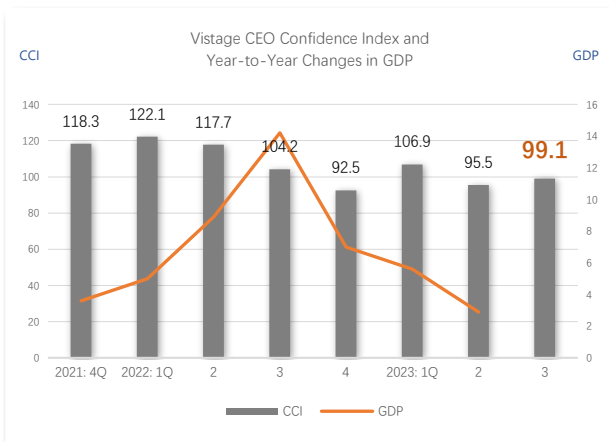


CEOs CONFIDENCE INDEX ON THE MEND

The Vistage MIER CEO Confidence Index (CCI) showed a modest increase from 95.5 in the second quarter of 2023 to 99.1 in the third quarter of 2023, suggesting a cautious shift towards optimism among chief executive officers (CEOs). While this uptick indicates that some CEOs may be observing signs of stabilization or improvement in the economic sector, it's important to note that the CCI remains below the neutral 100 threshold, signifying ongoing caution and uncertainty within the business community. CEOs are likely to closely monitor economic conditions and unexpected business trends as they navigate the evolving landscape in Malaysia.



	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
VISTAGE-MIER CEO CONFIDENCE INDEX	118.3	122.1	117.7	104.2	92.5	106.9	95.5	99.1
Current Economic Conditions	108	138	143	123	97	117	90	87
Expected Economic Conditions	164	152	137	104	77	125	102	114
Expected Change in Employment	156	160	159	150	142	148	139	142
Planned Fixed Investment	145	148	148	137	124	137	128	131
Expected Revenue Growth	170	171	165	146	138	151	141	144
Expected Profit Growth	151	154	138	128	121	130	122	131

Note: All component questions are scored as the percent giving favorable replies minus the percent for unfavorable plus 100. The VISTAGE-MIER CEO Confidence Index is the sum of the components calculated as a percentage of the level recorded in 2nd quarter 2003 survey.

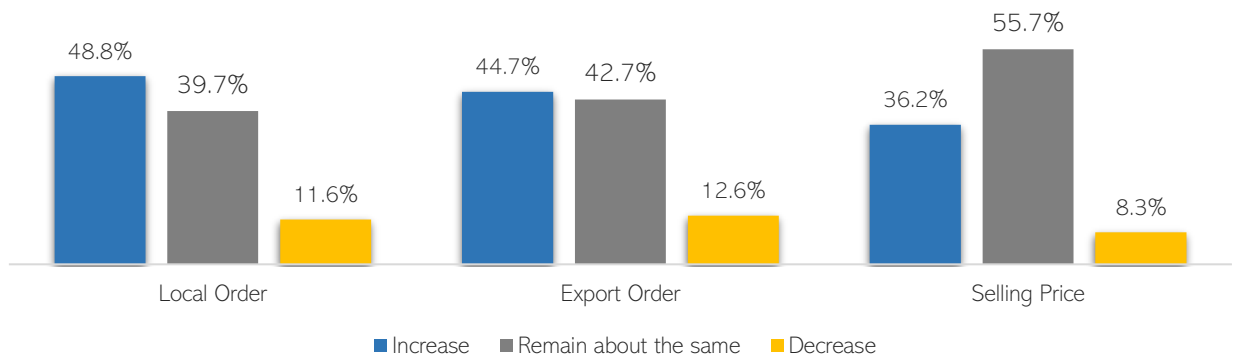
Vistage CEO Confidence Index Highlights

CEO's assessments of current economic conditions in Malaysia have been on a decline since 2Q2022. It continued to decline from 90 in the second quarter of 2023 to 87 in the third quarter of 2023. However, the decline was relatively slight, with only a 3-point decrease, indicating a deepening concern among CEOs about the economic environment. This decline reflects heightened unease, potentially driven by ongoing economic challenges and uncertainties, emphasizing the need for careful economic management and strategic decision-making in the foreseeable future. Meanwhile, the CEOs reveal an optimistic shift in perspectives on expected economic conditions in Malaysia, with a notable increase from 102 in 2Q2023 to 114 in 3Q2023. This significant rise underscores growing confidence among CEOs in the economic outlook, likely influenced by positive indicators, potential business opportunities, and improved market conditions. This suggests that business leaders are increasingly bullish about the upcoming quarters, which may lead to greater investment and strategic planning to capitalize on anticipated economic improvements.

