



SME Corp. Malaysia
6 February 2026

26 JANUARY 2026

6 FEBRUARY 2026

FTSE BURSA MALAYSIA	1,744.07	↓	1,732.83
CURRENCY; USD 1 =	RM3.97	↑	RM3.95
BRENT CRUDE OIL (USD PER BARREL)	USD65.59	↑	USD68.05

Source: Bursa Malaysia, Bank Negara Malaysia & Bloomberg

ECONOMICS & MSME NEWS

26 JANUARY 2026 – 6 FEBRUARY 2026

GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

US Core Capital Goods Orders Rise for Fifth Straight Month, Boosting Economic Outlook

US core capital goods orders increased for a fifth consecutive month in November, exceeding expectations and indicating steady business investment at the end of 2025. Strong consumer spending supported economic resilience despite tariffs weighing on manufacturing, while the technology sector benefited from the AI boom. Non-defence capital goods orders excluding aircraft grew by 0.7%, reinforcing forecasts of solid equipment investment in the fourth quarter. However, uncertainty remains due to government funding tensions and the potential effects of shutdown disruptions and severe winter weather. Manufacturing performance is mixed, though gradual improvement is expected. GDP projections vary between stronger official estimates and more moderate private forecasts. Monetary policy expectations remain stable, with optimism for stronger capital spending in 2026.

Source: U.S. News, 26 January 2026

Core Inflation in Tokyo Slows, Still on Track to Hit BOJ Goal

Core inflation in Japan's capital eased to a 15-month low in January due to fuel subsidies and softer food price pressures, providing modest relief to households. The core consumer price index increased 2.0% year-on-year, down from December and below forecasts. However, a broader measure excluding fresh food and fuel stayed above the Bank of Japan's 2% target at 2.4%, signalling persistent underlying price pressures. Economists view the slowdown as temporary and unlikely to derail further rate hikes. The BOJ remains alert to inflation risks from a weak yen and sustained wage growth, which could support prices. Industrial output slipped slightly in December but is expected to rebound. Overall, the data indicates inflation is moderating but still broadly on track with policy goals. The data suggests Japan's price momentum remains resilient.

Source: cna, 30 January 2026

China January Official Manufacturing PMI Drops to 49.3

China's official manufacturing PMI fell to 49.3 in January from 50.1 in December, indicating contraction as weak domestic demand reduced production. Sub-indexes for new orders and export orders also declined, while the non-manufacturing PMI dropped to 49.4, its lowest since December 2022. Although China met its 5% growth target last year, slowing retail sales and weaker fourth-quarter GDP exposed underlying imbalances. Authorities responded with consumer subsidies, targeted interest rate cuts and potential reserve requirement reductions to stimulate spending. Policymakers are also shifting towards boosting services consumption to support manufacturing output. Analysts doubt the measures will quickly stabilise growth, as Beijing prioritises boosting domestic demand and technological self-reliance while targeting 4.5-5% growth in 2026.

Source: The Business Times, 31 January 2026

UK Private Sector in Best Month Since August 2024, PMI Shows

The UK private sector grew at its fastest pace in 17 months in January, with the PMI rising to 53.7, signalling stronger business activity. Growth was driven mainly by the services sector amid increased project work and improved investor confidence, while manufacturing expanded more slowly. Firms reported rising new orders and stronger optimism for the year ahead, suggesting economic growth of about 0.3% in the first quarter. Despite this, businesses still face pressures from higher employment costs and recent job losses. Many companies have passed these costs on through higher prices, although input cost inflation eased slightly. Overall, the survey points to improving momentum but continued cost-related challenges.

Source: The Business Times, 4 February 2026

MALAYSIA ECONOMIC NEWS

Rising Tax Audits Spur SAMENTA Support for MSME-focused Tribunal

The Small and Medium Enterprises Association of Malaysia (SAMENTA) has backed the creation of a tax tribunal to better support the country's MSMEs amid rising tax audits and stricter compliance linked to e-invoicing and the MADANI Economy. Its president noted that aggressive audits are increasing pressure on firms already dealing with tight liquidity and higher operating costs. SAMENTA proposed four measures, starting with a single unified body to handle both income tax and customs disputes to reduce complexity. It also suggested mandatory binding arbitration for cases below RM100,000 to avoid lengthy legal battles. Another recommendation is the automatic suspension of tax collection once an appeal is filed within 30 days, easing working capital strain. The association criticised the existing 'pay first, dispute later' approach as harmful to businesses. It further urged simplified procedures that rely on commercial records rather than legal jargon so owners can represent themselves. SAMENTA called for industry participation in designing the tribunal to reflect business realities. The group emphasised taxation should support nation-building rather than burden entrepreneurs. It expressed readiness to collaborate with the Finance Ministry to advance the proposal and strengthen Malaysia's investment climate, highlighting its aim to safeguard MSME resilience and sustain entrepreneurial growth.

Source: New Straits Times, 26 January 2026

Malaysia Manufacturing PMI Rises to 50.2, Signalling Continued Improvement

Malaysia's manufacturing sector continued to improve in January, with the S&P Global PMI rising to 50.2, marking a third month above the neutral level. Production returned to growth and demand stabilised, supported by stronger export orders and higher purchasing activity. Input costs fell for the first time since 2020 due to a stronger ringgit, easing inflation pressures, while output prices increased modestly. Employment edged down slightly and supplier delivery times lengthened, though only marginally. Inventories and backlogs continued to decline but at slower rates. Historical trends point to steady GDP growth and expanding manufacturing output. Overall, business confidence strengthened, with optimism on future output near record levels. The improvement suggests resilience in Malaysia's manufacturing activity despite external uncertainties and shifting global demand. Lower costs and stronger external demand may support near-term growth.

