



FTSE BURSA MALAYSIA	1,591.7		1,568.2
CURRENCY; USD 1 =	RM4.20		RM4.19
BRENT CRUDE OIL (USD PER BARREL)	USD97.93		USD112.67

Source: CEIC

Bursa Malaysia closed marginally lower as selling pressure in most indices were cushioned by some buying interest, led by healthcare and financial stocks, amidst mixed regional peers

ECONOMICS & MSME NEWS

28 FEBRUARY 2022 – 11 MARCH 2022

GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

US: Inflation up 7.9% in February as price rises grip U.S. economy

Inflation kept up its blistering pace in February and Russia's invasion of Ukraine is triggering even steeper price increases. The Consumer Price Index (CPI) increasing by 0.8% in February, or 7.9% y-o-y. Core inflation rose by 0.5% for the month. The core inflation metric includes prices of goods and services from rent to airline tickets to furniture but strips out food and energy prices, which tend to be volatile even when they are not rocked by geopolitical crises. With sweeping sanctions crimping Russia's energy exports, experts warn that higher prices are imminent. Energy prices have been rising since the beginning of the year, stoked by escalating concerns about a Russian military buildup on the Ukrainian border. Some of the rise was probably reflected in February's CPI, but March gains that pushed oil to a 13-year high and broke gas price records will build on that.

Source: NBC News, 10 March 2022

UK: Economy surges unexpectedly, bolstering case for rate hike next week

Britain's economy rebounded much more than expected in January, raising along with soaring inflation and the likelihood of an interest rate hike next week. The GDP grew by 0.8% in January after a 0.2% decline in December when the Omicron wave of coronavirus held back growth. All the main sectors of Britain's economy grew more than expected, with the wholesale and retail sector as well as pubs and restaurants being particular drivers. While growth looked likely to continue into February, economists warned of tougher times ahead. With investors focused on the consequences of the conflict in Ukraine, the pound showed little reaction to the January growth figures. The output would be around 1.2% below its pre-pandemic size if extra spending on healthcare was stripped out.

Source: Reuters, 11 March 2022

Japan: Economy Grows 4.6%, Likely to Stave Off Stagflation

Japan is unlikely to slide into stagflation, a condition where rising inflation and shrinking economic growth co-exist as data showed the economy grew at a smaller rate than expected in the fourth quarter. Japan's economic rebound was softer than initial estimates in the final quarter of 2021 as the pickup seen in consumer and business spending was weaker than first reported. Revised GDP data released by the Cabinet Office showed Japan expanded an annualised 4.6% in October-December. That was lower than economists' median forecast for a 5.6% gain and the preliminary reading of 5.4% released last month. While rising commodity and grain costs will push up energy and food prices in the short-term, it will hurt the economy in the long run through declines in household income and corporate profits.

Source: Asia Financial, 9 March 2022

China: China sets GDP target of 'around 5.5%' for 2022

China announced a gross domestic product growth target of "around 5.5%" for 2022. Premier Li Keqiang revealed the figure is not unusual for the official GDP target to be approximate. However, he said the deficit-to-GDP ratio would be 2.8% this year, lower than last year's 3.2%. He expects fiscal revenue to grow in 2022, and that the government can use profits from state-owned enterprises, allowing a spending increase of more than CNY2 trillion (USD316.5 billion) in 2022 over 2021. China's economic growth softened in the fourth quarter to a 4% year-on-year increase, despite full-year growth of 8.1%.

Source: CNBC, 4 March 2022

MALAYSIA ECONOMIC NEWS

Malaysia records highest investment flow since 2006

Malaysia attracted a record amount of approved investments of RM306.5 billion for the manufacturing, services and primary sectors in 2021, the highest since 2006. Malaysian Investment Development Authority (MIDA) recorded an 83% jump in approved investment in 2021 from RM167.4 billion recorded in 2020. It said the manufacturing sector continued to attract the highest approved investment in 2021 with a total of RM195.1 billion for 702 projects. The electrical and electronics (E&E) received the highest approved investments worth RM148 billion. In terms of foreign direct investment (FDI), Malaysia attracted RM208.6 billion FDI in 2021, more than tripled from RM64.2 billion in 2020. Malaysia's FDI of RM208.6 billion accounted for 68.1% of total approved investments, with the remaining 31.9% coming from domestic direct investment at RM97.9 billion. However, the domestic direct investment (DDI) fell 5% to RM97.9 billion in 2021 compared to RM103.2 billion a year earlier.

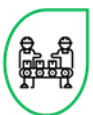
Source: The Star, 9 March 2022

IPI increases 4.3% in January 2022

Malaysia's Industrial Production Index (IPI) increased 4.3% in January 2022 compared with the same month of the previous year, DOSM said. The expansion of IPI was contributed by the increment of 6.8% in the manufacturing index and 7.7% in the electricity index, but the mining index recorded a decline of 5.1%. On month-on-month basis, the IPI decreased by 1.2%, affected by the manufacturing and mining indices. The manufacturing sector output based on year-on-year comparison increased by 6.8% in January 2022 after recording a growth of 8.4% in December 2021. Simultaneously, the growth of the manufacturing sector was driven by both of export-oriented industry (6.7%) and domestic-oriented industry (7.0%).

