that large firms are slightly more reserved in their estimation, where a higher percentage of them predicted that a duration of close to 2 years is needed. Around 20% of the larger firms are of the view that it will take them between 1 to 2 years to get back to normalcy. Around 14% and 15% of the small and medium sized firms have expressed similar sentiments.

The above results are not surprising, as these large firms may have operations in other countries or engagements with suppliers and partners overseas. As such, their operations are heavily tied to regional and global economic performance as well as the pandemic status. They are also more likely to have extensive financial commitments and lack the agility of smaller firms to adapt to the current situation.
**Business Survival**

How long can your business financially stay afloat and weather the impact of COVID-19?

While it takes longer for large businesses to get back to business as usual after the pandemic, large businesses also have more confidence in weathering the financial storm developed by the aftermath of the ongoing pandemic. 15% of large businesses are confident of staying afloat for 1 to 2 years.

On the other hand, more than half of the small (62%) and medium-sized (60%) firms only have enough finances to last up to 7 months.
Disaggregate Analysis: Sectoral
# Levels of Concern

What is your company’s current level of concern related to COVID-19?

Note: Only sectors where more than 50% of respondents indicated “Extremely Concerned” are shown below

<table>
<thead>
<tr>
<th>Sector</th>
<th>Concern Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>65%</td>
</tr>
<tr>
<td>Education</td>
<td>62%</td>
</tr>
<tr>
<td>Healthcare</td>
<td>59%</td>
</tr>
<tr>
<td>Advanced Manufacturing¹</td>
<td>55%</td>
</tr>
<tr>
<td>Entertainment &amp; Tourism</td>
<td>53%</td>
</tr>
<tr>
<td>Retail &amp; Logistics</td>
<td>53%</td>
</tr>
<tr>
<td>Food &amp; beverage</td>
<td>51%</td>
</tr>
</tbody>
</table>

¹ Advance Manufacturing: Petroleum, Aerospace, Pharmaceutical, Energy, Defense/Arms, Chemical industry

The sectors that are most concerned about the pandemic are the ones that are expected to be hit the hardest by the MCO. With manufacturing being affected on both supply and demand sides, it leads the list where 65% of manufacturing companies were extremely concerned.

This is followed by the education sector (62%) where schools were forced to either close or go completely virtual. In particular, the higher education sector that is reliant on international students suffered the biggest setback as current students opted to defer their enrolment and head home while new potential students are not allowed to enter the country yet.

The healthcare sector (59%) is faced with the tough balance of providing quality care while ensuring the health and safety of their staff. As the pandemic progresses with potential third and fourth waves, the healthcare sector resources might be strained and not be able to cope with the influx of patients.
Impact on Business

How is your business being impacted by COVID-19?

Note: Only the top 3 impacts for the respective sectors with more than 50% respondents to “extremely concerned” are shown below.

Most sectors see their workforce and financial commitments being impacted most significantly by the health pandemic.

In particular, the manufacturing, food and beverage, retail and logistics sectors are primarily impacted on their financial commitments while the entertainment and tourism, advanced manufacturing, and healthcare sectors are primarily impacted by their workforce. The only exception is the education sector, where cancellations of events and enrolments had the biggest impact. For the retail and logistics sector, they are uniquely impacted by supply chain disruptions.

Breaking down the impact of COVID-19 on the different sectors, it is clear that any aid or recovery initiatives need to be targeted towards the respective needs of the sectors for it to be effective.
# Issues of Concern

What are your company’s top three concerns with regards to COVID-19?

Note: Only the top 3 concerns for the respective sectors with more than 50% respondents to “extremely concerned” are shown below.

<table>
<thead>
<tr>
<th>Manufacturing</th>
<th>Education</th>
<th>Healthcare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial impact</td>
<td>Financial impact</td>
<td>Potential global recession</td>
</tr>
<tr>
<td>61%</td>
<td>52%</td>
<td>41%</td>
</tr>
<tr>
<td>Potential global recession</td>
<td>Potential global recession</td>
<td>50%</td>
</tr>
<tr>
<td>50%</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Decrease in consumer confidence, reducing consumption</td>
<td>Lack of a comprehensive/tested company emergency preparedness plan</td>
<td>30%</td>
</tr>
<tr>
<td>28%</td>
<td></td>
<td>34%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Advanced Manufacturing</th>
<th>Entertainment &amp; Tourism</th>
<th>Food &amp; Beverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential global recession</td>
<td>Risk of closure of company</td>
<td>Financial impact</td>
</tr>
<tr>
<td>53%</td>
<td>55%</td>
<td>70%</td>
</tr>
<tr>
<td>Financial impact</td>
<td>Potential global recession</td>
<td></td>
</tr>
<tr>
<td>47%</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td>Decrease in consumer confidence, reducing consumption</td>
<td>Financial impact</td>
<td></td>
</tr>
<tr>
<td>29%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retail and Logistics</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial impact</td>
<td></td>
<td></td>
</tr>
<tr>
<td>59%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decrease in consumer confidence, reducing consumption</td>
<td></td>
<td></td>
</tr>
<tr>
<td>34%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply chain issues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Most sectors are concerned about the financial impact and a global recession, with the entertainment & tourism sector being equally concerned about closure of their business.

As global tourism came to a grinding halt when countries around the world closed off their borders, the entertainment & tourism sector face the largest hurdles to their survival. This concern about the reduction in consumer consumption is echoed by the manufacturing, advanced manufacturing, food and beverage, and retail and logistics sectors as well.

