



Presenter:



Andrew Spiccia

**Head of Risk Singapore,
Malaysia and the
Philippines**

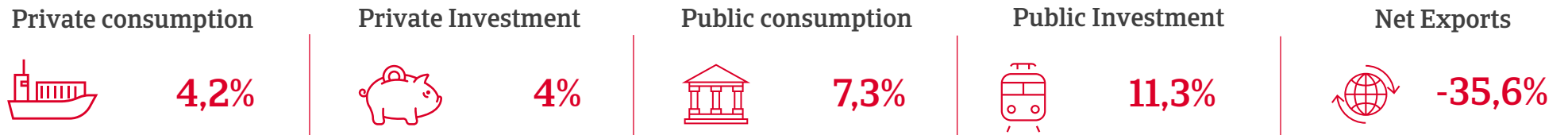


Malaysia

GDP Forecast 2023	Actual GDP Growth 2023	GDP Forecast 2024
8,7%	3,7%	4,5 to 5%

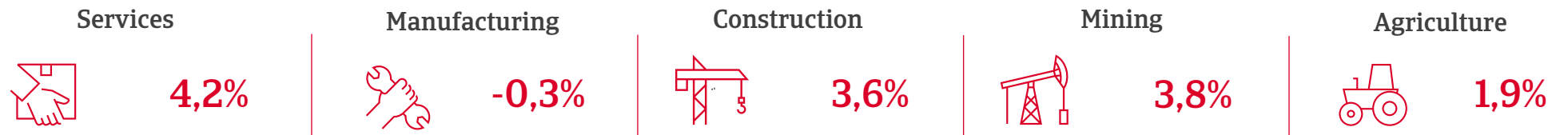
Higher Domestic demand

Annual change in %

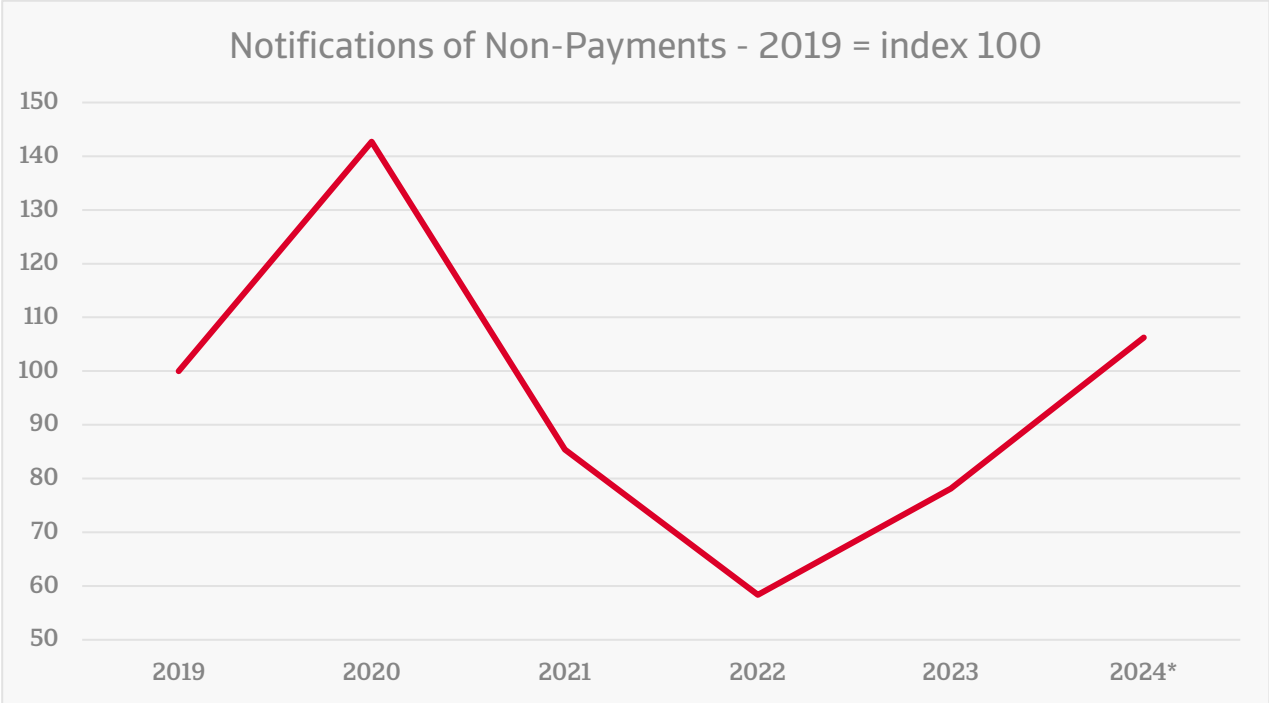


Expansion in most sectors

Annual change in %

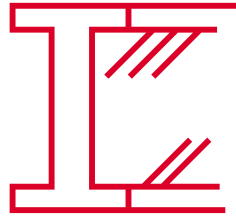


Current Risk - Malaysia



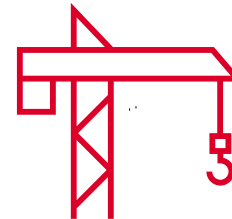
* 2024 is a projection based on the average Non Payments in the first 4 months of the year

Sectors to look out for - Malaysia



Metals

- Overcapacity affecting production and profitability
- Weak currency and fluctuating commodity prices
- ESG scrutiny



Construction

- Rising cost of construction materials
- Shortage of skilled labour
- Lack of government investment

Export tips - Malaysia

- 1 Be prepared for late payments**
Slow payments are still the norm in all sectors, and delays can be surprisingly long.
- 2 Think twice before going to court**
Legal collection is not always the best way to get your money.
- 3 Get legal support**
If you do decide to go the legal way to recover debt, it is important to partner up.
- 4 Balance loss risk and good relations**
Be on top of your credit risks and on good foot with your customers.
- 5 Be aware of titles**
Malaysia has a system of titles that indicates social status.
- 6 Shortage of highly skilled workers**
Malaysia is experiencing a brain drain of highly skilled workers.
- 7 Have a strategy for bribery and corruption**
