

# BUSINESS NEWS

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JUNE 2025

## TARIFFS

IMPACT ON  
YOUR  
BUSINESS

## STIMULUS

PACKAGES FOR  
AILING SMES?

## LUXURY DESIGNER BRANDS DOWNFALL

Luxury fashion giants LVMH and Kering face a stark decline, with sales plummeting while Gucci and Louis Vuitton are losing their allure





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# Table of Content

Pages	Must Read Articles
4.....	Designer Brands Downfall
9.....	Supply Chain Chaos and Your Business
16.....	ASEAN Unity And Geopolitical Dynamics
24.....	Malaysia's SMEs: Survive By Luck or By Leadership? Stimulus Innovation
35.....	Tariff Wars in Victorian England
39.....	The South China Sea Dispute
49.....	China and the USA Market Dependence
63.....	News in Brief
68.....	Workplace - Tech - Marketing - Trending Products
83.....	Your Customers Are Glued to Their Phones – Here's How to Reach Them
87.....	Top 5 iPhone Missteps Apple Made This Decade

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## Exclusive

# Are Luxury Designer Brands Responsible for Their Own Downfall?

In 2025, numerous reports indicate that the conventional luxury fashion brands we know of are headed towards a downward slope. In April, the Business of Fashion reported that LVMH, the conglomerate that owns Louis Vuitton, Celine, Loewe, Christian Dior and others, has missed its expectations as sales dropped by 5%.

This has been the trend since 2024. Just this year, Kering's star, Gucci, has dropped in sales by 25%. Kering is another conglomerate similar to LVMH, where brands such as YSL, Bottega Veneta, Balenciaga and others are under them. In April, their shares dropped by 4.3%.

## The possible reasons why these brands are declining

There are some allegations pointing to the rumour that these major brands are experiencing a quality decline, which is in heavy contrast to their price increases since 2020. A pair of Gucci aces were around RM2,000 in 2019, and today they're almost RM4,000.



Image from canva



Image from louisvuitton.com

**Exclusive**

# Designer Brands Downfall

This hasn't been a new topic of conversation. A prominent YouTuber by the name of SuperDacob has mentioned this several times before others began discussing it. Financial Express states that over 50 million customers have stopped buying products from these brands as of late 2024.

One of the biggest reasons is that these brands are no longer as innovative as they once were. Captivating the Gen-Z market is arguably tough, as the crowd is very much into sustainability. Additionally, some may even feel that these brands are repeating each other's designs at this point.

A simple black flap handbag with gold or silver-toned hardware is relatively available in most of these fashion houses. The only key difference between them is probably the logo and stitching of said bag.

## Not all luxury brands are declining

Countless TikTok videos highlight frustrated customers voicing concerns about poor service and potentially defective products. Recently, a TikToker expressed disappointment after her expensive flats showed significant wear and tear, despite being worn for only 30 minutes.



Image from bottegaveneta.com



Image from celine.com

**Exclusive**

# Designer Brands Downfall

Hermès continues to outperform its competitors, solidifying its reputation as the pinnacle of luxury fashion. The brand's controlled exclusivity—especially with coveted Birkin and Kelly bags—has fueled demand, alongside its unwavering commitment to quality. According to its 2025 report, Hermès achieved an impressive 11% growth in 2024, setting itself apart in a competitive market.

## What should be the best course of action for these brands?

While product durability isn't always entirely the brand's fault, some items are inherently delicate and not suited for daily use. However, if a product is marketed as an everyday item, consumers expect it to withstand regular wear—meaning brands should ensure quality aligns with how the item is advertised.

Luxury brands may strive for elite clientele, but they should recall the struggles of the 1940s and 1950s. Haute couture was never a sustainable model on its own, prompting fashion houses to expand their offerings and attract a broader audience to fuel their creativity.



Image from [hermes.com](https://www.hermes.com)



Image from [chanel.com](https://www.chanel.com)

**Exclusive**

# Designer Brands Downfall

In 1950, Jacques Rouët revolutionized Dior's business by introducing a licensing strategy, branding "Christian Dior" across luxury goods like neckties, hosiery, and handbags. Despite criticism from the French couture elite, the move proved lucrative, setting a precedent that fashion houses followed for decades.