The third quarter of 2023 witnessed a positive upturn in CEOs expectations for employment in Malaysia, as reflected in the Vistage-MIER CEO Confidence Index (CCI), which increased from 139 to 142, marking a promising trend. This uptick reflects growing optimism among CEOs regarding employment prospects, potentially driven by anticipated business growth and economic recovery. The consecutive rise in expected employment change suggests that CEOs are increasingly confident in their ability to expand their workforces, which could contribute to improved job opportunities and overall economic stability in the coming quarters. Besides, the CEOs highlight a positive shift in attitude towards planned fixed investments in Malaysia, with an increase from 128 in 2Q2023 to 131 in 3Q2023. The rise in confidence among CEOs in their investment plans suggests they feel more positive about the economy and business opportunities. The increase in planned fixed investment shows that CEOs are increasingly hopeful about growing and improving their businesses. This is good news for economic growth and development in the coming months.

The most recent survey reveals a positive outlook for both expected revenue growth and expected profit growth. For expected revenue growth, the CCI has risen from 141 in 2Q2023 to 144 in 3Q2023, signalling growing confidence in revenue prospects, likely driven by improving market conditions and business opportunities. Similarly, the expected profit growth has significantly increased, climbing from 122 in 2Q2023 to 131 in 3Q2023, underscoring CEOs' optimism regarding profit margins, potentially influenced by effective cost management and anticipated revenue growth. These trends collectively indicate a buoyant CEO sentiment, with expectations of robust financial performance in the upcoming quarters, which could have positive implications for business expansion and overall economic vitality.

Local Order, Export Order & Prices

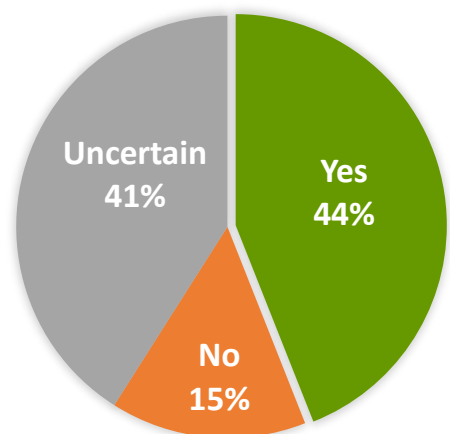


Among the CEOs who participated in the survey, 48.8% are optimistic about a rise in domestic (local) orders, while 27% are similarly hopeful about an increase in international (export) orders. Notably, there is a significant 21.8% disparity between the percentage of CEOs anticipating growth in export orders compared to those expecting growth in local orders. Furthermore, 39.7% of CEOs foresee no change in their local orders, and 25.9% anticipate stability in their export orders.

Concerning selling prices, the majority of CEOs (accounting for 55.7%) believe that prices will remain unchanged. Meanwhile, 36.2% of CEOs expect an increase in prices, while a smaller group of 8.3% express concerns about a decrease in selling prices.