Source: The Star, 11 March 2022

Malaysia's Industrial Production Index (IPI) remained positive in January 2022 with a growth of 4.3%



Mining: -5.1%
Dec 2021: -2.6%
MoM: -0.02%



Electricity: 7.7%
Dec 2021: 4.7%
MoM: 0.6%

IPI: 4.3%
Dec 2021: 5.9%
MoM: -1.2%



Manufacturing: 6.8%
Dec 2021: 8.4%
MoM: -1.7%



1,200 new jobs created while over 42,000 found employment in Jan 2022

A total of 42,166 people found employment while 1,200 new jobs were created in January, proving that the JaminKerja Keluarga Malaysia initiative launched on Feb 19 is on the right track to achieve the target of creating 600,000 jobs this year. The prime minister said this success showed that Malaysia's economy was recovering further following the reopening of various economic and social sectors. In 2021, the government with the integrated cooperation of various ministries, implementing agencies and the private sector has succeeded in 558,633 job placements which is 112% of the target set. The government would strengthen the employment ecosystem through the establishment of the one-stop Employment Placement Centre to monitor the success of every job application. The initiative would complement the MYFutureJobs platform which makes it easier for employers to offer jobs and at the same time help job seekers to register for jobs and get appointment dates for interviews.

Source: Malay Mail, 3 March 2022

Affected entrepreneurs, cooperatives bounce back

A total of 247,858 affected entrepreneurs and cooperatives successfully recovered in 2021 through a combination of financing aid, grants, moratoriums, and business premise rental discounts worth RM7.4 billion in funding. The Ministry of Entrepreneur Development and Cooperatives said it also helped 3,996 individuals to start their own business, especially among the youth and graduates who lost their jobs, with funds worth RM32.9 million. It also managed to strengthen the resiliency of 9,318 micro, small and medium enterprises with the injection of RM12.3 million in funds.

Source: The Star, 9 March 2022

MSME NEWS IN SOUTH EAST ASIA

MALAYSIA

Assistance to SMEs in weathering the impact of COVID-19

Minister of Entrepreneur Development and Cooperatives, Tan Sri Noh Omar said the government will focus on accelerating the development of strategic and high-impact industries, namely aerospace, creative, biomass and smart farming activities in the next five years. He said during his speech at the soft launch of the Enterprise (E50) Award. After a two-year hiatus, the E50 Award, which recognises the outstanding accomplishments of Malaysia's top 50 enterprising SMEs, is now back on track. Since its inception in 1997, the award ceremony has served as an important barometer for SMEs to benchmark their business performance based on a reliable, impartial, and stringent evaluation conducted by independent industry players and experts. The E50 nomination period begins from March 1 to June 30, 2022 and will culminate with the E50 Award 2022 Gala Dinner in November 2022, when all 50 winners will be announced. To date, a total of 503 companies, which fulfilled four-star and above ratings from the SME Competitiveness Rating for Enhancement (SCORE) Programme, have been nominated for the award.

Source: New Straits Times, 1 March 2022



PHILIPPINES

Over 10,000 merchants sign up with Enstack

Superapp Enstack enters strong in the Philippines. Since launching, Enstack has helped over 10,000 merchants by providing them with all the tools to run their small business directly from their mobile phones. Enstack is a fast, free, and easy-to-use SME superapp that provides entrepreneurs with all operational, logistical, and financial tools they need in a single platform. Businesses can accept orders from customers over the phone, in person, and online via its revolutionary Chat Store which can automatically receive orders via their Facebook Messenger accounts and directly fulfill them using the Enstack app so they never miss a sale. SMEs can also offer customers multiple payment options, including Cash On Delivery, GCash, Paymaya, BPI and Unionbank direct debit, and ship packages with integrated logistics providers such as Grab and 2Go directly from the app.

Source: Manila Bulletin, 11 March 2022

THAILAND

Digital future for SMEs

In Thailand, 68% growth in e-commerce drove an estimated 51% year-on-year jump in the value of the digital economy to USD30 billion in 2021. From 2020 to June 30 last year, Thailand saw the addition of 9 million new digital consumers significantly, 67% of them reside in non-metro areas. These growth trends indicate a myriad of opportunities for SMEs. The UOB Asean SME Transformation Study 2021 found that SMEs were already recalibrating their key strategies to focus on digitising their businesses, adopting digital marketing and improving the customer experience to gain a competitive advantage and improve business sustainability. UOB Thailand, The FinLab and its partners have been supporting SMEs in their digital transformation journey since 2019 through the Smart Business Transformation Programme (SBTP). More than 2,200 participating SMEs have adopted digital solutions that enabled them to expand their online presence, streamline back-end operations and improve business processes.

Source: Bangkok Post, 3 March 2022

CAMBODIA

Sixty one percent of Cambodia's business people are women

The number of women working as owners of corporations and businesses in Cambodia has reached approximately 61%. This was stated by Ith Samheng, Minister of Labour and Vocational Training in a get-together with the female civil servants in conjunction with the International Women's Day. The figure showed a high rate of women workforce in business and corporation ownership in Cambodia. Ensuring and supporting women's SMEs are vital to develop an ecosystem for sustainable and inclusive business development. This will provide opportunities for women to restore their business and corporation and also to develop resilience toward digital age. The minister also spoke highly of the participation of women in this platform, stressing that this reflects a strong responsibility to implement the government's policy in enhancing Cambodia's gender equality.

Source: Khmer Times, 2 March 2022