Luxury brands have priced their products so high that in most countries, only the elite can afford them, leaving many consumers to seek alternatives. Mid-range brands like Coach, which is still considered to be expensive for most Malaysians, has capitalized on this shift, attracting a growing clientele by offering quality craftsmanship at more accessible price points.

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Image of a 1940s/1950s Christian Dior dress.



Image from dior.com

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# How Is Your Business Affected In The Supply Chain Chaos from Asia to America

**Global Trade in Turmoil: Here we explore the impacts on your business**

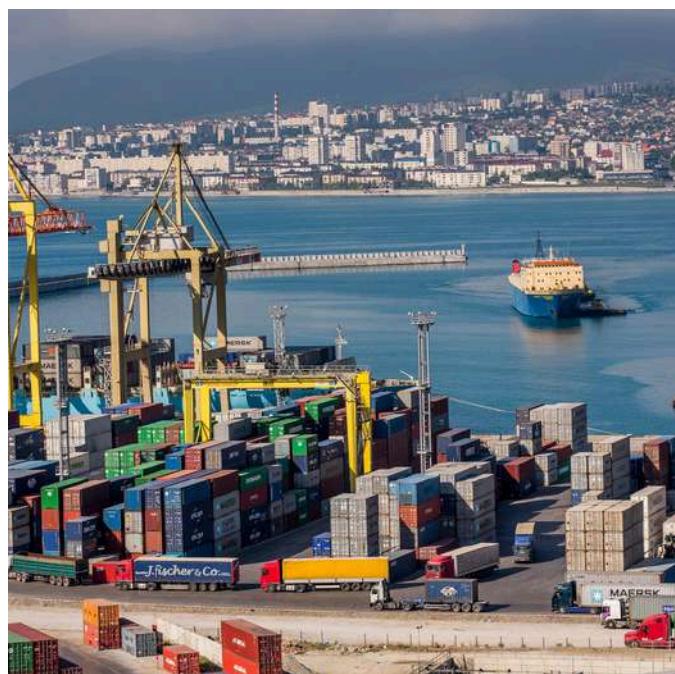
The recent U.S. tariffs, primarily targeting Chinese imports but also affecting other regions, have sent ripples through global economies, impacting businesses across Asia, Europe, and America. Drawing from recent news reports and posts on X, this analysis examines the multifaceted effects on businesses in these regions, including price hikes, supply chain disruptions, and strategic shifts, while critically assessing the broader implications.



**U.S. tariffs, previously 145%, now 30%, disrupt Chinese manufacturers, risking 16 million jobs. Exports to U.S. fell 64%, pushing firms to Southeast Asia and domestic markets**

# Asia: Economic Strain and Strategic Pivots

In Asia, the tariffs have hit hardest in China, where U.S. duties on Chinese goods, previously as high as 145%, have disrupted trade flows. Even with a 90-day pause reducing tariffs to 30%, Chinese manufacturers face significant challenges. The tariff war has put an estimated 16 million jobs at risk, particularly in the factory sector, prompting China's central bank to implement monetary stimulus, including interest rate cuts and liquidity injections, to cushion the blow. Exports to the U.S. plummeted by 64% in early 2025, forcing businesses to pivot to alternative markets. For instance, China's exports to Southeast Asian nations surged by 20.8% in April, and some companies are redirecting focus to domestic or other Asian markets to offset losses.



# Malaysia and Tariffs

In Malaysia, the U.S. tariffs, which account for 13% of its exports, have prompted Prime Minister Anwar Ibrahim to announce \$356 million in relief measures for small and medium-sized enterprises (SMEs). Businesses face squeezed margins and disrupted supply chains, with fears of reduced GDP growth. Similarly, Japan's economy contracted faster than expected in Q1 2025, partly due to tariff-related uncertainties, though Tokyo's Nikkei remained stable. Taiwanese firms like TSMC saw a temporary sales boost as companies rushed orders before tariffs hit, but long-term uncertainty persists.

