



VISTAGE

**CEO CONFIDENCE
INDEX SURVEY**

**Q4
2024**

Response Rate: 90% (1160 responses / 1289 members)

ABOUT THE VISTAGE CEO CONFIDENCE INDEX & 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 across 37 countries with more than 45,000 members worldwide.

Vistage Malaysia has more than 1,400 members with a combined annual revenue of RM90 billion and employing over 140,000 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.

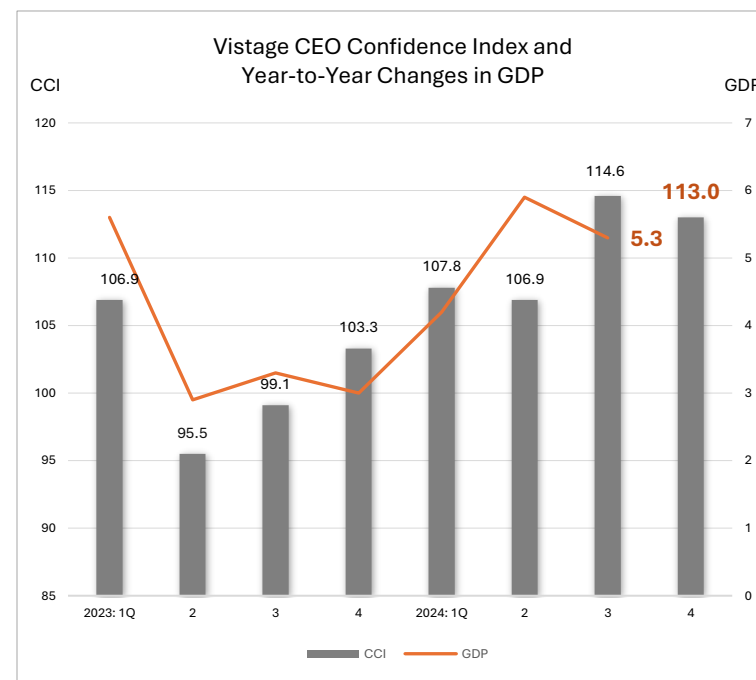
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CONFIDENCE DIPS IN 4Q2024

The CEOs Confidence Index shows steady growth over the past eight quarters, rising from 106.9 in 1Q2023 to a peak of 114.6 in 3Q2024 before settling slightly at 113.0 in 4Q2024. In 2023, the index fluctuated due to global uncertainties and post-pandemic adjustments. But recovery gained traction in late 2023 and into 2024, driven by strong domestic consumption, government support, and regional trade opportunities. However, the slight dip in 4Q2024 highlights ongoing concerns over rising interest rates, global economic headwinds, and domestic policy uncertainties. Sustaining this positive trend will require structural reforms, innovation, and workforce upskilling to maintain Malaysia's competitiveness.

	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024	4Q 2024
VISTAGE-MIER CEO CONFIDENCE INDEX	106.9	95.5	99.1	103.3	107.8	106.9	114.6	113.0
Current Economic Conditions	117	90	87	89	104	103	122	116
Expected Economic Conditions	125	102	114	117	124	125	147	135
Expected Change in Employment	148	139	142	145	146	145	149	148
Planned Fixed Investment	137	128	131	135	143	144	146	146
Expected Revenue Growth	151	141	144	154	158	155	158	162
Expected Profit Growth	130	122	131	141	140	136	144	148



Key Highlights



↓ Recent Economy

35%

of CEOs reported economic improvements from a year ago, down from 41% in Q3.

↓ Future Economy

49%

of CEOs expect the economy to improve in the next year, down from 57% in Q3.



↑ Revenue Projections

68%

of CEOs expecting increased revenues has grown by 1% from Q3.

↑ Profitability Projections

58%

of CEOs expect increased profits in the year ahead, an uptick from 56% in Q3.



↑ Investment Plans

56%

of CEOs plan to increase fixed investments in the next 12 months, a slight increase from 54% in Q3.

= Workforce Plans

56%

of CEOs plan to expand their workforce over the next 12 months, unchanged from Q3.

Current Economic Conditions Index for 4Q2024 declined to 116, down 6 points from previous quarter 122 points but still higher than in 1Q2024 and 2Q2024. Among 1,160 CEOs surveyed, 35% observed slow improvement, 46% expected no change, and 19% anticipated worsening conditions.