Be aware of the problem and seek advice.
- 8 Know your tax incentives**
At 24% Malaysia's corporate tax rate makes tax incentives more important.

Economic Overview - Philippines

GDP Forecast 2023	Actual GDP Growth 2023	GDP Forecast 2024
6-7%	5,6%	6,5 to 7,5%

Key Economic Indicators

Inflation March 2024



3,7%

Unemployment rate



4,5%

Fitch Credit Rating



BBB

Banking Sector



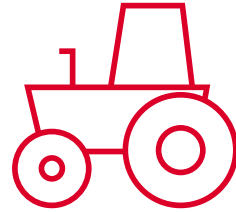
Good

Economic Outlook



Good

Sectors to look out for - Philippines



Agriculture

- High level of late payments in the sector
- Large proportion of buyers are sole proprietorships, therefore financial insight is generally not available

Export tips - Philippines

- 1 React promptly to late payments**

Payment delays are relatively uncommon in the Philippines.
- 2 Meet in real life**

In the Philippines, the importance of face-to-face meetings cannot be overstated.
- 3 Trade freely**

Open account trade is common and a sign of a healthy business relationship.
- 4 Open for traditional business**

Businesses are lagging somewhat behind on technological readiness.
- 5 Know your incentives**

Corporate tax rate is 25% — however, the country offers a range of tax incentives
- 6 Avoid going to court**

Settling disputes outside of the courts often gets you the best results.
- 7 Steer clear of corruption and bribery**

Unfortunately, corruption and bribery are still a part of reality in the Philippines.
- 8 Be aware of the type of financial information**

Some companies prepare different sets of financial accounts for various purposes.

Questions?