



SME Corp. Malaysia
6 March 2026

23 FEBRUARY 2026

6 MARCH 2026

FTSE BURSA MALAYSIA	1,757.98	↓	1,718.06
CURRENCY; USD 1 =	RM3.89	↓	RM3.94
BRENT CRUDE OIL (USD PER BARREL)	USD71.49	↑	USD92.69

Source: Bursa Malaysia, Bank Negara Malaysia & Bloomberg

ECONOMICS & MSME NEWS

23 FEBRUARY 2026 – 6 MARCH 2026

GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

Japan's Services Inflation Steady, Signals Wage-driven Price Pressure

Japan's services inflation remained steady in January, with the services producer price index rising 2.6% year-on-year, matching the increase recorded in December. The rise indicates continued inflationary pressure driven by wage growth amid a tight labour market. Higher charges for construction work and temporary staff services were among the key contributors to the increase. Japan's central bank ended its decade-long stimulus programme in 2024 and raised short-term interest rates to 0.75% in December, signalling confidence that the country is nearing its 2% inflation target. With consumer inflation remaining above 2% for nearly four years, the Bank of Japan has indicated it may continue tightening monetary policy. BOJ Governor, Kazuo Ueda said the central bank will closely watch whether sustained wage growth leads firms to raise prices.

Source: The Japan News, 25 February 2026

China to Further Unleash Silver Economy's Consumption Demand

China plans to expand its silver economy to tap growing consumption demand from its rapidly ageing population. The State Council will strengthen supporting policies, including consumption subsidies and new business models targeting elderly consumers. In 2024, the silver economy was valued at about CNY7 trillion (USD1.02 trillion), accounting for 6% of GDP, and is expected to grow significantly in the coming years. China currently has more than 320 million people aged 60 and above, projected to exceed 400 million by 2035. Policymakers see the sector as a new growth driver, shifting elderly consumption towards higher-quality, smart and service-oriented products and services. Efforts will also focus on improving elderly care services and advancing silver technologies.

Source: Yicai Global, 26 February 2026

UK Economy Could Face 'Very Significant' Impact from Iran Conflict - OBR

The UK economy could face a "very significant" impact from the escalating conflict involving Iran, according to the Office for Budget Responsibility (OBR). Rising oil and gas prices following recent Middle East attacks have increased uncertainty around inflation, which was previously expected to fall towards the Bank of England's 2% target early this year. The OBR now forecasts inflation to average 2.3% in 2026, down from an earlier estimate of 2.5%, although this outlook could change if energy prices rise further. Economic growth for 2026 has also been downgraded to 1.1% from 1.4%, reflecting weaker activity and subdued business confidence. Growth is projected to improve to 1.6% in both 2027 and 2028, while unemployment is expected to peak at around 5.33% in 2026 before gradually declining.

Source: The Independent, 3 March 2026

US Economy Unexpectedly Sheds 92,000 Jobs in February

The US economy unexpectedly lost 92,000 jobs in February, while the unemployment rate increased to 4.4%, raising concerns that the labour market may be weakening. The decline marked the largest monthly job loss since October. Job losses were recorded across nearly all sectors, including healthcare, which was affected by strikes. Federal government employment also continued to fall, declining by 10,000 in February and by 330,000 since its peak in October 2024. Job gains for December and January were also revised lower. The weaker-than-expected data dampened hopes that hiring would recover following the slowdown in 2025. The report also increases pressure on US President Donald Trump, while the White House remains optimistic that stronger economic activity will support future job creation.

Source: BBC, 6 March 2026

MALAYSIA ECONOMIC NEWS

Government Takes Cautious Approach on ART, Protects RM367.5 Billion Malaysia-US Trade

The Malaysian government is adopting a cautious approach in determining its position on the Agreement on Reciprocal Trade (ART) with the United States to safeguard national economic and trade interests. Prime Minister Datuk Seri Anwar Ibrahim stated that the government will continue monitoring developments in the US, particularly legal and policy decisions affecting the agreement. This includes assessing the implications of the ruling by the United States Supreme Court, which declared that tariffs imposed by Donald Trump were unlawful under the International Emergency Economic Powers Act. Malaysia is also awaiting the position of the US Congress and the final outcome of related legal processes. Bilateral trade between Malaysia and the US, valued at RM367.5 billion, remains a major factor in evaluating the potential impact of the ART. Meanwhile, the US has imposed a temporary 15% tariff on Malaysia for a period of 150 days, which is lower than the previous 19% tariff rate. As of now, the US has not announced a ratification date for the ART, causing delays in the implementation process. The Malaysian Cabinet is expected to hold further discussions regarding the US tariff measures and the agreement. The government emphasised that careful evaluation is necessary given the scale of economic interests involved. Authorities will therefore continue assessing all developments before determining Malaysia's final position on the matter.

Source: The Star, 24 February 2026

Private Non-financial Sector Credit up by 5.5% in January 2026 : BNM

Malaysia's credit to the private non-financial sector expanded by 5.5% in January 2026, slightly higher than 5.4% in December 2025, driven mainly by stronger growth in outstanding corporate bonds (7.6%). Overall loan growth remained stable at 5%, while business loans increased 4%, driven by investment-related borrowing, particularly among non-SMEs, with SME loan growth sustained. Household loan growth remained steady at 5.6%, reflecting stable demand across most financing purposes. The banking sector continued to show resilience, with a capital ratio of 18.1% and excess capital buffers of RM139.6 billion, enabling banks to support credit intermediation. Asset quality also remained stable, with gross and net impaired loan ratios at 1.4% and 0.9%, respectively and a loan loss coverage ratio of 125.9%. Headline and core inflation remained unchanged at 1.6% and 2.3%, with higher jewellery prices offset by lower petrol and service inflation.