The Expected Economic Conditions Index dropped to 135 from 147 in 3Q2024, reflecting cautious optimism. While 49% of CEOs foresee domestic economic improvements in the coming months, down from 57% previously, global uncertainties, inflation, and high operating costs continue to temper business confidence despite gradual recovery signals.

In 4Q2024, the percentage of CEOs expecting their firm's sales revenue to increase rose slightly to 68%, compared to 67% in 3Q2024. Those anticipating revenues to remain about the same saw a marginal rise from 25% to 26%, while the proportion of CEOs expecting a decrease dropped from 9% to 7%, indicating growing optimism among respondents

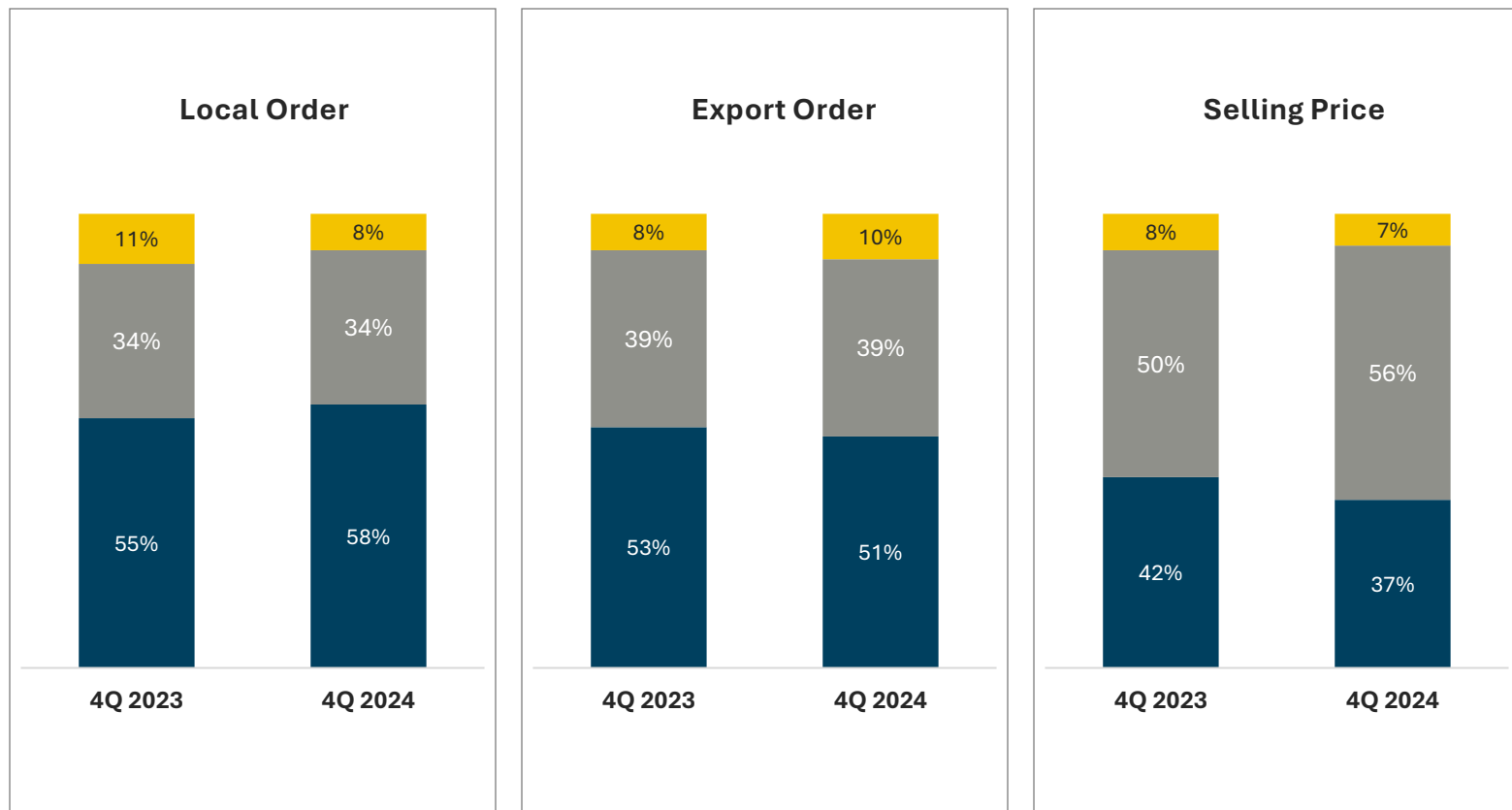
Meanwhile, the Expected Profit Growth Index is relatively muted, but notwithstanding having to face persistent inflation and rising cost challenges, most CEOs remain optimistic enough to being able to at least sustain their profitability levels.

