

	11 February 2022		25 February 2022
FTSE BURSA MALAYSIA	1,578.9	↑	1,591.7
CURRENCY; USD 1 =	RM4.19	↓	RM4.20
BRENT CRUDE OIL (USD PER BARREL)	USD94.44	↑	USD97.93

Source: CEIC

Oil prices jumped 3.7% from two weeks ago to approach USD100 a barrel to hit the highest level for more than seven years, the impact of Russia's invasion of Ukraine.

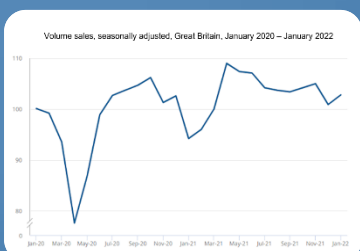
ECONOMICS & MSME NEWS

14 FEBRUARY 2022 – 25 FEBRUARY 2022

UK: Retail sales rebound in January as Omicron eases

UK retail sales rebounded by 1.9% in January as shoppers returned to the High Street after the Omicron disruption in December. Department stores, garden centres and other non-food shops saw strong growth with a 3.4% rise, the Office for National Statistics (ONS) said. However, food sales fell below their pre-pandemic level for the first time. January's better-than expected growth followed a 4.0% fall in December when new pandemic restrictions were imposed. Meanwhile, clothes stores reported a fall of 5.0% over the month and remain 12.6% below pre-pandemic sales levels. An increase in road traffic helped push fuel sales up from December.

Source: BBC News, 18 February 2022



GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

US: Jobless claims total 232,000, slightly less than expected

Weekly jobless claims came in slightly less than expected last week and economic growth to end 2021 was slightly better than originally reported, according to government data released. Initial filings for unemployment insurance totaled 232,000 for the week ended February 19, the Labor Department said. That was a touch below the 235,000 Dow Jones estimate and down 17,000 from the previous week. On the jobs side, continuing claims, which run a week behind the headline number, totaled 1.48 million, a decline of 112,000 from the previous week and good for the lowest total since March 14, 1970.

Source: CNBC, 24 February 2022

Japan: Japan's February factory activity growth falls to 5 month low

Japan's manufacturing activity expanded at the slowest pace in five months in February as output contracted, underscoring the prolonged impact that global supply chain disruptions are having on the world's third-largest economy. Activity in the services sector shrank at the fastest rate since May 2020 as demand weakened after the country saw coronavirus infections spike to a record due to the omicron variant. The au Jibun Bank Flash Japan Manufacturing Purchasing Managers' Index (PMI) fell to a seasonally adjusted 52.9 from a final 55.4 in the previous month. Manufacturers signaled a reduction in output for the first time in five months, though the rate of contraction was considerably softer than that seen in the dominant services sector.

Source: Reuters, 21 February 2022

China: China's yuan 'trading like a safe haven currency' as Ukraine crisis roils markets

The yuan is standing out for its resilience as global markets reel from Russia's attack on targets across Ukraine. While major stock markets tumbled, and currencies declined, the yuan is still hovering near a four-year high. The yuan's correlation to global volatility dropped to a three-year low earlier this week, underlying a haven status partly due to efforts by Chinese policymakers to ease to support economic growth. The nation's sovereign bonds, which lured a record CNY575.6 billion (USD\$91 billion) in inflows last year, have also been touted as potential alternatives to US Treasuries. A local Chinese news report cited that low volatility and stable purchasing power have made yuan assets more attractive and that the currency would rally to 6.3 per USD on the risk-off sentiment.

Source: South China Morning Post, 24 February 2022

Malaysia Digital Economy Week at Expo 2020 Dubai garners RM1.3b qualified trade and investments

The Malaysia Digital Economy Week at Expo 2020 Dubai has garnered RM1.295 billion worth of qualified trade and investments to Malaysia derived from 110 business leads, 138 business matchings and 16 memorandums of understanding (MoUs). The amount generated from the 22 participating Malaysian technology companies exceeded the initial target of RM300 million in investment potential and 50 business leads. An estimated 890 jobs will be created as part of the investment opportunities. The qualified trade and investments represents a massive step towards realising the goals of the Malaysia Digital Economy Blueprint (MyDIGITAL), which targets RM70 billion in digital investments by 2025.

Source: Malay Mail, 21 February 2022

Malaysia, Thailand committed to achieve bilateral trade of USD30 billion by 2025

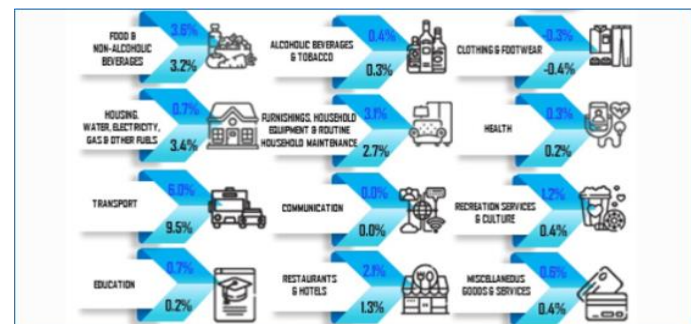
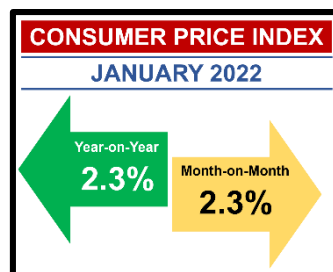
Malaysia and Thailand are committed to continue their close cooperation to realise the bilateral trade target of USD30 billion (RM126 billion) by 2025 for the economic recovery of both countries. Prime Minister Datuk Seri Ismail Sabri Yaakob said he and his Thai counterpart Prayuth Chan-o-cha both hoped that the third ministerial-level Joint Trade Committee (JTC) meeting could be held as soon as possible. Thai investors can explore new investment sectors in Malaysia such as the digital economy, green economy and circular economy, while Malaysian investors can participate in the Bio-Circular-Green (BCG) economic model and other new sectors such as vaccine research and development, electric and smart vehicles, automation and robotics in Thailand. They also reiterated their commitment to strengthen Malaysia-Thailand cooperation under the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) framework, especially in the Physical Connectivity Projects implementation and for mutual benefits in the agriculture and agro-based industry, tourism as well as halal products and services to realise the IMT-GT Vision 2036.

