

FTSE BURSA MALAYSIA

1,568.2

1,603.3

CURRENCY; USD 1 =

RM4.19

RM4.22

BRENT CRUDE OIL
(USD PER BARREL)

USD112.67

USD120.65

Source: CEIC

Crude prices rose 7% to over USD120 a barrel, as traders reconciled the impact of a missile attack on an oil distribution facility in Saudi Arabia with a possible release of oil reserves by the United States



ECONOMICS & MSME NEWS

14 MARCH 2022 – 25 MARCH 2022

GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

UK inflation rises more than expected to 30-year high

Britain's inflation surged to a new 30-year high of 6.2%, adding to pressure on policy makers to protect consumers from a tightening squeeze on living standards. February's reading was up from 5.5% the month before and reflected broad increases across the economy. Economists had expected an increase to 6%, with the central bank anticipating a risk of double-digit inflation later this year. The Bank of England has raised interest rates three times since December and may act again next month. Inflation, which has surged from just 0.4% when the country was locked down for the coronavirus a year ago, has overshot forecasts in eight out of the past 10 months.

Source: The Star, 24 March 2022

Kuroda repeats view weak yen benefits Japan's economy

Bank of Japan's Governor, Haruhiko Kuroda reiterated his view that a weak yen benefits the economy as a whole, brushing aside concern that the currency's slide to multi-year lows could do more harm than good to the resource-poor, import-reliant country. Due to structural changes in Japan's economy, the benefit from a weak yen comes more through an increase in the value of profits companies earn overseas, rather than a rise in export volume, Kuroda said. The yen was headed for its worst week in two years, pummeled by Japan's rising import costs and ultra-low low interest rates. It fell to a fresh multi-year low of 121.84 to the dollar. Kuroda said the recent rise in import prices was driven mostly by global commodity inflation, rather than the weak yen.

Source: Reuters, 25 March 2022

China keeps lending benchmark unchanged but Q2 easing expected

China kept its benchmark interest rate for corporate and household lending unchanged as expected, although analysts say the case for monetary stimulus is building amid mounting external risks to an already slowing economy. The one-year loan prime rate (LPR) was held at 3.70% while the five-year LPR remained at 4.60%. The pricing of the LPR is loosely pegged to the People's Bank of China (PBOC) medium-term lending facility (MLF) rate, which the central bank kept unchanged last week, dashing expectations for a cut. Markets now widely expect policymakers to resume monetary easing soon to revive an economy hit by a domestic COVID-19 resurgence, weaker credit growth and a faltering property sector, while increasing global risks from the Ukraine conflict also add pressure.

Source: The Star, 21 March 2022

US economy flexes muscle with jobless benefit rolls at 52-year low

The number of Americans applying for unemployment benefits fell to its lowest level in 52 years as the US job market continues to show strength in the midst of rising costs and the pandemic. Jobless claims fell by 28,000 to 187,000 for the week ending 19 March, the lowest since September of 1969. First-time applications for jobless aid generally track the pace of layoffs. The four-week average for claims, which compensates for weekly volatility, fell to 211,750 from the previous week's 223,250. During the height of the first wave of the pandemic in April 2020, weekly unemployment claims hit a record 6.6 million and they stayed above 1 million until August.

Source: Reuters, 18 March 2022

MALAYSIA ECONOMIC NEWS

Singapore, Malaysia full resumption of travel to boost tourism, economy - MITI

The full resumption of land travel between Malaysia and Singapore will catalyse business activities not only for the severely impacted tourism industry, but also provide a strong impetus for the post COVID-19 economic recovery. It could boost external trade and employment, which in turn, will contribute to the 2022 gross domestic product (GDP) growth projections of between 5.5% - 6.5%, Senior Minister of International Trade and Industry (MITI), Datuk Seri Mohamed Azmin Ali said. Realising the need to accelerate the reopening of the borders, a Joint Steering Committee co-chaired by MITI with the Singaporean counterpart was established to work towards resuming land border travel in a gradual, safe, systematic and sustainable manner. The

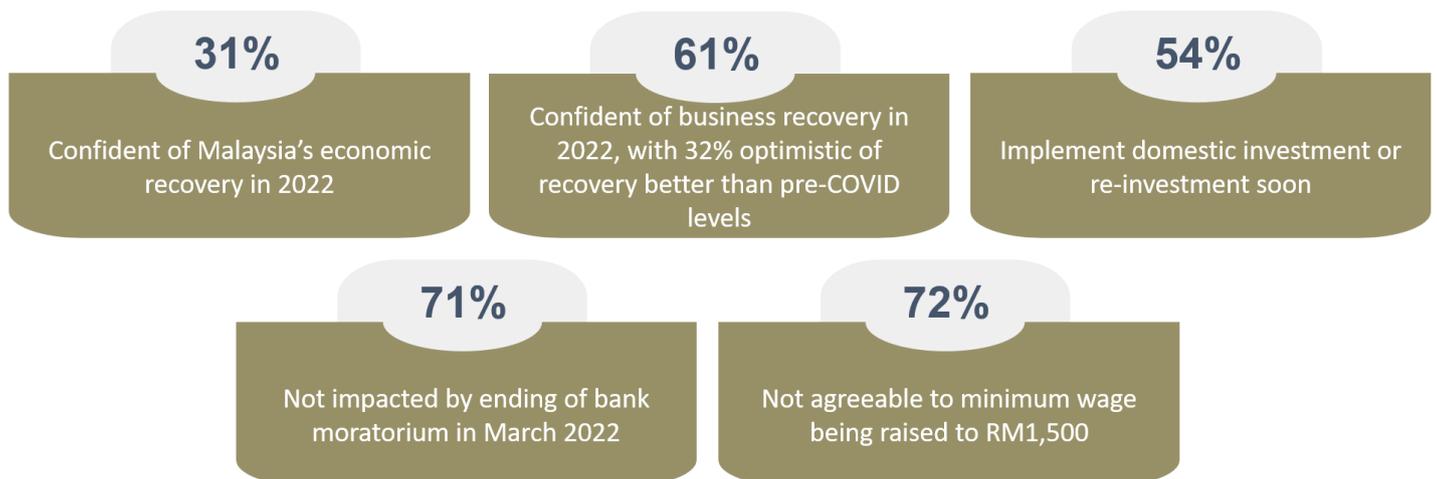
Vaccinated Travel Lane-Land (VTL-Land) between Malaysia and Singapore has facilitated quarantine-free, seamless cross-border movement of nearly 125,000 travellers which will further enhance bilateral trade and investment with Singapore.

