

Results of monthly survey on business situation of small and medium-sized enterprises for April 2022

The Census and Statistics Department (C&SD) released today (May 12) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for April 2022.

The current diffusion index (DI) on business receipts amongst SMEs increased notably from 31.7 in March 2022 in the contractionary zone to 48.3 in April 2022, whereas the one-month's ahead (i.e. May 2022) outlook DI on business receipts was 53.4. Analysed by sector, the current DIs on business receipts for all the surveyed sectors increased in April 2022 as compared with previous month, particularly for the retail trade (from 21.2 to 53.1) and restaurants (from 25.0 to 56.7).

The current DI on new orders for the import and export trades increased from 39.7 in March 2022 to 46.5 in April 2022, whereas the outlook DI on new orders in one month's time (i.e. May 2022) was 50.3.

Commentary

A government spokesman said that business sentiment among SMEs in all sectors improved visibly in April, particularly in the retail trade and restaurants sectors, thanks to the easing local epidemic situation, progressive relaxation of social distancing measures and the new round of Consumption Voucher Scheme. The overall employment situation also improved slightly. Views on the business situation in the coming month also turned better.

The spokesman pointed out that while global economic prospects have worsened due to elevated inflation, heightened geopolitical tensions and monetary policy tightening by major central banks, the receding local epidemic situation and the Government's various support measures should render support for local business sentiment in the near term. It is therefore essential for the community to work together with the Government to further stabilise the local epidemic situation. The Government will monitor the situation closely.

Further information

The Monthly Survey on Business Situation of Small and Medium-sized Enterprises aims to provide a quick reference, with minimum time lag, for assessing the short-term business situation faced by SMEs. SMEs covered in this survey refer to establishments with fewer than 50 persons engaged. Respondents were asked to exclude seasonal fluctuations in reporting their views. Based on the views collected from the survey, a set of diffusion

indices (including current and outlook diffusion indices) is compiled. A reading above 50 indicates that the business condition is generally favourable, whereas that below 50 indicates otherwise. As for statistics on the business prospects of prominent establishments in Hong Kong, users may refer to the publication entitled "Report on Quarterly Business Tendency Survey" released by the C&SD.

The results of the survey should be interpreted with care. The survey solicits feedback from a panel sample of about 600 SMEs each month and the survey findings are thus subject to sample size constraint. Views collected from the survey refer only to those of respondents on their own establishments rather than those on the respective sectors they are engaged in. Besides, in this type of opinion survey on expected business situation, the views collected in the survey are affected by the events in the community occurring around the time of enumeration, and it is difficult to establish precisely the extent to which respondents' perception of the business situation accords with the underlying trends. For this survey, main bulk of the data were collected around the last week of the reference month.

More detailed statistics are given in the "Report on Monthly Survey on the Business Situation of Small and Medium-sized Enterprises". Users can download the publication at the website of the C&SD (www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080015&scode=300).

Users who have enquiries about the survey results may contact the Industrial Production Statistics Section of the C&SD (Tel: 3903 7246; email: sme-survey@censtatd.gov.hk).