

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

The Census and Statistics Department (C&SD) released today (June 9) the results of the Monthly Survey on Business Situation of Small and Medium-sized Enterprises (SMEs) for May 2023.

The current diffusion index (DI) on business receipts amongst SMEs decreased from 48.0 in April 2023 in the contractionary zone to 47.2 in May 2023, whereas the one-month's ahead (i.e. June 2023) outlook DI on business receipts was 49.2. Analysed by sector, the current DIs on business receipts for many surveyed sectors dropped by varying degrees in May 2023 as compared with previous month, particularly for the business services (from 51.9 to 46.9) and retail trade (from 49.4 to 45.8).

The current DI on new orders for the import and export trades remained at 48.0 in May 2023, whereas the outlook DI on new orders in one month's time (i.e. June 2023) was 49.4.

Commentary

A Government spokesman said that overall business sentiment among SMEs softened slightly in May. Expectation on the business situation in one month's time also retreated somewhat. Nonetheless, the overall employment situation remained broadly stable.

Looking forward, the spokesman said that slower growth in the advanced economies and tight financial conditions will continue to affect business sentiment, but the local economic recovery and the various measures introduced by the Government in boosting the recovery momentum should provide support. 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).

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).