In 4Q2024, the Expected Change in Employment Index experienced a slight decrease, dropping by 1 point to 148. Despite this, 56% of CEOs expect employment to increase, indicating confidence in business growth. Meanwhile, 36% plan to maintain current staffing levels, while 7.8% are considering reductions, suggesting challenges in certain sectors.

Similarly, the Planned Fixed Investment Index remained steady at 146 points, reflecting consistent capital expenditure plans. Only 9.7% of CEOs are considering investment cuts, indicating a positive outlook for long-term growth despite external pressures.

Growth In Orders & Selling Prices

Among the CEOs surveyed, nearly 57% anticipate an increase in both new local and export orders over the next 6 months. Meanwhile, 34% of CEOs expect local orders to remain unchanged, and 35% expect export orders to remain unchanged. Regarding selling prices, almost 50% of CEOs believe they will remain the same, 44% expect them to increase, and only 7% foresee a potential decrease.



■ Increase
 ■ Remain about the same
 ■ Decrease

STRATEGIES FOR IMPROVING RECRUITMENT AND RETENTION

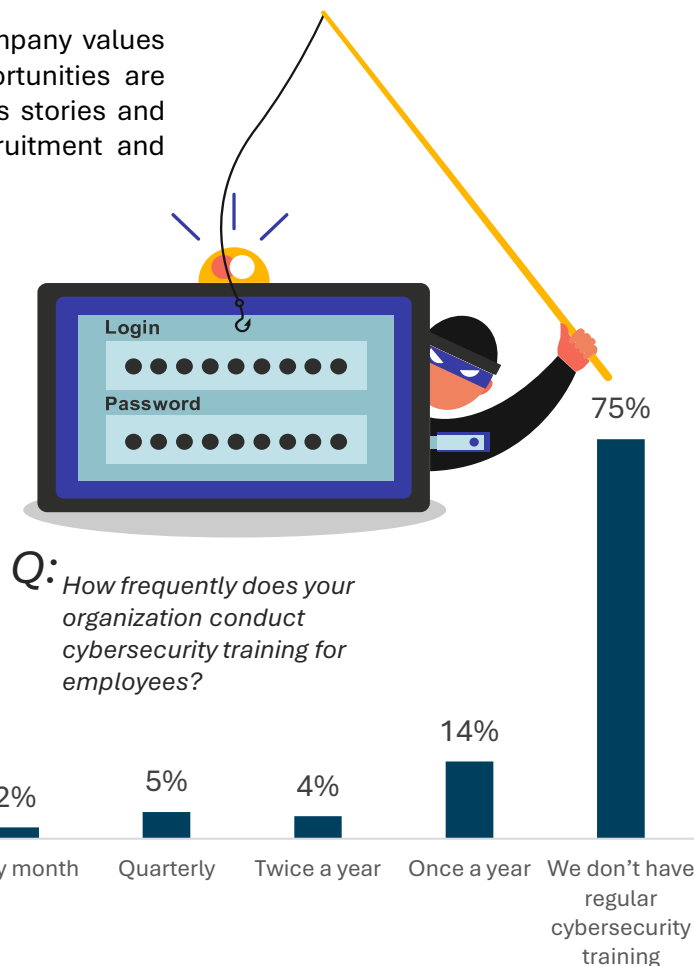
In 3Q2024 CEO's Index Survey identified unattractive compensation, poor work environments, and misaligned company values as major challenges in recruitment and retention. In the 4Q2024 survey, CEOs proposed actionable measures to address these issues. Key strategies include offering competitive salaries, performance-based incentives, and hybrid work arrangements to attract talent.