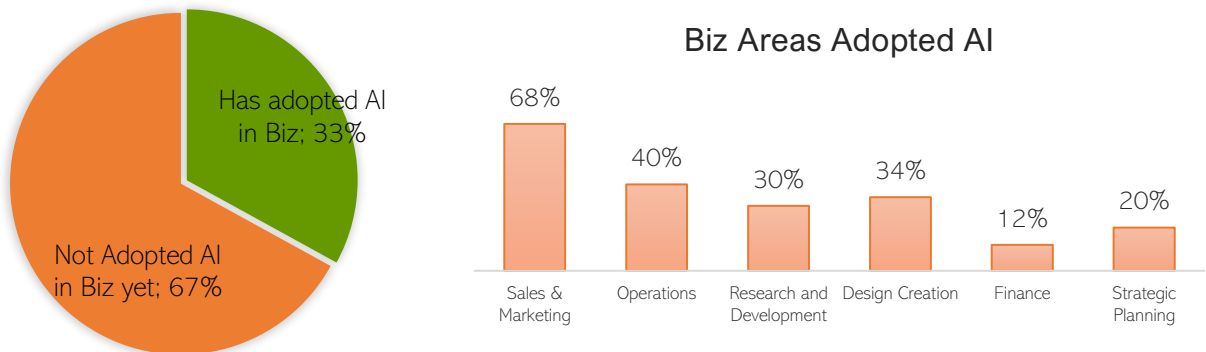
PUBLIC PERCEPTION ON THE IMPLEMENTATION OF THE PROGRESSIVE WAGE MODEL

The government is currently exploring the possibility of implementing the Progressive Wage Model (PWM), which would tie wages to productivity growth while focusing on improving workers' skills and career development. This initiative aims to elevate the income levels of lower-wage workers. In Singapore, PWM has been in place since 2012 for specific sectors, operating under a collaborative tripartite framework involving the government, employers, and unions. 44% of respondents expressed support for it, while 15% opposed the idea, and 41% remained uncertain about their stance.



THE CURRENT LANDSCAPE OF ARTIFICIAL INTELLIGENCE (AI) ADOPTION AND IMPLEMENTATION IN BUSINESS

Only 33% of those surveyed have embraced AI in their business practices, while the majority, comprising 67%, have not yet integrated AI into their operations. The data suggests that AI adoption is not yet widespread among the surveyed businesses, with a significant majority yet to leverage on AI's potential benefits. Understanding these adoption trends can shed light on the current state of AI integration in various industries and provide insights into the factors influencing its adoption or non-adoption.



Furthermore, the results of our survey provide a comprehensive view of the widespread adoption of Artificial Intelligence (AI) across various domains within businesses. Sales & Marketing emerged as the leading sector, with a significant 68% of responses harnessing AI to enhance customer engagement and drive data-driven marketing campaigns. Operations closely follow, with 40% of businesses recognizing AI's potential to optimize processes and boost efficiency. In the realm of Research and Development, 30% of responses have embraced AI, accelerating innovation and product development. Design Creation also sees notable AI integration, with 34% of responses showing that the companies adopted AI to assist in creative processes. While Finance displays a somewhat lower adoption rate at 12%, it underscores the growing importance of AI in financial analysis and automation. Lastly, Strategic Planning, embraced by 20% of responses, highlights the role of AI-driven insights and data analysis in shaping long-term business strategies.

These findings collectively reflect the diversified applications of AI across different business sectors, emphasizing the pivotal role of AI in modern business operations. This comprehensive view not only highlights the current state of AI integration but also provides a glimpse into the varied ways AI is reshaping business operations.

THE UTILIZATION RATE OF AI TECHNOLOGIES IN BUSINESS

Many businesses in Malaysia have recognized the potential of AI and ChatGPT to boost operational efficiency. When asked about their AI adoption, 59% of respondents indicated that their business uses AI-related technologies in less than 10% of their operations. Additionally, 22% reported an AI adoption rate ranging from 10% to 20%. A smaller portion of respondents, 12%, stated that their business leverages AI in more than 20% but less than 30% of their operations. Only 4% of respondents use AI-related technologies in over 30% but less than 40% of their business processes. Similarly, 4% of respondents reported an even higher AI adoption rate, with over 40% of their operations being AI-driven.

BUDGET 2024 WISHLIST

The survey conducted to gauge the priorities of businesses in shaping the 2024 Budget has yielded valuable insights. The respondents' top three items in the wishlist for the upcoming budget are clear. First and foremost, 60% responses from surveys advocate for a reduction in corporate income tax, highlighting the pressing need for tax relief to spur economic growth and investment. Additionally, 42% responses emphasize the introduction of Goods and Services Tax (GST) at a rate not exceeding 4%, signaling a desire for a balanced tax structure that can generate government revenue while minimizing the impact on consumer spending. Finally, a substantial 43% of responses underscore the importance of offering more incentives to attract foreign direct investment (FDI) and domestic direct investment (DDI), reflecting the pivotal role of investment promotion in the eyes of the business community. These findings provide a clear roadmap for policymakers as they craft the 2024 Budget to address the concerns and aspirations of the business sector.

