

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

The Census and Statistics Department (C&SD) released today (March 9) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for February 2021.

The current diffusion index (DI) on business receipts amongst SMEs went up notably from 38.1 in January 2021 in the contractionary zone to 44.4 in February 2021, whereas the one-month's ahead (i.e. March 2021) outlook DI on business receipts rose to 52.0. Analysed by sector, the current DIs on business receipts for all the surveyed sectors increased in February 2021 as compared with previous month, particularly for the restaurants (from 24.0 to 45.5), wholesale trade (from 37.1 to 45.6) and business services (from 40.5 to 47.9).

The current DI on new orders for the import and export trades increased from 42.4 in January 2021 to 45.7 in February 2021, whereas the outlook DI on new orders in one month's time (i.e. March 2021) was 51.1.

## Commentary

A government spokesman said that business sentiment among SMEs continued to improve in February alongside the easing of the fourth wave of local epidemic. The sub-indices across all sectors, though staying in the contractionary zone, increased by varying degrees. In particular, the sub-index for restaurants showed noticeable improvement, thanks to the gradual relaxation of social distancing measures.

The spokesman added that the large-scale counter-cyclical measures unveiled by the 2021-22 Budget will help alleviate the pressure caused by the economic downturn and the epidemic. Should the COVID-19 Vaccination Program achieve the intended results, business confidence can hopefully revive further to support a broader based recovery of the economy later in the year. 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/hkstat/sub/sp300.jsp?productCode=B1080015](http://www.censtatd.gov.hk/hkstat/sub/sp300.jsp?productCode=B1080015)).

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)).