Additionally, fostering a supportive workplace culture, aligning company values with employee expectations, and investing in career growth opportunities are essential. Strengthening employer branding by showcasing success stories and promoting a positive work environment can further enhance recruitment and retention efforts.

ASSESSING CYBERSECURITY TRAINING REGULARITY IN ORGANIZATIONS

Some insights into cybersecurity practices reveal that many organizations do not prioritize regular employee training. The responses show that a large number of organizations do not have a set schedule for cybersecurity training. Among those who do, a smaller portion conduct training annually (14%), while even fewer offer it quarterly (5%) or biannually (4%). Only a small percentage provide monthly sessions (2%).

These findings suggest that while some organizations recognize the importance of cybersecurity training, the overall frequency remains limited, pointing to a potential area for improvement in fostering continuous employee awareness on cybersecurity threats.

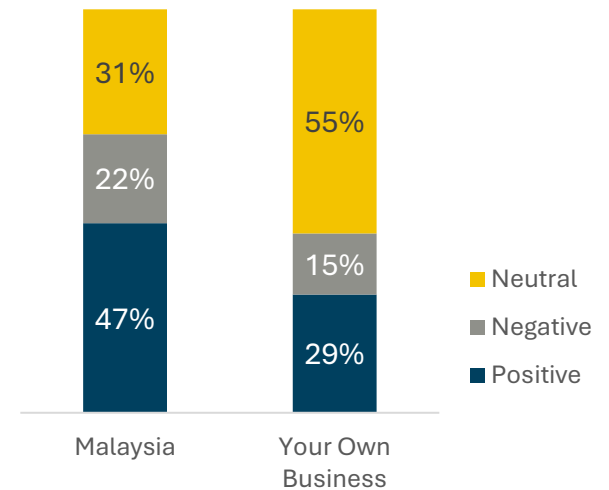


Business Outlook Amid Policy Changes

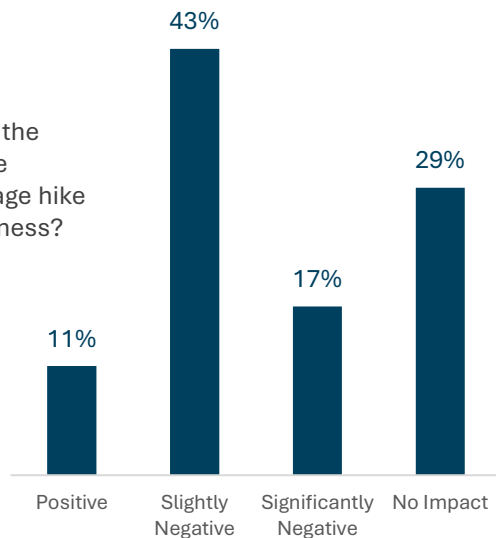
PERCEPTIONS OF HIGHER IMPORT TARIFFS ON MALAYSIA AND BUSINESS OPERATION

The survey assessed the potential impact of higher import tariffs, such as those on China, under a re-elected Trump Administration. On a national level, a total of 78% of respondents expect either a positive or neutral impact for Malaysia, significantly outweighing the 21% who foresee a negative effect. Regarding their own businesses, 84% of respondents anticipate either a positive or neutral outcome, while only 15% predict a negative impact.

These results highlight that the combined positive and neutral responses (78% for Malaysia and 84% for businesses) far exceed the negative responses, suggesting a generally optimistic outlook regarding the potential tariff changes.



Q: What will be the impact of the minimum wage hike on your business?