SALARY TRENDS FOR FRESH GRADUATES

In today's competitive job market, it's essential to understand the various salary ranges that businesses offer to fresh graduates across different sectors. In the finance sector, 34% of responses offered salaries ranging from RM 2,000 to RM 2,500, while 41% provided salaries in the RM 2,501 to RM 3,000 range. In the sales & marketing sector, 30% of responses reported salaries from RM 2,000 to RM 2,500, with 37% falling within the RM 2,501 to RM 3,000 range. In the IT sector, 26% offered salaries between RM 2,000 and RM 2,500, and 37% were in the RM 2,501 to RM 3,000 range. In the human resource (HR) sector, 34% indicated salaries between RM 2,000 and RM 2,500, with 40% reporting salaries in the RM 2,501 to RM 3,000 range. Finally, in the engineering sector, 19% provided salaries from RM 2,000 to RM 2,500, while 34% reported salaries in the RM 2,501 to RM 3,000 range. These figures illustrate across these sectors, the most common salary range for fresh graduate positions is RM 2,501 to RM 3,000.

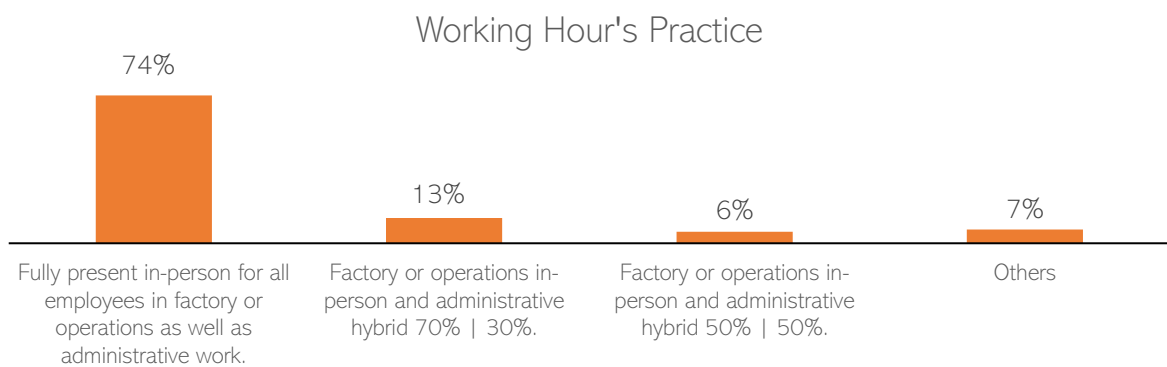
	RM2,000-2,500	RM2,501-3,000	RM3,001-3,500	RM3,501 and above
Finance	34%	41%	17%	6%
Sales & Marketing	30%	37%	22%	9%
IT	26%	37%	21%	9%
HR	34%	40%	17%	4%
Engineering	19%	34%	24%	13%

HR COMPETENCY EVALUATION: ADDRESSING RETENTION, ENGAGEMENT, AND TALENT

Three critical issues within the realm of Human Resources (HR) are retention, engagement, and talent development. Many respondents believe their organizations already possess a competent HR functionary capable of addressing these areas. Responses received were as follows: 348 respondents (32%) expressed confidence in the presence of capable HR professionals, affirming that they have the necessary expertise to tackle retention, engagement, and talent development effectively. On the other hand, 507 respondents (47%) expressed doubts, indicating that they do not believe their organization currently has the requisite HR competence. Additionally, 217 respondents (20%) expressed uncertainty, suggesting that they may not have a clear assessment of their HR function's proficiency in addressing these critical HR challenges. These responses collectively underscore the varying degrees of confidence and skepticism regarding the HR capabilities within organizations, highlighting the importance of continuous HR development and evaluation to address these pivotal issues effectively.

CURRENT PRACTICE OF WORKING HOURS IN ORGANISATIONS

In terms of their organization's current working hours practice, respondents had varying preferences. Notably, a majority of respondents, accounting for 74% or 798 responses, favoured a fully in-person setup for all employees, encompassing those in factory or operations roles as well as administrative work. Additionally, 13% of the responses, which equates to 136 responses, opted for a hybrid approach, with employees in factory or operations working in-person while administrative staff adopted a 70% in-person and 30% remote work model. Furthermore, 6% of the responses, totalling 62 responses, chose another hybrid model, with factory or operations employees in-person, and administrative staff adopting an equal 50% in-person and 50% remote work arrangement. These responses highlight the diverse working hour practices being adopted by organizations, with some preferring full in-person presence, while others explore hybrid approaches to accommodate the needs and preferences of their workforce.



