

FTSE BURSA MALAYSIA	1,739.77	↑	1,740.22
CURRENCY; USD 1 =	RM3.96	↑	RM3.95
BRENT CRUDE OIL (USD PER BARREL)	USD114.44	↓	USD109.26

Source: Bursa Malaysia, Bank Negara Malaysia & Bloomberg

ECONOMICS & MSME NEWS

4 MAY 2026 – 15 MAY 2026

GLOBAL ECONOMIC NEWS IN ADVANCED ECONOMIES

Private Payrolls Rose by 109,000 in April, Topping Expectations, ADP Says

Private payrolls increased by 109,000 in April, exceeding expectations and signalling a resilient labour market. The figure increased from March's revised 61,000 and beat forecasts of 84,000, marking the strongest growth since January 2025. Wage growth for job stayers eased slightly to 4.4% annually. Hiring gains were concentrated in key sectors, led by education and health services, followed by trade, transportation and utilities. Construction and financial activities recorded modest increases, while professional and business services declined. Manufacturing posted only limited growth despite policy support. Smaller and large firms drove hiring, with mid-sized firms lagging. Overall, the labour market reflects a cautious "low-hire, low-fire" environment, reducing pressure on the Federal Reserve to cut interest rates.

Source: CNBC, 6 May 2026

China's Producer, Consumer Inflation up in April as Iran War Pressures Persist

China's factory-gate inflation (PPI) reached 2.8% year-on-year in April, exceeding expectations and accelerating from March's 0.5% increase. The increase was largely driven by higher global energy costs linked to geopolitical tensions involving Iran. Consumer inflation (CPI) also reached 1.2% year-on-year, above forecasts and slightly higher than March's 1%. Domestic energy prices climbed 5.7%, contributing notably to overall inflation. Stronger demand in sectors such as optical fibre manufacturing, fuelled by computing needs, also pushed up producer prices. Government efforts to curb excessive competition have further supported price increases in industries like lithium-ion batteries. Core inflation edged up to 1.2%, signalling modest underlying demand recovery. However, inflation was uneven, with transport energy up 17.4% while food fell 1.6%.

Source: South China Morning Post, 11 May 2026

UK Economy Resilient as Mideast War, Political Risks Loom

The UK economy showed resilience, with GDP rising 0.6% in 1Q from 0.2% previously, supported by stronger-than-expected growth in March. The Office for National Statistics noted the economy held up despite early impacts of the Middle East conflict, while UK Finance Minister, Rachel Reeves said the UK is in a stronger position to manage war-related costs. However, rising energy prices linked to the Iran conflict are fuelling inflation risks and may slow growth. Analysts warn the current momentum could fade as temporary boosts unwind and household incomes are squeezed. The data comes amid political pressure on Keir Starmer following poor election results and internal dissent. Although inflation had been easing earlier, the Bank of England may raise interest rates if pressures intensify.

Source: France 24, 14 May 2026

Japan's 1Q 2026 GDP Likely Rose on Firm Exports

Japan's economy is expected to have grown for a second consecutive quarter in 1Q 2026, supported by stronger exports and steady domestic demand. Real GDP is forecast to have risen by an annualised 1.7%, following a 1.3% increase in the previous quarter, while quarter-on-quarter growth is estimated at 0.4%. Private consumption and capital investment remained relatively stable, each likely expanding by 0.2%, though investment slowed from earlier gains. External demand contributed modestly, adding 0.2 percentage points to overall growth after being flat previously. However, rising oil prices and potential supply disruptions pose downside risks. The Bank of Japan will consider these factors ahead of its upcoming rate decision, with preliminary GDP data due on 19 May 2026.

Source: Reuters, 15 May 2026

MALAYSIA ECONOMIC NEWS

MATRADE Secures RM126.42 Million in Potential Exports at SEMICON Southeast Asia 2026

MATRADE secured RM126.42 million in potential export opportunities through 105 business meetings held during the International Sourcing Programme (INSP) at SEMICON Southeast Asia 2026 in MITEC, Kuala Lumpur. The programme, organised with MIDA and MSIA, involved 14 international buyers from 12 economies and 49 Malaysian firms across physical and virtual sessions. Buyers represented sectors such as integrated device manufacturing, OSAT services, aerospace and renewable energy with sourcing interests including precision components, automation solutions, PCBA, cables, ATE, system integration and cleanroom consumables. Over the past decade, the INSP at SEMICON has connected 327 SMEs with 51 international buyers, generating nearly RM1 billion in export sales. Malaysia's E&E contributed 44.3% of total exports in 2025, valued at RM711.44 billion, with semiconductors accounting for 65.4% of E&E exports. Malaysia remains a leading global E&E exporter and key OSAT player, with initiatives supporting the RM1 trillion export target by 2030 and strengthening technology transfer, supply chains and SME participation in high-value activities. The programme also encourages greater integration of local suppliers into global value chains and enhances Malaysia's attractiveness as an investment destination. It further supports innovation-driven growth and long-term industry resilience.

Source: Malaysia SME, 7 May 2026

Bank Negara Malaysia, Bank Indonesia Sign MoU to Strengthen Bilateral Cooperation

Bank Negara Malaysia and Bank Indonesia have signed a Memorandum of Understanding to strengthen bilateral cooperation between the two central banks. The agreement provides a comprehensive framework covering key central banking areas. These include monetary policy, financial stability and macroprudential policy. It also extends to payment systems, digitalisation, financial sector development and capacity building. Both banks will also enhance information sharing and technical collaboration. BNM Governor, Datuk Seri Abdul Rasheed Ghaffour said the MoU reaffirms their longstanding partnership. Bank Indonesia Governor, Perry Warjiyo described it as a significant milestone beyond a symbolic commitment. The MoU reflects a shared effort to deepen cooperation amid a challenging global environment. Overall, it aims to support stronger economic resilience and prosperity in both Malaysia and Indonesia.

