

# Results of monthly survey on business situation of small and medium-sized enterprises for July 2023

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 2023.

The current diffusion index (DI) on business receipts amongst SMEs increased from 44.4 in June 2023 in the contractionary zone to 45.8 in July 2023, whereas the one-month's ahead (i.e. August 2023) outlook DI on business receipts was 49.5. Analysed by sector, the current DIs on business receipts for majority of the surveyed sectors rose by varying degrees in July 2023 as compared with previous month, particularly for the business services (from 45.6 to 49.2) and restaurants (from 45.2 to 48.0).

The current DI on new orders for the import and export trades increased from 46.3 in June 2023 to 46.8 in July 2023, whereas the outlook DI on new orders in one month's time (i.e. August 2023) was 49.1.

## Commentary

A Government spokesman said that overall business sentiment among SMEs saw some improvement in July, with the current diffusion indices for most surveyed sectors recording increases. Expectations on the business situation in one month's time also turned better. The overall employment situation remained broadly stable.

Looking forward, the spokesman said that the local economic recovery, together with the various measures introduced by the Government to boost the momentum of the recovery should provide support to business sentiment, though the difficult external environment and tight financial conditions will continue to bring uncertainties. 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 browse and 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)).