

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

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 2022.

The current diffusion index (DI) on business receipts amongst SMEs decreased markedly from 37.8 in January 2022 in the contractionary zone to 29.9 in February 2022, whereas the one-month's ahead (i.e. March 2022) outlook DI on business receipts was 38.5. Analysed by sector, the current DIs on business receipts for all surveyed sectors dropped in February 2022 as compared with previous month, particularly for the logistics (from 41.7 to 20.0) and real estate (from 41.8 to 25.9).

The current DI on new orders for the import and export trades decreased from 44.0 in January 2022 to 40.2 in February 2022, whereas the outlook DI on new orders in one month's time (i.e. March 2022) was 42.8.

## Commentary

A government spokesman said that business sentiment among SMEs weakened further in February alongside the deteriorating local epidemic. The current diffusion index on business receipts fell noticeably to the lowest level since early 2020, with sub-indices for all surveyed sectors declining from the preceding month. Employment situation likewise worsened further.

The spokesman added that the acute local epidemic situation and the various anti-epidemic measures in place will continue to weigh on business sentiment in the near term. The recent sharp escalation of geopolitical tensions in Europe has also added to the headwinds. To minimise the impact on public health and to preserve the resilience of the economy, it is vital for the community to work together with the Government to put the epidemic under control as early as possible. 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 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)).