IMPACT OF MINIMUM WAGE HIKE ON BUSINESSES

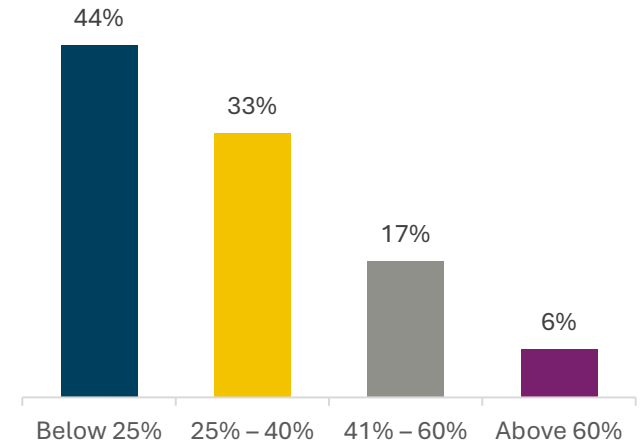
The recent minimum wage hike in Budget 2025 is expected to increase operating costs while slightly raising disposable income for workers. According to the survey, 43% of businesses anticipate a slightly negative impact, and 17% foresee a significantly negative effect. In contrast, 11% expect a positive impact, while 29% believe there will be no effect on their operations.

These findings indicate that most businesses expect some level of negative impact, particularly in terms of rising costs, although a portion of businesses foresee no change. This highlights the need for companies to carefully manage operational adjustments in response to the wage increase.

Workplace Wellness Snapshot

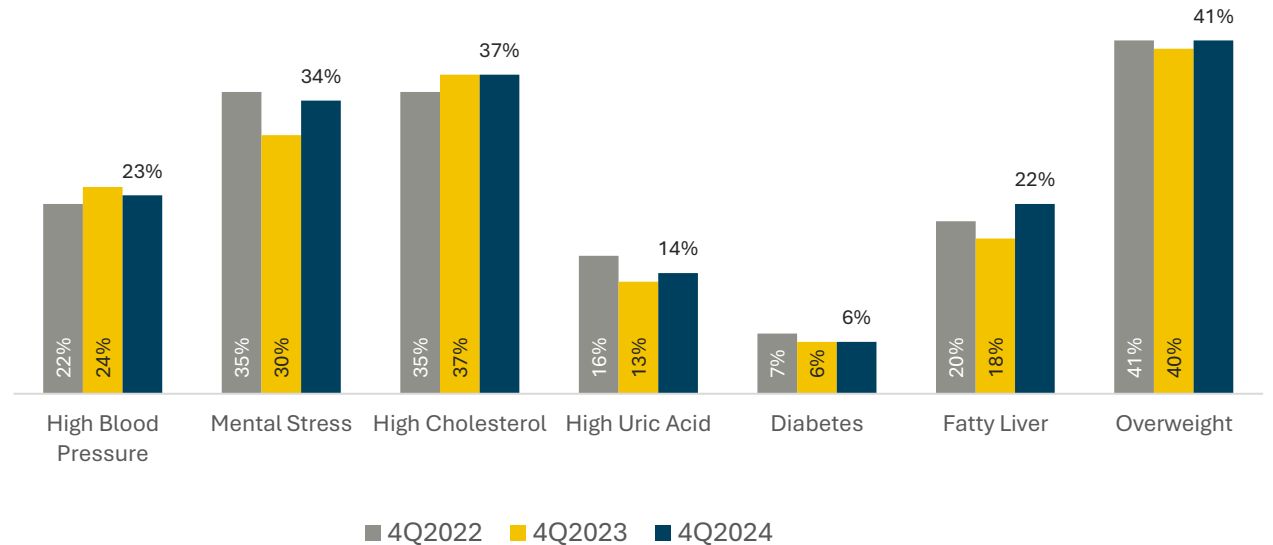
LEVELS OF EMPLOYEES MENTAL STRESS

The survey sought to gauge perceptions of mental stress levels within organizations. The findings indicate that a large number of respondents (44%) believe only a relatively small segment of their workforce (25%) is experiencing significant mental stress, with a much smaller number of respondents (17%) flagging out that mental stress issues are indeed much more pervasive throughout their staff population. While on balance the findings on the presence of mental stress in members' organisations are not particularly alarming, the importance of proactive mental health programmes and strategies to support and enable a healthier, more productive workforce, cannot be overlooked.