Source: The Star, 2 February 2026

Malaysia's Petroleum Revenue May Fall RM3-4 Billion With Subsidy Savings Easing The Impact

Malaysia's petroleum revenue could decline by RM3-4 billion in 2026 if Brent crude prices fall to around USD55-60 per barrel, potentially widening the fiscal deficit by 0.15-0.20% of GDP. The drop reflects weaker global oil prices amid easing US-Iran tensions and currency pressures. However, reduced fuel subsidy allocations following diesel and RON95 rationalisation are expected to offset part of the impact, with savings estimated at RM1-2.5 billion. This would limit the net deficit effect to roughly 0.03-0.15% of GDP. As oil forms a smaller share of government income, prolonged low prices are unlikely to significantly threaten public finances. Greater fiscal risk would arise from sharp price spikes driven by geopolitical escalation in the Middle East, which could raise inflation and subsidy burdens. Unlike structural supply issues elsewhere, disruptions in the region could rapidly tighten global supply and reverse the bearish outlook.

Source: New Straits Times, 4 February 2026

Further Upside for Ringgit, 2026 Growth

Malaysia's ringgit, Asia's best-performing currency last year, is expected to see further gains as strong economic performance continues into 2026. Second Finance Minister, Datuk Seri Amir Hamzah Azizan noted the currency had been undervalued and benefited from equity and bond inflows, reflecting improving fundamentals. Despite a brief dip to around 3.94 per US dollar, growth momentum and investor confidence remain supportive. Malaysia's economy expanded by 4.9% in 2025, exceeding forecasts, and is projected to moderate to 4-4.5% in 2026, with potential upward revision by Bank Negara Malaysia. Domestic demand resilience and investments in electronics, data centres and energy transition underpin growth. Inflation pressures are expected to stay contained, while interest rates are likely to remain steady. Fiscal consolidation efforts aim to narrow the budget deficit to 3.5% of GDP. The ringgit has already risen about 3% this year after a 10% gain in 2025. Structural factors such as capital inflows and diversification beyond oil and gas continue to support stability. Overall, policymakers remain cautiously optimistic amid global uncertainty.

Source: The Star, 6 February 2026

MSME NEWS IN SOUTHEAST ASIA

SINGAPORE

Leveraging AI for SME Growth, Strengthening ESG Readiness, among CPA Australia's Budget Wishlist

Budget 2026 comes at a critical time for Singapore as global uncertainty, rising costs and technological change affect businesses and households. CPA Australia highlights the need to strengthen SME competitiveness, noting declining digital adoption despite their economic importance. Expanding support for advanced digital tools, automation and AI, alongside targeted training, could help restore growth and encourage regional expansion. While AI use is widespread, integration remains limited, so vouchers, skills training and mentorship are suggested to scale adoption. Cybersecurity gaps also require attention through subsidised checks and shared learning initiatives. The Budget should further enhance ESG readiness with support for data systems and professional capability, while strengthening capital markets through incentives for sustainable and high-growth listings. Overall, the recommendations stress sustained investment in digital transformation, resilience and sustainability to maintain long-term competitiveness. These measures would help businesses navigate structural shifts and improve productivity outcomes.

Source: The Edge Singapore, 31 January 2026

INDONESIA

Indonesia Develops Sapa UMKM Super App to Support 57 Million MSMEs

Indonesia is developing the Sapa UMKM super app to strengthen support for its MSME sector, which is projected to reach about 57 million businesses. Led by the Ministry of MSMEs, the platform aims to serve as an integrated digital hub connecting entrepreneurs with key services in one system. The initiative reflects the government's view that conventional management methods are insufficient for handling such a large business base. Sapa UMKM will integrate access to financing, training and education, market opportunities, productivity support and government programme information. It will also provide licensing and legal services as well as funding links to banks and private lenders. The system is expected to track users' training histories to improve capacity-building planning. Development is nearly complete and rollout will occur in phases. The app will connect with existing platforms such as PaDi UMKM, a B2B marketplace linking MSMEs to larger firms. This integration aims to enhance product promotion and global exposure. Overall, the initiative represents a major digital push to modernise MSME support infrastructure. It is also expected to improve data accuracy for policy planning and programme targeting.

Source: ANTARA, 5 February 2026

PHILIPPINES

ADB Extends PHP1.75 Billion Credit Facility to Help PH MSMEs

The Asian Development Bank (ADB) has extended a PHP1.75 billion credit facility to Fuse Financing Inc. to improve access to finance for micro, small and medium enterprises (MSMEs) in the Philippines, particularly women-owned firms. The partnership supports national efforts to strengthen MSME financing and marks ADB's first fintech lending facility of its kind in Asia. Fuse, the lending arm of GCash, will channel the funds to expand capital access, with half allocated to businesses in higher-poverty provinces. In addition, ADB will provide USD125,000 in technical assistance to develop tailored financial products and deliver financial and digital literacy training for women entrepreneurs. Mastercard will also contribute support through its Impact Fund to advance financial inclusion. MSMEs play a vital role in the Philippines, contributing around 35% of economic output and accounting for 99.5% of employment. The facility will operate as a revolving fund, enabling businesses to scale and reduce poverty exposure. Digital lending is expected to enhance transparency and monitoring of fund utilisation. Overall, the collaboration reflects confidence in fintech-driven financing solutions and aims to generate measurable development outcomes in the MSME sector.

Source: Philippine News Agency, 6 February 2026