Source: New Straits Times, 11 May 2026

Construction Sector Grew 8.5% to RM46.5 Billion in 1Q 2026 - DOSM

Malaysia's construction sector grew by 8.5% year-on-year to RM46.5 billion in 1Q 2026, according to the Department of Statistics Malaysia. The expansion was mainly supported by strong performance in special trade activities and non-residential buildings, which grew by 24.6% and 12.7% respectively. Residential buildings also recorded steady growth of 6.1%, while civil engineering remained positive with marginal growth of 1.5%. Civil engineering contributed RM15.9 billion, representing 34.2% of total work done, driven mainly by utilities and transport infrastructure such as roads and railways. Non-residential and residential buildings contributed RM13.9 billion and RM10.5 billion respectively, while special trade activities accounted for RM6.2 billion. The private sector was the main driver, expanding by 13.2% and accounting for RM30.5 billion or 65.6% of total activity. Public sector work stood at RM16 billion or 34.4% of activity.

Source: Bernama, 13 May 2026

The Malaysian Economy Recorded a Firm Growth of 5.4% in The 1Q 2026

Malaysia's economy expanded by 5.4% in Q1 2026 (Q4 2025: 6.2%), supported mainly by resilient domestic demand, with household spending underpinned by a strong labour market and policy support, while investment growth was driven by multi-year projects, high realisation of approved investments and national plans; exports remained robust, particularly in electrical and electronics (E&E), although import growth moderated. On the supply side, services growth slowed due to lower motor vehicle sales, while manufacturing remained strong, supported by E&E demand linked to AI and data centres; agriculture growth eased, mining contracted and construction growth moderated. On a quarter-on-quarter basis, the economy recorded a slight contraction of -0.01%. Headline inflation increased to 1.6% while core inflation eased to 2.1%, and the ringgit appreciated against major currencies. Credit growth increased to 5.6%, driven mainly by business loans. Despite external uncertainties, Malaysia's economy is expected to remain resilient, with growth projected at 4%-5% and inflation at 1.5%-2.5% in 2026.

Source: BNM, 15 May 2026

MSME NEWS IN SOUTHEAST ASIA

SINGAPORE

Today's Geopolitical Disruption Demands a New Crisis Plan for Singapore SMEs

Singapore SMEs can no longer rely on the Covid-19 crisis playbook to navigate today's geopolitical disruptions, as current challenges are driven by persistent inflation, fractured supply chains and weaker global demand. Unlike the pandemic, today's environment is a longer-term structural shift rather than a one-off shock, and government support such as the SGD1 billion package can only provide a buffer, not solve core operational issues. Firms are facing tighter credit conditions, rising costs and greater pressure on liquidity, making active cash flow management essential through tools like rolling forecasts and 13-week cash flow stress tests. Businesses are also encouraged to adopt dynamic contract structures, such as index-linked pricing and renegotiate or adjust service terms where necessary to manage cost volatility. Strengthening supply chain resilience through early diversification into regional ASEAN suppliers is critical, even if only a small portion of volume is shifted initially. While diversification must be balanced with cost, speed and operational constraints, waiting until disruption occurs increases vulnerability. Ultimately, SMEs must move from reactive survival to proactive change to stay competitive.

Source: The Business Times, 12 May 2026

INDONESIA

Indonesian Government Expands MSME Support, Poverty Alleviation Programs

Indonesia's Coordinating Ministry for Community Empowerment is expanding initiatives to strengthen MSMEs and poverty alleviation efforts nationwide. The programmes include the "1,001 traditional markets" initiative aimed at revitalising local trade and supporting small businesses. Coordinating Minister, Abdul Muhaimin Iskandar is set to report progress to President, Prabowo Subianto at the Presidential Palace. The briefing will cover poverty reduction, job creation targets and MSME productivity improvements. The government is increasing training subsidies and improving access to venture capital for MSME operators. Disbursement of People's Business Credit (KUR) continues to rise, with further expansion planned, including support for 1,000 MSMEs in Bali. In addition, a wider rollout of MSME financing is being pursued to enhance economic inclusion. The "SMK Go Global" programme is also being advanced to expand overseas job opportunities for vocational graduates from low-income groups. Beneficiaries found misusing funds may be removed from support lists. The government is preparing a "10 million jobs and 10 million upgrades" initiative to boost employment and MSME capacity. Overall, the strategy aims to strengthen MSME growth, increase incomes and expand Indonesia's middle class.

Source: ANTARA, 12 May 2026

PHILIPPINES

Landbank Boosts Tarlac MSMEs with Financing and Digital Solutions

Land Bank of the Philippines' Sulong MSME Fair in Tarlac City has strengthened local MSMEs by providing access to affordable financing, digital banking solutions and business development support. The initiative aligns with the government's broader efforts to enhance MSME resilience amid inflationary pressures and global economic uncertainty. It aims to promote financial inclusion and enable businesses to scale up operations sustainably. LandBank President and CEO Lynette Ortiz highlighted MSMEs as vital drivers of economic growth, particularly in employment creation and community development. Through the programme, participating businesses were onboarded onto LandBank's digital platforms, improving access to services such as payments, collections and government transactions. The bank also presented tailored lending programmes for startups, expanding firms and established MSMEs, with financing options adjusted to business size and capability. In addition, eligible borrowers may access supplementary support such as insurance coverage linked to specific loan products. Overall, the Sulong MSME Fair reinforces LandBank's commitment to empowering local enterprises and fostering inclusive, sustainable economic development.

Source: The Manila Times, 15 May 2026