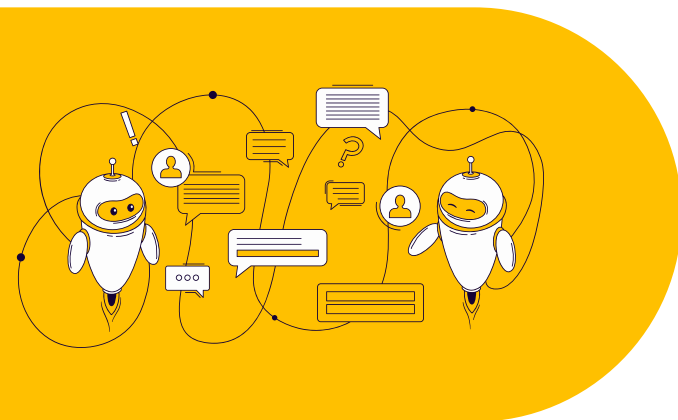
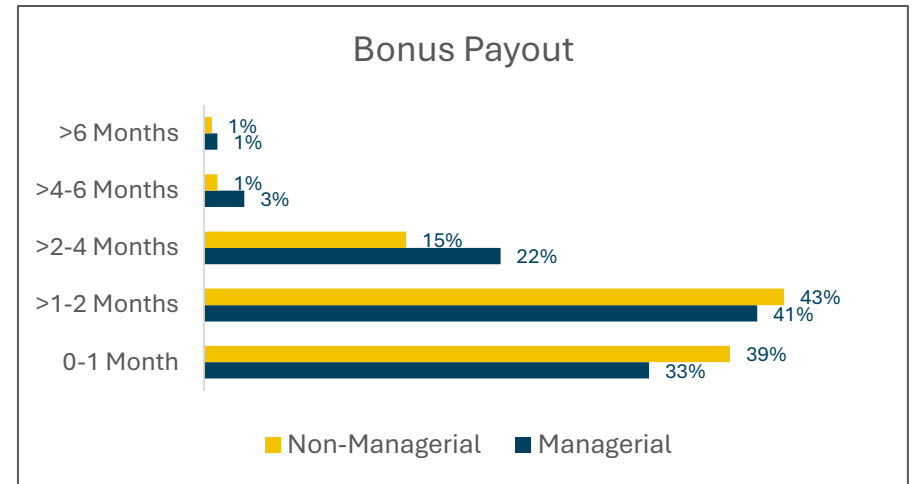
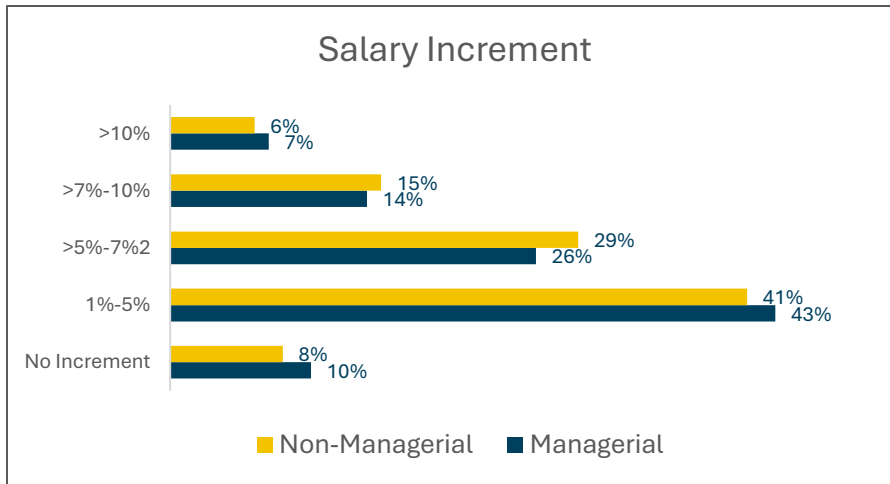


HEALTH STATUS OF CEOs

As health is wealth, the survey aims to provide a scorecard on CEOs' personal health. When asked to assess their current fitness and health levels, the top three health issues reported by most CEOs are being overweight, high cholesterol, and mental stress, as shown in the chart. Notably, over the past three years (2022-2024), these three health issues have consistently ranked highest compared to other health conditions.

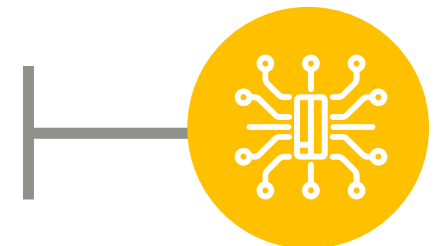


Salary increments and bonuses are expected to be leaner than last year. For the financial year ending 31 December 2024, most CEOs are considering salary increments of up to 5% and bonus payouts equivalent to one or two-months' salary for both managers and non-managers. Refer to the charts below for the projected payouts.