## China The Impact

Chinese businesses, in particular, have shown resilience by leveraging transshipment through third countries and pre-tariff contracts, but analysts predict weaker trade data in coming months. Social media sentiment on X reflects cautious optimism about the tariff pause, with some users noting China's ability to stand its ground in negotiations, though others highlight ongoing economic strain.



# Europe: Price Hikes and Market Volatility

European businesses are grappling with a 10% U.S. tariff on imports, set to rise to 20% by July 9, 2025, unless a new U.S.-EU trade agreement is reached. Companies like Hermès have announced U.S.-specific price increases to offset these tariffs, with no changes in other regions, signaling a targeted pass-through of costs to American consumers. German manufacturers, such as a 251-year-old shoemaker facing the tariff hike, are under pressure, with potential cost increases threatening competitiveness.



Despite the uncertainty, European stock markets have shown resilience. Germany's DAX rose 0.6%, France's CAC 40 gained 0.4%, and the UK's FTSE 100 advanced 0.5% following the U.S.-China tariff truce, reflecting investor relief. However, the European STOXX 600's 1.2% gain masks underlying concerns about long-term trade disruptions. Canadian businesses, though not in Europe, are also shifting focus to European markets to reduce reliance on the U.S., indicating a broader regional trend of diversification.



X posts highlight mixed sentiments: some users see the tariff pause as a temporary reprieve, while others warn of persistent supply shocks that could fuel inflation, as noted by Fed Chair Jerome Powell. The lack of a permanent resolution keeps European businesses on edge, with many seeking clarity on future trade terms.



# America: Consumer Price Surge. Small Business Struggles

In the U.S., businesses are navigating a complex landscape. A Yahoo Finance survey found that two-thirds of over 100 business owners reported negative impacts from tariffs, with small businesses particularly hard-hit due to thin margins. Retail giant Walmart, a bellwether, announced price hikes to offset the 10% universal tariff, though its grocery-heavy sales (60% of total) provide some insulation. Other retailers, like Target, Home Depot, and Lowe's, face similar pressures, with earnings reports expected to reflect tariff-related costs.



Small businesses, such as florists and specialty retailers, are seeing sales drop as they raise prices on imported goods like cut flowers. Marc Bowker, a small business owner, noted that finding U.S. alternatives for manufacturing could take years, leaving him unable to plan for the holiday season. A Colorado company selling refrigerated containers and an Ohio comics retailer shared receipts showing significant tariff costs, with one wheelchair purchase including nearly \$3,500 in tariffs alone.

Consumers are feeling the pinch, with a Trade Partnership Worldwide report estimating retail price increases of 11% to 70% across categories, reducing consumer spending by \$123 billion annually and shrinking U.S. economic output by \$69 billion. American households face an average tax increase of \$1,190 in 2025 due to tariffs, with higher prices and reduced product choices. X posts underscore consumer frustration, with some users sharing evidence of price hikes and others debating whether tariffs will incentivize domestic manufacturing or merely hurt consumers.



## LATEST MALAYSIA

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The 90-day U.S.-China truce, while easing immediate fears of a global recession, leaves unresolved issues like the U.S. trade deficit and fentanyl-related tensions, suggesting further volatility.

X posts and news reports converge on a key point: tariffs are reshaping trade flows, with countries like Vietnam and India potentially gaining as U.S. imports shift. However, retaliatory tariffs from China, Canada, and the EU, affecting \$330 billion in U.S. exports, complicate the picture. The APEC grouping warned of stalling regional exports, impacting not just goods but services and financial markets, highlighting the tariffs' far-reaching effects.

## Weathering The Storm

The U.S. tariffs have created a complex web of challenges and adaptations for businesses worldwide. In Asia, firms are diversifying markets and relying on government support to weather the storm. European businesses face rising costs but benefit from temporary market stability, while American companies, especially SMEs, struggle with price hikes. While the tariff pause offers breathing room, the lack of a permanent resolution keeps global businesses on edge. The long-term winners and losers remain uncertain, but consumers across regions are already paying a steep price.