FUTURE RESOURCE ALLOCATION PLANNING

Each respondent was permitted to select up to three key focus areas when expressing their organization's future resource allocation priorities. The numbers represent the total responses in each category, shedding light on the following trends: A significant 65% of the respondents, totaling 696 individual responses, emphasized sales as a primary area of focus, indicating a strong emphasis on revenue generation. Additionally, 61% of respondents, with a total of 658 individual responses, marked marketing as one of their top three priorities, underscoring its strategic significance in promoting and positioning products or services in the market. Information technology (IT) emerged as a crucial area, with 27% of respondents, equivalent to 290 individual responses, allocating resources to support digital infrastructure and innovation.

Furthermore, 35% of respondents, comprising 380 individual responses, expressed a commitment to research and development (R&D) and innovation, reflecting a proactive approach to remaining competitive through new ideas and product enhancements. Product management was a priority for 24% of respondents, totaling 259 individual responses, indicating a focus on improving existing offerings. Additionally, 45% of respondents, corresponding to 490 individual responses, emphasized human resources (HR), particularly staffing and people development, highlighting the value placed on nurturing a skilled and motivated workforce. Property and facilities management was identified as an area of focus by 10% of respondents, with 112 individual responses, indicating attention to operational efficiency and workspace optimization. Lastly, 4% of respondents, representing 43 individual responses, selected legal and compliance as an important consideration, emphasizing adherence to regulatory standards and risk management within their resource allocation strategies.

PRICING STRATEGIES AMID INFLATION AND COST PRESSURES

In light of the ongoing challenges posed by inflation and rising costs, organizations were asked whether they have already taken steps to increase their prices or if they plan to do so in the future. A majority of the respondents, 691 individuals (65%), confirmed that they have either already implemented price increases or have plans to do so in response to these economic pressures. On the other hand, 379 respondents (35%) indicated that they have not initiated or do not intend to initiate price increases. This data reflects the strategies adopted by businesses in the face of inflationary and cost-related challenges, with a significant portion opting for price adjustments to navigate these economic conditions, while others choose to explore alternative approaches to manage these pressures.

Response to the current high prices and increased costs, businesses were asked if they have raised or plan to raise their prices. Out of the people surveyed, 278 (40%) said they are making or considering a small price increase of 1% to 5%. A larger group, 321 (46%), is thinking about a bigger increase, somewhere between more than 5% and up to 10%. Additionally, 95 people (14%) are planning to undertake a substantial price hike, exceeding 10%. This shows that different businesses are taking different approaches to cope with inflation and higher costs.

VIEWS ON GDP GROWTH RATE TARGET

In the second quarter of 2023 reporting a GDP growth rate of 2.9%, a question was posed regarding the likelihood of the country achieving the revised GDP growth target of 4% to 5%. Among the respondents, 44% of CEOs expressed confidence that the country can still meet this target, despite the current growth rate. However, a larger group 56% of CEOs expressed skepticism, indicating that they do not believe the country will be able to achieve the revised 4% to 5% GDP growth rate. This data reflects the varying degrees of optimism and caution among respondents regarding the country's economic performance, highlighting the challenges and uncertainties faced in reaching the stated GDP goals.

ABOUT VISTAGE MALAYSIA AND MIER

Vistage Malaysia is a fully owned subsidiary of Vistage International, USA, the world's most trusted resource for CEOs, business owners, and key executives of small and medium-sized businesses to help them become better leaders, make better decisions, and deliver better results, providing unparalleled access to issue resolution and better performance through monthly peer advisory group meetings, one-on-one business coaching, expert speaker presentations, and extensive online connectivity spread over across 35 countries with more than 45,000 members worldwide.

Vistage Malaysia has more than 1,200 members with a combined annual revenue of RM80 billion and employing over 130,000 employees. Vistage member companies grow, on average, 2.2 times faster than they did prior to joining Vistage. In 4Q2005, Vistage Malaysia entered into a strategic alliance with the Malaysian Institute of Economic Research (MIER) to co-brand the CEO Confidence Index. MIER is an independent, private, non-profit organization, devoted to economic, financial, and business research that would serve as a think-tank for the government and private sector by providing an objective and impartial understanding of socioeconomic issues of national, regional and global importance.