Source: Bernama, 27 February 2026

EPF's 6.15% Dividend Boosts Contributors' Confidence in Retirement Security

The announcement of a 6.15% dividend by the Employees Provident Fund (EPF) for both conventional and syariah savings in 2025 has strengthened contributors' confidence in their retirement security. Many contributors view stable and consistent dividend returns as essential in protecting long-term retirement savings. Marketing manager, Nurain Kamaruddin expressed hope that the dividend rate will remain above 6% in the coming years. Others noted that the rate remains encouraging given the current economic environment. Contributors also regard EPF as a reliable and relatively safe long-term investment vehicle. Compared with riskier investment options, the fund is valued for its stability and steady returns. The dividend rate is considered competitive when compared with most commercial bank fixed deposits. Overall, the consistent dividend performance reinforces public trust in EPF as a key instrument for retirement planning.

Source: New Straits Times, 1 March 2026

Federal Grants to State Governments Expected to Hit

RM10.5 Billion This Year - PM

Federal grants to Malaysia's state governments are projected to increase to RM10.5 billion in 2026, following a decision by the National Finance Council chaired by Prime Minister, Datuk Seri Anwar Ibrahim. The amount rises from RM10.3 billion in 2025 and RM8.1 billion in 2022, reflecting efforts to strengthen state finances. The increase aims to support socio-economic development and infrastructure improvements nationwide. It includes higher allocations for Shared List grants, state road maintenance grants and tourism tax distribution. The adjustment also follows the increase in the capitation grant rate (PMBO) beginning in 2026, which distributes federal funds based on population size. The Finance Ministry said improvements will also be made to the Shared List disbursement mechanism to ensure fairer revenue distribution and stronger governance. In conjunction with the Visit Malaysia 2026 campaign, Shared List grants will be disbursed earlier. Additionally, 100% of tourism tax collections will be channelled to states, compared with the current 50% allocation.

Source: New Straits Times, 5 March 2026

MSME NEWS IN SOUTHEAST ASIA

PHILIPPINES

Philippine MSMEs Cut Prices to Survive 2025 US Tariff Shock - ADB Paper

MSMEs in the Philippines reduced export prices more sharply than larger firms to cope with the 2025 United States tariff increases, according to an Asian Development Bank (ADB) working paper. The study found that MSMEs implemented more uniform and deeper price cuts after the US imposed a 10% reciprocal tariff in April 2025 following President Donald Trump's "Liberation Day" announcement. These reductions were steeper than those made by larger firms, which adjusted prices more selectively depending on product demand elasticity. MSMEs likely lowered prices broadly to maintain relationships with US buyers and avoid the costly process of re-entering the export market later. As a result, MSMEs recorded lower exit rates from the US market in the short term. However, their market access weakened for easily substituted products where buyers could switch suppliers. In contrast, larger firms relied on more strategic, product-specific pricing adjustments. Nevertheless, these actions significantly compressed profit margins among smaller exporters. The paper suggested targeted support, including improved trade finance access and better knowledge of trade agreements, to help MSMEs manage future policy shocks.

Source: Manila Bulletin, 26 February 2026

VIETNAM

The 'Key' to SMEs Expanding Their Market in The Digital Age

In Vietnam, small and medium-sized enterprises (SMEs) account for about 97% of active businesses and play a significant role in employment and economic growth. However, many SMEs still face challenges such as limited access to capital, weak financial management systems and fragmented payment practices. Many businesses rely heavily on the owner's experience and manage transactions manually, resulting in a lack of transparent financial data that banks require to assess creditworthiness. Consequently, SMEs often depend on collateral or face restricted loan limits when seeking financing. In response, the government and financial institutions are promoting digitalisation and financial transparency to support SME development. These initiatives also aim to strengthen SMEs' financial resilience and long-term business sustainability. Policies such as Resolution 68 aim to improve access to financing by allowing banks to assess businesses based on transaction data and cash flow rather than collateral alone. Banks such as VPBank and VIB are also introducing digital payment solutions and integrated financial tools to help SMEs manage transactions, optimise cash flow and improve operational efficiency. Strengthening financial governance and adopting digital systems are essential for SMEs to remain competitive and sustain growth.

Source: Vietnam.VN, 5 March 2026

INDONESIA

Indonesia Boosts MSMEs with Market Access Initiatives

Indonesia is strengthening support for MSMEs by expanding market access and creating more business spaces for small entrepreneurs. Coordinating Minister for Community Empowerment, Muhaimin Iskandar said MSMEs, particularly those run by housewives and family businesses, remain resilient during economic shocks and serve as an important economic buffer for households. The government is encouraging the use of state-owned public facilities to host MSME businesses and promotional activities so their products can reach consumers more directly. One initiative is the "Jejak Jajanan Nusantara" food bazaar festival featuring a "1001 Nights" themed market showcasing traditional Indonesian snacks and MSME products. The event, held at the Gelora Bung Karno Sports Complex in Jakarta, will feature more than 40 curated MSME stalls offering food, crafts and business development workshops. Similar events are expected to be organised across Indonesia to help small businesses expand their customer base and strengthen brand visibility. Meanwhile, MSMEs Minister, Maman Abdurrahman said the main challenge facing the sector is improving product quality rather than increasing the number of businesses. He stressed the need for MSMEs to strengthen innovation, branding and marketing capabilities to compete in regional and global markets.

Source: ANTARA, 6 March 2026