

	8 April 2022		22 April 2022
FTSE BURSA MALAYSIA	1,607.3	↓	1,602.0
CURRENCY; USD 1 =	RM4.22	↓	RM4.31
BRENT CRUDE OIL (USD PER BARREL)	USD102.78	↑	USD103.50

Source: CEIC

The ringgit weakened further against the US dollar, depreciating below RM4.30, the lowest level since June 2020 while crude oil prices have been staying at above USD100 per barrel

ECONOMICS & MSME NEWS

11 APRIL 2022 – 22 APRIL 2022

Record high house prices weigh on US home sales

US home sales dropped to the lowest level in nearly two years in March as house prices raced to a record high and could decline further with the fixed 30-year mortgage rate hitting 5%. Existing home sales dropped 2.7% to a seasonally adjusted annual rate of 5.77 million units last month, the lowest level since June 2020 when sales were rebounding from the COVID-19 lockdown slump. Data for February was revised sharply down to a rate of 5.93 million units from the previously reported 6.02 million units. It was the second straight monthly sales decline. March sales mostly reflected the closing of contracts signed two to three months ago when the 30-year fixed-rate mortgage was below 4%.

Source: Reuters, 20 April 2022

- Existing home sales fall 2.7% in March
- Median house price jumps 15% to USD375,300
- Housing inventory rises 11.8% on month; down 9.5% y-o-y

GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

UK set for slowest growth in G7 as Ukraine war hits global economy

The conflict in Ukraine is driving up prices for food and fuel which expected to slow growth globally. UK will no longer be the fastest growing economy in the G7 group of leading Western nations, and will be the slowest in 2023. UK's growth will slow as price pressures lead households to cut spending, while rising interest rates are expected to "cool investment". The UK's economy is now predicted to grow by 3.7% this year, down from the previous forecast of 4.7% made in January. However, next year, the UK is expected to have the slowest growth in the G7 and across Europe's main economies, at just 1.2%, a near halving from the 2.3% expected previously. The 2023 UK figure is the slowest apart from heavily-sanctioned Russia in the wider G20 grouping, which includes nations such as China and India.

Source: BBC, 20 April 2022

Japan stimulus to include cash for low-income households

Japanese government has decided to provide handouts of JPY100,000 (USD777) to newly cash-strapped households as part of an emergency relief package expected to be announced next week. The cash handouts will be offered to households whose incomes have fallen to levels that exempt them from paying residential taxes from the new fiscal year that began this month. The government is now working to compile a series of emergency measures by the end of this month to help households and small firms cope with surging fuel and other prices, tapping budget reserves of up to JPY5.5 trillion. The government also plans to provide aid for low-income families, of JPY50,000 per child. Also under consideration is whether to raise a subsidy ceiling for fuel wholesalers from JPY25 per litre.

Source: The Business Times, 20 April 2022

China's 1Q GDP beats expectations to grow 4.8%

China's 1Q GDP rose by 4.8%, topping expectations of a 4.4% increase from a year ago. Fixed asset investment for the first quarter rose by 9.3% from a year ago. Industrial production in March rose by 5%, beating the forecast for 4.5% growth. However, retail sales fell by a more-than-expected 3.5% from a year earlier. Beginning in March, the country has struggled to contain its worst COVID-19 outbreak since the initial phase of the pandemic in 2020. Back then, lockdowns across more than half the country resulted in a 6.8% contraction in first quarter growth from a year earlier.

Source: CNBC, 17 April 2022

MALAYSIA ECONOMIC NEWS

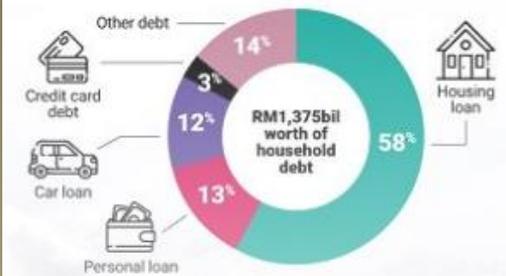
Household debt is a growing concern and could pose a problem for consumption growth if wages do not increase fast enough. Most Malaysian households had been bogged down by high debt even before the COVID-19 outbreak in early 2020 globally and the slowing economic growth from the COVID-19 pandemic were among the key reasons that have contributed to high household debt. Within the region, Malaysia had one of the highest household debt-to-

gross domestic product (GDP) ratios at 89%, compared with 9.9% in the Philippines, 17.2% in Indonesia, 69.7% in Singapore and 89.3% in Thailand. According to Bank Negara, Malaysian household debt had swelled to nearly RM1.40 trillion as of June 30, 2021, exceeding the federal government's debt. This is on the back of an adult population of 21.8 million in Malaysia

Source: The Star, 20 April 2022

Elevated debt level a concern

Malaysians shoulder RM1.4 trillion debt



Lazada partners with ministry to support B40 female entrepreneurs

Lazada Malaysia has partnered with the Ministry of Women, Family, and Community Development to support B40 female entrepreneurs, including single mothers through Lazempower. Lazada said the main goal of Lazempower was to increase digital adoption among marginalised women by nurturing their interest in either starting or growing their businesses on an eCommerce platform such as Lazada. Through a series of three

Lasempower, more than 500 local entrepreneurs expected to be upskilled with the tools, resources, and knowledge to take the digital leap and succeed online. They must also have clear plans to integrate sustainability into their business operations, while having a strong leadership team with demonstrated commitment towards building a sustainable enterprise.

