



SME Corp. Malaysia  
3 April 2026

23 MARCH 2026

3 APRIL 2026

|                                     |           |   |          |
|-------------------------------------|-----------|---|----------|
| FTSE BURSA MALAYSIA                 | 1,708.76  | ↓ | 1,695.50 |
| CURRENCY; USD 1 =                   | RM3.96    | ↓ | RM4.03   |
| BRENT CRUDE OIL<br>(USD PER BARREL) | USD103.13 | ↑ | USD117.2 |

Source: Bursa Malaysia, Bank Negara Malaysia & Bloomberg

# ECONOMICS & MSME NEWS

23 MARCH 2026 – 3 APRIL 2026

## GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

### BOJ's Narrative Shift Signals Dogged Commitment to Rate Hikes

The Bank of Japan is signalling a more hawkish stance as it prepares to adjust its policy language in April. Governor, Kazuo Ueda indicated that rate hikes could proceed even if economic growth weakens temporarily, marking a shift from the bank's earlier caution. The BOJ is considering revising its guidance that increases depend on steady economic improvement. It also plans to introduce a new inflation measure that excludes government subsidies to better capture underlying price pressures. This could strengthen the case for faster policy normalisation. However, geopolitical tensions in the Middle East and a weak yen are complicating the outlook. The yen's depreciation is raising import costs and adding inflationary pressure. Political resistance from the government could also slow tightening plans. Markets still price in a possible April hike, though some expect delays until July.

Source: Reuters, 23 March 2026

### UK Economy Faces Renewed Headwinds from Higher Energy Prices as Inflation Outlook Worsens

The KPMG UK Economic Outlook highlights that the UK economy is expected to face renewed headwinds in 2026, mainly due to higher energy prices and persistent inflationary pressures. GDP growth is forecast to slow to around 0.7%, down from 1.3% in 2025, reflecting weaker household spending and delayed business investment decisions. Rising global energy costs, partly driven by geopolitical tensions, are expected to push inflation higher, keeping it above the Bank of England's 2% target for longer. As a result, interest rate cuts are likely to be limited and delayed, maintaining higher borrowing costs for households and firms. Consumer spending is expected to remain subdued as real incomes come under pressure from elevated prices. Overall, growth is weak and uneven with downside risks, indicating a fragile recovery dependent on energy stability and policy clarity.

Source: KPMG, 23 March 2026

### China's Largest Banks' Profits Virtually Flat as Property Slump Continues

China's biggest state-owned banks reported nearly flat profit growth as the property sector downturn continues to weigh on lending activity and credit demand. Industrial and Commercial Bank of China and China Construction Bank posted less than 1% profit growth, while Bank of Communications achieved only a slightly higher 2.2% increase. Despite stable net interest margins, overall earnings remain subdued due to weak housing sales, falling property prices and financially strained developers. Asset quality indicators are broadly stable, though some banks show slight increases in non-performing loans. A potential offset comes from the repricing of large volumes of maturing deposits, which could reduce interest expenses. Overall, the sector remains resilient but constrained, with limited earnings growth amid ongoing real estate stress.

Source: ETRealty.com, 28 March 2026

### US Economy Added 178,000 Jobs in March, Well above Expectations

The US labour market added 178,000 jobs in March 2026, significantly above economists' expectations and signalling a rebound after a weak February. Private sector hiring led the gains, with strong contributions from healthcare, construction, and transportation. The unemployment rate edged down to 4.3%, reflecting a still-resilient job market despite volatility in recent months. February's earlier job losses were revised deeper, but March more than offset them. Wage growth slowed slightly, suggesting easing inflation pressures in earnings. Overall employment gains were broad but still concentrated in a few key sectors. Government employment declined modestly during the month. Analysts noted the figures show continued labour market strength but also signs of cooling momentum. The report reinforces expectations that the economy is slowing gradually rather than weakening sharply.

Source: Fox Business, 3 April 2026

# MALAYSIA ECONOMIC NEWS

## Government to Hold Special Economic Meeting to Address West Asia Conflict Impact Today

The Government will convene a special National Economic Action Council (NEAC) meeting on 25 March to assess and formulate further measures in response to the expected economic impact arising from the prolonged West Asia conflict. This follows a National Security Council (NSC) meeting chaired by Prime Minister on 24 March, which focused on coordinating a comprehensive national response to the situation. The NSC noted a recent development where all parties involved had temporarily halted attacks for five days, creating a potential window for meaningful negotiations. It also observed that these developments have contributed to a decline in international oil prices, which may have wider economic implications for Malaysia. The Prime Minister has also engaged in telephone discussions with several foreign leaders, including those from New Zealand, Japan, Bahrain and the United Arab Emirates, as part of diplomatic efforts to manage the situation. Malaysia reiterated its intention to play a proactive role in facilitating peaceful resolution efforts, leveraging its neutral stance and established relations with most parties involved, except Israel. The NSC emphasised that this position has earned Malaysia respect in international diplomacy. The meeting further addressed key national security matters, including monitoring intelligence activities within the country and strengthening measures against fuel smuggling.

Source: The Star, 25 March 2026

## Government to Intensify Domestic Drug Production Support under NIMP 2030: BMI

The Malaysian government plans to strengthen support for domestic pharmaceutical production under the New Industrial Master Plan (NIMP 2030) to manage healthcare costs and improve supply security. This includes policies favouring local manufacturers in public procurement, particularly for essential and generic medicines. The Ministry of Health's offtake strategy is expected to encourage investment in local production while enabling better price negotiations. A 'generic first' approach has already contributed to savings exceeding RM900 million over the past two years. National policies such as the 13th Malaysia Plan and the Health White Paper reinforce the prioritisation of affordable generic treatments. Despite a slight contraction in overall public healthcare expenditure under Budget 2026, funding for the Ministry of Health has increased. These measures aim to expand access to cost-effective treatments.