Source: The Star, 25 March 2022

The Federation of Malaysian Manufacturers (FMM) recently concluded its 20th FMM-MIER Business Conditions Survey of the manufacturing sector conducted from 5 January 2022 to 10 February 2022 with responses from 702 companies.

The survey revealed that the manufacturing sector ended the year 2021 on a positive note as economic activities resumed with the easing of containment measures and recovery of global demand for manufactured goods.

Among top 5 key results of the survey



FMM-MIER Business Condition Survey 2H2021, Released on 1 March 2022

MySTEP places 2,546 people in public sector, GLCs



A total of 2,546 participants of the Malaysia Short-term Employment Programme (MySTEP) have been successfully placed in the public sector and government-linked companies (GLCs) as of 17 March. Finance Minister, Tengku Datuk Seri Zafrul Abdul Aziz said of the total, 1,833 had been placed in the public sector and 713 others were placed in

GLCs and their strategic partners. Since the programme began in January 2021, MySTEP participants have been placed in various ministries, agencies and GLCs including the Finance Ministry, Higher Education Ministry, the Public Service Commission, Malaysian Anti-Corruption Commission, Petroliaam Nasional Bhd, Permodalan Nasional Bhd and

the Employees Provident Fund. Tengku Zafrul said the programme had exceeded its 2021 target of providing 50,000 job opportunities, placing 63,221 contract workers in the public sector and GLCs and strategic partners. Tengku Zafrul also said 42,014 workers have been hired under the JaminKerja wage incentive as of 15 March.

Source: The Star, 18 March 2022

MSME NEWS IN SOUTH EAST ASIA

MALAYSIA

Malaysian SMEs seek trade opportunities in Asia Pacific



Majority of Malaysian SMEs are seeking opportunities in international trade within the Asia Pacific (APAC) region especially within Southeast Asia and East Asian markets such as China, Japan, Korea and Taiwan according to a finding of a survey conducted by FedEx Express and SME Association of Malaysia. The survey said 58% of the respondents indicated that they were looking at expanding their business presence, while the remaining 42% remained cautious, indicating business expansions were not on their cards. Managing Director of FedEx Express Malaysia, SC

Chong said the survey showcased valuable insights into the current mindset and intent of small to medium businesses in Malaysia. Conducted at the end of 2021, the joint survey saw participation from 383 Malaysian SMEs, with the majority of them recording up to RM10 million in turnover in 2021. Over 70% of the companies registered an average of 200 shipments per month last year through e-commerce activities, utilising a mix of logistics services to ship via air and land.

Source: New Straits Times, 21 March 2022

VIETNAM: Startups zero in on global solutions to make breakthroughs

The National Agency for Technology and Entrepreneurship Commercialisation Development, said the startups opted for technological solutions in calling for investment due to the pandemic. Domestic demand helps Vietnamese startups pilot their digital transformation products and come up with solutions which are expected to go global. As there is a

need for those who are capable of turning technologies into business models in a bid to resolve specific issues of the market, startups and consultants are believed to play an important role. Support from major businesses will also enable Vietnamese startups to compete with their peers in regional countries. Tech experts said that orientation for Vietnamese

startups to resolve global issues is a focus of the national economic development facilitation at large and innovation in particular. Startups are advised to collaborate with each other and join hands with major corporations, coaches and consultants so as to go global and obtain better achievements this year.

Source: VietnamNet Global, 20 March 2022

THAILAND

Over 50% of MSMEs unable to secure business funding due to rigid lending

63% of MSMEs in Thailand have been unable to secure sufficient, or any, funding on at least one or more occasions over the last five years, according to a survey by cloud banking platform, Mambu. The report surveyed more than 1,000 MSME owners globally, including in Thailand, who set up a company and applied for a business loan in the last five years. 35% of Thai MSMEs had to rely on friends and family for

loans, followed by 34% who secured funding from traditional banks or building societies, and 25% from specialist SME and commercial lenders. Of the MSMEs unable to secure sufficient funding, 34% were unable to hire effectively, 32% were unable to upgrade or improve technology and 31% experienced cash-flow issues or were unable to launch new products or services.

Source: The Nation Thailand, 22 March 2022

CAMBODIA

China internet body to support startups, SMEs in Cambodia

The Cambodia Internet Startup Association (CISA), the first Chinese association of internet startups and companies in Cambodia, has kicked off its new journey in 2022 by holding a forum on post-COVID development of digital economy in Cambodia. CISA is committed to expanding its business networking, incubating startups, and providing services related to training, investing and financing. By leading more investment from China to the ecosystem of the Cambodian internet industry, CISA aim to empower local startups and SMEs and help them to enhance dialogue and compete in regional and international markets.

Source: Khmer Times, 16 March 2022