Source: New Straits Times, 11 April 2022

Malaysia's trade soars to new high in March

Malaysia's total trade recorded a double-digit growth of 27.3% year-on-year in March 2022 to reach a new high of RM236.6 billion, the International Trade and Industry Ministry said. Export and import values in March once again broke the record for all-time monthly highs at RM131.6 billion and RM104.9 billion respectively. The ministry said the data from Department of Statistics Malaysia (DOSM) showed robust export growth, contributing mainly by solid external demand for electrical and electronic (E&E) products and commodity-based products. The E&E products soared to a record high in March due to stronger exports of electronic integrated circuits underpinned by growing digitalisation trends. On a month-on-month basis, trade, exports, imports and trade surplus recorded double-digit growth of 28.1%, 28.7%, 27.3% and 34.8% respectively

Source: New Straits Times, 18 April 2022

Malaysia's labour market to slowly recover

Kenanga Research expects Malaysia's labour market to gradually recover in 2022 underpinned by a higher vaccination rate, relaxation of pandemic-related restrictions, reopening of borders and various ongoing policy support. Nonetheless, the firm said the downside risks remained associated with the potential surge of COVID-19 cases brought by the new variant, the ongoing Russia-Ukraine crisis and China's economic slowdown due to its zero-COVID policy. According to Kenanga Research, data from the DOSM said unemployed persons fell for the seven straight months and at the fastest pace since November 2021. This reflected a continued recovery in the labour market, underpinned by the relaxation of COVID-19 pandemic restrictions amid higher vaccination rate. Kenanga Research said employment expanded 0.3% MoM on higher new job creation, hitting 15.73 million people, a record high. The labour force growth expanded unchanged at 0.2% MoM, bringing the total labour force to a record high of 16.40 million persons.

Source: New Straits Times, 11 April 2022

MSME NEWS IN SOUTH EAST ASIA

MALAYSIA

UOB Malaysia to offer Malaysia's first automated insurance procurement for SMEs

United Overseas Bank (Malaysia) Bhd (UOB Malaysia) is partnering with Liberty Insurance to offer Malaysia's first automated insurance procurement for SMEs. The bank said SME owners can now access its UOB BizCare microsite to purchase comprehensive insurance protections for their businesses. The development of an automated insurance procurement at UOB

BizCare microsite is also aligned with its continuous efforts to help SME customers achieve greater efficiency through digitalisation. Through this microsite, SME customers can opt for one of three Liberty Insurance coverage plans. The microsite will generate digital insurance quotations for their review before they proceed to purchase.

Source: The Star, 21 April 2022

PHILIPPINES

Learning platform allows MSMEs in the Philippines to build digital skills

MSMEs in the Philippines can take advantage of the upgraded version of an online learning platform to build digital skills and keep their businesses afloat amid the pandemic. Called the ASEAN SME Academy 2.0, the platform is a one-stop shop multi-platform online training and information resource that aims to provide training and mentorship to enhance MSMEs' capability to grow and compete regionally and internationally. It features localised courses on

topics of interest to MSMEs, with multi-language support, and a breadth of online and self-certification resources. The platform can also help facilitate the digital transformation of MSMEs and accelerate a broader economic recovery to achieve a more inclusive and sustainable post-pandemic future in Southeast Asia.

Source: HRM Asia, 20 April 2022



INDONESIA 2022 IFW aims to develop foundation for domestic fashion industry

The 2022 Indonesia Fashion Week (IFW) was implemented with the objective of developing the foundation for Indonesia's fashion industry encompassing human resources and infrastructure. Indonesian government had issued several strategic policies to bolster the creative industry sector, such as by developing human resources, strengthening access to financing, intensifying partnerships between SMEs and supply chain actors, as well as expanding the market for Indonesian SME products. The 2022 IFW would bring together fashion designers, academics, small businesses, and associations, as well as the government. Themed "Magnificent Borneo," the 2022 IFW was organized by the Association of Indonesian Fashion Designers and Entrepreneurs (APPMI).

Source: Antara News, 18 April 2022

SINGAPORE

DBS launches new grant programme offering SMEs up to SGD100k to go green

Grants worth up to SGD100,000 will be made available for SMEs that are creating innovative sustainability solutions, under a new programme launched by DBS Foundation. The programme aims to support companies that propose to address challenges in reducing energy consumption, reducing waste or creating sustainable supply chains. Besides the financial help, the companies can also get structured mentorship and advisory support. DBS Foundation and the bank's SME banking team will work with the grant recipients to map out key milestones and impact outcomes across a two-year horizon. The firms will also get help in scaling their businesses, including a range of solutions related to working capital, supply chain financing and digital transformation. But to get the grant, firms that apply must show that their solutions are innovative and scalable.

Source: The Straits Times, 18 April 2022