The education and healthcare sectors are also uniquely concerned about their lack of a comprehensive emergency preparedness plan. These sectors appear to have been blindsided by some of the government restrictions and pandemic demands. It has surfaced as one of the top concerns for the future.
Impact on Revenue and/or Profits
What impact do you expect for your company’s revenue and/or profits this year as a result of COVID-19?

Note: Only the respective sectors with more than 50% respondents to “extremely concerned” are shown below.

85% of businesses in the entertainment and tourism sector expect a decrease in their revenue and/or profits this year followed by 80% for manufacturing and 77% for food and beverage sector. These three sectors represent the sectors that have had the strongest regulations and enforcement imposed upon them during the MCO and it is not surprising that they have the largest percentage of businesses adopting a negative outlook for the year.

Conversely, the healthcare sector has a slightly more positive view, with 14% of healthcare businesses expecting an increase in revenues and/or profits this year.
**Business Survival**

How long can your business financially stay afloat and weather the impact of COVID-19?

The advanced manufacturing sector appear to have the weakest ability to stay afloat, with 64% stating that they can only weather the impact of COVID-19 for less than 7 months from April. This is followed by the retail and logistics sector at 63% and the entertainment and tourism sector at 62%.

Further, there seem to be higher levels of uncertainty in the healthcare, education, and food and beverage sectors compared to the other sectors. 21%, 16%, and 15% of these respective sectors reported that they were unsure how long they can weather the impact of COVID-19.
Conclusion

The COVID-19 pandemic is a generational transformative event that has brought the global economy to its knees in the first half of 2020. As businesses face unprecedented disruptions and impact to their usual operations and activities, decision-makers need to take stock of the key concerns and needs of firms from various sectors and sizes to ensure the strategies and policies put in place will enable them to recover quickly from the crisis and get back onto the path of economic recovery and competitiveness.

The top concerns of Malaysian businesses are centered around their financial survival. This includes not only the short-term view of whether they can address critical cash flow issues to stave off financial collapse within the next 3 to 4 months, but also the long-term perspective of whether they can ride-out a prolonged global recession in the next 6 to 18 months. The government’s ability to effectively manage both the health pandemic and stimulating economic growth are going to be critical in enhancing both consumer and investor confidence in the Malaysian economy. On the economic side, ensuring appropriate macroeconomic policies to stimulate domestic consumer demand and assure consumer confidence would be vital in mitigating the impact of a global recession on the economy.

Besides financial concerns, there is also a strong emphasis on employee health and well-being. This includes not only the immediate risk of employee exposure to COVID-19, but also the long-term risk of growing work stress and debilitating mental health issues resulting from this pandemic. The government and industry need to work hand-in-hand to foster a better work-life balance culture in Malaysia. It is in the best interest of both the employer and the employee to minimize the risk of burnout, and there is still much room for improvement in ensuring a sustainable working environment for Malaysian employees.

While many businesses have suffered significant losses during this pandemic, opportunities also exist for the more agile, adaptable, and technology-savvy firms to drive production cost down and extend their market reach to a wider segment of their traditional market share. COVID-19 has catalyzed a long-overdue digital transformation for many of the companies in Malaysia. Firms that have leveraged their digital foundation into a comprehensive digital transformation plan and executed it swiftly would be able to move ahead faster than their legacy counterparts. Corporate sustainability and competitiveness can only be achieved with a sound technology strategy that is ‘dove-tailed’ with a plan to recruit and retain top talents in the organization. These include providing the workforce a flexible work environment that enable them to enhance their productivity without compromising health and wellbeing.

Overall, Malaysia has done an excellent job in managing the health pandemic. The strong management of the health crisis provided the country with a foundation to focus on economic recovery and minimize the adverse impact of Covid-19 on the workforce and the economy.
Respondent Profile

Demographic (N=802)

A sample of 802 questionnaires were completed by business owners and senior managers from companies operating in Malaysia.

Around 48% of the respondents were female and 52% were males.

In terms of ethnic composition, 56% were Malays, 38% Chinese, 4% Indians and 1% were Others.

Note:
1. Manufacturing Sector: Large (>200 employees), Medium (75 to ≤ 200 employees) and Small (5 to <75 employees).
2. Services Sector: Large (>75 employees), Medium (30 to ≤ 75 employees) and Small (5 to < 30 employees).

45% of surveyed participants were from small firms, 14% were from medium-sized firms, and 40% were from large firms.

The age profile of the respondents shows that most participants were between the early 30s and late 30s.
Senior management from 24 industry groupings participated in the survey; with construction industry as the highest number of sample respondents. This is followed by retail industry; manufacturing industries; food and beverages; business services. Industries with the lowest sample size were defense and chemical industry.
Which of the following best describes your company or parent company?

- Privately owned: 64%
- Family owned: 15%
- Publicly listed: 11%
- Government linked organization: 6%
- Foreign owned: 4%
- Other: 0%
- Non-profit organization: 0%

The majority of firms that participated in this study were privately owned companies, making up 64% of the sample. 15% were family owned businesses, 11% were public listed firms, 6% were government linked companies, and 4% were foreign owned companies.

- Managing Director/Managing Partner: 35%
- Chief Executive Officer/President: 25%
- Chief Financial Officer: 14%
- Chief Operating Office: 13%
- Other please specify: 12%

In terms of role of the respondents, 35% were Managing Directors or Managing partners; 25% were Chief Executive Officers/President; 14% Chief Financial Officers; 13% Chief Operation Officer; and 12% are others.
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