Source: New Straits Times, 26 March 2026

## Malaysia Well-positioned Amid Global

### Headwinds: Bank Negara Deputy Governor

Bank Negara Malaysia Deputy Governor, Marzunisham Omar stated that Malaysia is well-positioned to withstand global economic headwinds due to strong fundamentals such as resilient domestic demand, low inflation and a robust financial system, with growth supported by private consumption, investment and a stable labour market; however, he stressed the need for structural reforms to enhance long-term resilience, adapt to shifting global supply chains and diversify trade partnerships, particularly within ASEAN, while noting that geopolitical tensions pose risks through rising commodity prices, trade disruptions and financial uncertainty, requiring a cautious monetary policy approach as inflation pressures are largely supply-driven, alongside a focus on boosting income growth, attracting high-quality investments and addressing wage compression to ensure sustainable economic progress.

Source: New Straits Times, 2 April 2026

## Manufacturing Strains under Rising Inflation

Malaysia's manufacturing sector returned to expansion in March, with the PMI rising to 50.7 from 49.3 in February, marking its strongest growth in nearly four years. The improvement was driven by higher production, firmer domestic demand and a modest recovery in employment. Output expanded at its fastest pace since December 2021, supported by new tender wins. However, rising inflationary pressures, particularly in transportation, energy and raw material costs, continue to challenge the sector. These cost increases are largely linked to ongoing geopolitical tensions in the Middle East, which have disrupted supply chains. In response, manufacturers raised output prices to a 45-month high to protect margins. Despite the growth, total new orders moderated for a second consecutive month, while export demand weakened. Business sentiment has also declined to a seven-month low, reflecting concerns over demand sustainability. TA Research projects GDP growth of 5.4% year-on-year for the first quarter and 4.3% to 4.7% for the full year. Overall, while recovery is evident, rising costs and softer demand continue to weigh on the sector's outlook.

Source: The Star, 3 April 2026

# MSME NEWS IN SOUTHEAST ASIA

## SINGAPORE

### Singapore Cybersecurity Firms Showcase SME-focused Innovations to Counter Rising Cyber Threats at RSAC 2026 Conference

The World Economic Forum warns that global cyberattack costs are expected to rise from USD8.44 trillion in 2022 to USD23.84 trillion by 2027, showing a widening gap between risk and readiness. SMEs are especially exposed due to limited access to cybersecurity tools, services and skilled talent. Common threats include accidental data leaks and vulnerabilities in software and open-source components. In Singapore, AgileMark, Scantist and StrongKeep are developing solutions to make cybersecurity more accessible for SMEs. AgileMark reduces data leaks by using dynamic screen watermarks that deter unauthorised capture and improve accountability. Scantist uses an AI-driven platform to detect software vulnerabilities and simulate cyberattacks for faster testing. StrongKeep provides an all-in-one cybersecurity platform that is simple, affordable and quick to deploy for SMEs. These firms are supported by the CyberSG Talent, Innovation and Growth Collaboration Centre, a S\$20 million initiative by NUS and CSA. The centre helps cybersecurity start-ups develop and scale practical solutions. The companies will showcase their innovations at RSAC 2026 in San Francisco.

Source: Malay Mail, 23 March 2026

## INDONESIA

### MSME Vendors Gain Income, Stability and Promotion Through Monas Eid Event

MSME vendors at the Monas Eid bazaar in Jakarta on 28 March 2026 reported improved income, stability and promotional gains from the event. The people's bazaar at the National Monument received positive responses from micro, small and medium enterprises involved. Vendors experienced higher earnings through bulk orders while also distributing free meals to the public. Fauzi, a meatball vendor from West Jakarta, prepared over 500 portions and described the opportunity as exceptional. He said most past orders came from government offices, but this time it was driven by presidential support, benefiting MSMEs greatly. He also noted that raw material prices remained stable during the festive season without significant increases. Megawati, a rendang vendor from South Jakarta, fulfilled 500 meal packages despite last-minute sourcing challenges. She explained she had to quickly secure beef after suppliers were closed but managed to complete the order. She added that the bazaar provided both income and strong promotional exposure for small businesses. Shela, a pempek vendor from Bintaro, said the event helped sustain her business capital flow and supported smaller MSMEs. Overall, the bazaar distributed over 100,000 vouchers and 300,000 free meals, reflecting strong collaboration between government, MSMEs and the public.

Source:RRI, 29 March 2026

## PHILIPPINES

### Maya Taps SPARK! to Support Women Micro-entrepreneurs

Maya has formed a partnership with SPARK! Philippines to strengthen support for women micro-entrepreneurs under its broader financial health strategy. The initiative focuses on improving access to digital financial services, including payments, savings and credit, through Maya's ecosystem. SPARK! complements this by providing training, mentorship, advocacy and community-based support to help women grow sustainable businesses. The collaboration is designed to address the fact that many women-led micro businesses remain underserved despite their strong contribution to the economy. In the Philippines, MSMEs account for 99.5% of businesses and employ around 63% of the workforce, with women playing a major role in ownership and new business creation. However, gaps remain, particularly in digital financial adoption, where women lag behind men in using fintech tools. Maya's platform, including the Maya Business app and Maya Advance credit facility, enables entrepreneurs to manage transactions, improve cash flow and access short-term financing. The initiative also builds on Maya's existing network, where most Maya Centres are operated by women running small community businesses. Overall, the partnership aims to combine financial inclusion with capability-building to enhance resilience, income stability and long-term growth for women entrepreneurs.

Source: philstar, 1 April 2026