

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

The Census and Statistics Department (C&SD) released today (June 8) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for May 2021.

The current diffusion index (DI) on business receipts amongst SMEs declined from 47.1 in April 2021 in the contractionary zone to 44.3 in May 2021, whereas the one-month's ahead (i.e. June 2021) outlook DI on business receipts was 48.3. Analysed by sector, the current DIs on business receipts for majority of the surveyed sectors dropped by varying degrees in May 2021 as compared with previous month, particularly for the wholesale trade (from 45.9 to 37.8) and business services (from 48.6 to 44.5).

The current DI on new orders for the import and export trades decreased from 47.9 in April 2021 to 46.6 in May 2021, whereas the outlook DI on new orders in one month's time (i.e. June 2021) was 47.9.

## Commentary

A government spokesman said that business sentiment among SMEs stayed cautious in overall terms in May. Compared with the preceding month, the sub-indices for most sectors fell within the contractionary zone. Nevertheless, that for the restaurants sector held steady in the expansionary zone.

The spokesman added that business sentiment going forward would continue to hinge on the development of the epidemic situation and the pace of global economic recovery. It is thus pivotal for the whole community to do our best to prevent and fight the disease together and actively participate in the vaccination programme, so as to create favourable conditions for economic activities to revive to the greatest extent. 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)).