Source: Malay Mail, 25 February 2022

CPI up at slower pace of 2.3% in January

Malaysia's consumer price index (CPI) increased 2.3% to 124.9 in January 2022 from 122.1 in the same month of the preceding year, according to DOSM. The increase surpassed the country's average inflation for the period of 2011 to January 2022 (1.9%). The incline in headline inflation was mainly driven by the increase in the transport group (6.0%) and food and non-alcoholic beverages (3.6%) followed by furnishings, household equipment and routine household maintenance (3.1%), restaurants and hotels (2.1%) and recreation services and culture (1.2%). The issue of rising food prices such as vegetables, meat and fish, which has been lingering for the past few months due to the direct impact of supply shortages, as well as rising animal feed prices, once again put pressure on food inflation.

Source: The Star, 25 February 2022



Business sentiment rebounds to a positive trajectory in Q1

Business sentiment in Malaysia rebounds to a positive trajectory, registering a confidence indicator of 7.6% in the 1Q 2022 from -0.3% in the last quarter, according to DOSM. Among all of the surveyed sectors, the services, industry and wholesale and retail trade sectors expect better business performance in the 1Q of 2022. The business confidence for the services sector rebounds to a positive trajectory with 11.1% in the reference quarter from -1.3% recorded in the past quarter. The industry sector depicts a better business condition with 12.2% compared to 3.6% recorded in the 4Q 2021. Business prospect for the first half of 2022 continues to improve with a net balance of 18.9% as against 24.1% posted for the period from October 2021 until March 2022. This positive outlook was mainly supported by the wholesale and retail trade, services and industry sectors which are optimistic towards their business performance.

Source: The Star, 25 February 2022

MSME NEWS IN SOUTH EAST ASIA



MALAYSIA **Semarak Niaga** **to be catalyst for** **MSMEs'** **recovery**

The RM40 billion “Semarak Niaga Keluarga Malaysia” programme will be the catalyst for recovery and business restructuring for MSMEs, which is set to be a new driver to the growth of the country in the long run. Under the 12th Malaysia Plan, the transformation of MSMEs is one of the many game changer projects that will be implemented to increase their competitiveness and contribution, including the shift focus from local to world market. This effort is also in line with the aspirations of the National Digital Network and Malaysia Digital Economy Blueprint which will make Malaysia a leader in the economic sector, efficient and proactive digital, shaping a high-income nation. These initiatives will increase MSMEs’ contributions to the country’s GDP to 45%, contribution to the country’s exports to 25% and produce two ‘unicorns’ of Malaysia’s pride by 2025. The Semarak Niaga Keluarga Malaysia programme comprising direct loans, financing guarantees and equity injections, is expected to benefit every group of entrepreneurs.

Source: The Malaysian Reserve, 22 February 2022

VIETNAM **70% of Vietnamese** **SMEs stand outside the** **digital economy**

The Vietnam Association of Small and Medium-sized Enterprises (VINASME) said up to 70% of Vietnamese SMEs are outside the digital economy, and only about 20% are learning about it. VINASME recently held a workshop on "Information Security Awareness for Small and Medium Enterprises in Vietnam" to share experiences and research results on information security awareness of businesses. An upcoming nationwide survey is expected to consider issues such as risks in cyberspace, capacity to adapt to technology, recognition of information security, skills to prevent and confront cyber threats, and funding for information security activities. The survey is expected to contribute to building a better cybersecurity infrastructure, capacity and culture in the SME community.

Source: Vietnam Net Global,
15 February 2022

SINGAPORE **DBS to help Singapore** **SMEs tackle cybercrime**

Development Bank of Singapore Ltd (DBS) announced that it will be availing a complimentary cybersecurity training programme, which will help to protect the 280,000 SME community in Singapore from the growing threat of cybercrime. The bank said SMEs will be presented with recommendations for suitable cyber insurance and cybersecurity solutions, at the end of the programme. This will enable SMEs to take immediate steps to protect their businesses from potential cyberattacks. The programme comprises ten online modules, each covering a different facet of cybersecurity, such as password protection, phishing, digital scams, physical security, and social media security. To make the training even more accessible for time-strapped employees, each module can be accessed on the go digitally through an e-learning platform, with all 10 modules taking no more than 120 minutes to complete.

Source: Digital News Asia,
18 February 2022

CAMBODIA **Government allocates** **USD100 mil to prop up** **SMEs**

The government allocated USD100 million to two state-owned banks to provide additional support to SMEs, and the agriculture and agro-industry sectors. The Small and Medium Enterprise Bank of Cambodia Plc (SME Bank) and Agricultural and Rural Development Bank of Cambodia (ARDB) have each received an extra USD50 million to support the economic recovery in the post COVID era and help advance “The Strategic Framework and Programmes for Economic Recovery in the Context of Living with COVID-19 in a New Normal 2021-2023”, a comprehensive road map recently rolled out by the government. The three-year comprehensive “living with COVID” road map aims to put economic growth on a more solid path in the medium term and strengthen resilience for inclusive and sustainable socio-economic development in the long run.

Source: The Phnom Penh Post,
14 February 2022