

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

The Census and Statistics Department (C&SD) released today (August 9) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for July 2022.

The current diffusion index (DI) on business receipts amongst SMEs decreased from 46.3 in June 2022 in the contractionary zone to 43.4 in July 2022, whereas the one-month's ahead (i.e. August 2022) outlook DI on business receipts was 48.0. Analysed by sector, the current DIs on business receipts for majority of the surveyed sectors dropped by varying degrees in July 2022 as compared with previous month, particularly for the real estate (from 48.2 to 42.5) and import and export trades (from 46.3 to 41.1).

The current DI on new orders for the import and export trades decreased from 47.4 in June 2022 to 43.1 in July 2022, whereas the outlook DI on new orders in one month's time (i.e. August 2022) was 46.9.

## Commentary

A Government spokesman said that overall business sentiment among SMEs eased further in July amid the deteriorating external environment and the increase in local COVID-19 infection cases. Softening was seen in most surveyed sectors, in particular the real estate and import and export trades sectors. Expectations on the business situation in the following month dipped into the contractionary zone. Overall employment sentiment also showed some softening.

The spokesman added that worsening global economic prospects and the stepping up of monetary policy tightening by major central banks would continue to put pressure on business sentiment, especially the externally-oriented sectors. Yet, Phase II of the Consumption Voucher Scheme should render support to the consumption-related sectors, though their business situation would also be dependent on the local epidemic development and financial conditions. It remains crucial for the community to continue to work in unison with the Government to keep the local epidemic under control.

## 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](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)).