

# Results of monthly survey on business situation of small and medium-sized enterprises for December 2021

The Census and Statistics Department (C&SD) released today (January 11) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for December 2021.

The current diffusion index (DI) on business receipts amongst SMEs increased from 45.5 in November 2021 in the contractionary zone to 46.0 in December 2021, whereas the one-month's ahead (i.e. January 2022) outlook DI on business receipts was 48.0. Analysed by sector, the current DIs on business receipts for majority of the surveyed sectors rose by varying degrees in December 2021 as compared with previous month, particularly for the real estate (from 42.9 to 49.1) and wholesale trade (from 43.4 to 48.7). On the other hand, decrease was observed in the import and export trades (from 46.8 to 45.8).

The current DI on new orders for the import and export trades decreased from 47.4 in November 2021 to 46.6 in December 2021, whereas the outlook DI on new orders in one month's time (i.e. January 2022) was 47.5.

## Commentary

A government spokesman said that business sentiment among SMEs improved slightly in December 2021, along with stronger hiring sentiment.

The spokesman added that the threat of the Omicron variant is the biggest uncertainty surrounding the economic outlook. The recent tightening of local social distancing measures in response to the epidemic developments will likely affect business sentiment somewhat. In order to keep the local epidemic under control as soon as possible, the community should remain vigilant, strive towards more widespread vaccination and abide by the anti-epidemic measures. 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.

It should be noted that 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 in 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](http://www.censtatd.gov.hk/en/EIndexbySubject.html?pcode=B1080015&scode=300)).

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