AI THINK TANK PROPOSAL

Recognizing the growing momentum around Artificial Intelligence (AI), Vistage proposed forming a Member AI Think Tank to provide members with regular updates and insights into the evolving AI landscape. An overwhelming 95% of respondents expressed their support for this initiative, highlighting strong interest and enthusiasm among members for staying informed on AI developments.



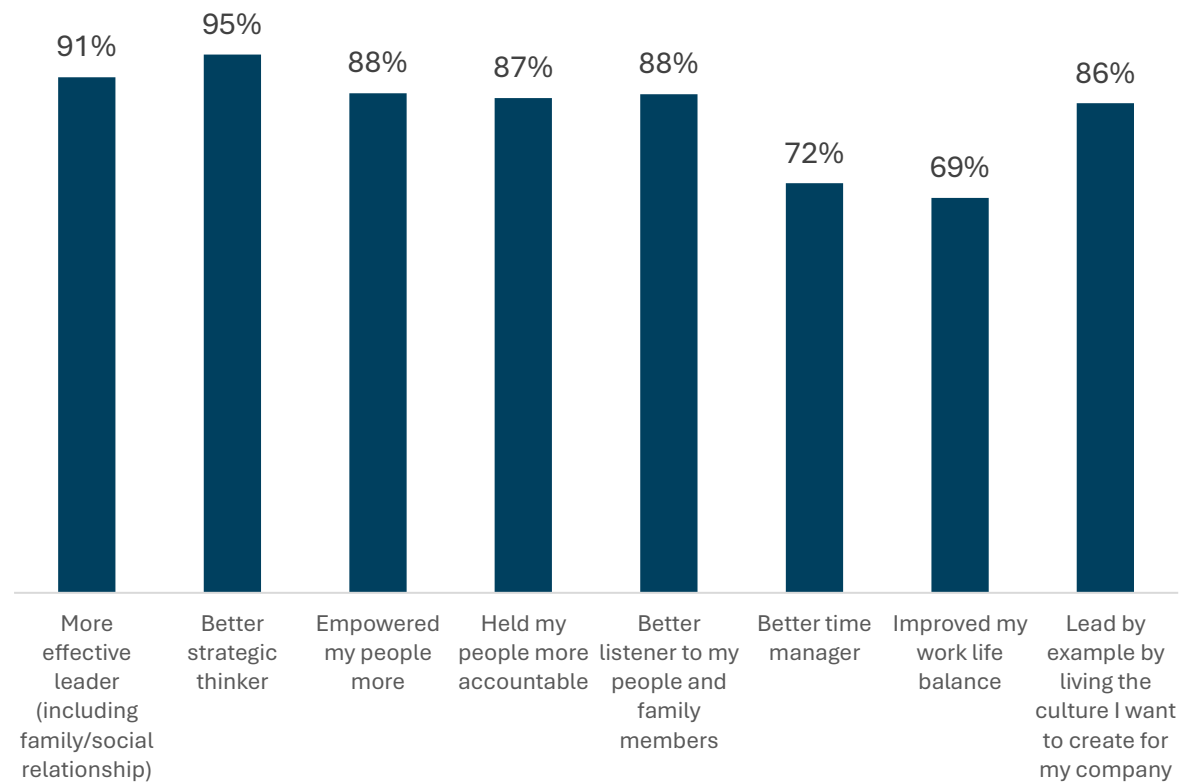
Reflection On Vistage’s Mission

Reflecting on Vistage’s mission of increasing the effectiveness and enhancing the lives of CEOs and their key executives, majority of the CEOs responded positively. As in 4Q2024, in descending order of votes, most CEOs in 4Q2024 continued to attest to being better strategic thinkers, more effective leaders (including family/social relationship) and able to empower their people since joining Vistage. The result is reflected in the chart.

OUR MISSION

Increasing the Effectiveness & Enhancing the Lives of Our Members

VISTAGE



VISTAGE

CEO CONFIDENCE INDEX

Capturing the sentiment of small and midsize business CEOs since 2003

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