# Detailed Analysis of ASEAN Unity and Geopolitical Dynamics in 2025

## Introduction

This survey note provides a comprehensive analysis of ASEAN's unity in 2025, particularly in the context of Malaysia's leadership, US relations, and historical challenges such as the South China Sea conflict. It incorporates detailed insights into the "fear of Trump's wrath," the Belt and Road Initiative (BRI), and the US pivot to Asia, reflecting the complex geopolitical landscape as of April 13, 2025.



## ASEAN Unity in 2025: Malaysia's Leadership and Challenges

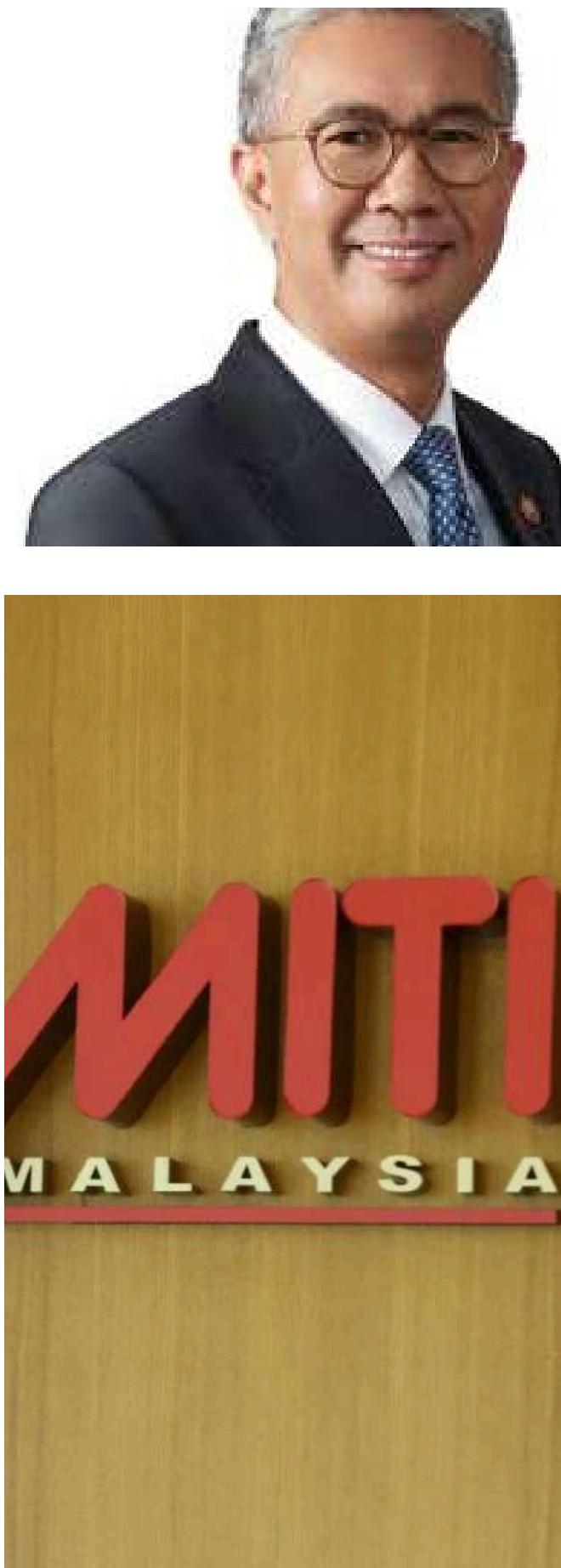
In 2025, ASEAN is navigating a multipolar world marked by intensifying US-China rivalry, with Malaysia taking on the chairmanship. Research from [ASEAN 2025:



Navigating Unity In A Divided World - OpEd] ([Eurasia Review](#)) suggests that enhancing internal cohesion, economic integration, and mediation roles are critical for ASEAN to maintain its centrality. Malaysia's efforts to rally support for negotiations with the US, as noted in [Why 2025 Is a Make or Break Year for ASEAN Unity - [The Diplomat](#)], represent a rare consensus among the 11 member countries, including Timor-Leste, which joined in 2022. This unity is significant, given the bloc's historical struggles, but it faces internal disparities and external pressures, as highlighted in [Rebuilding strategic autonomy: ASEAN's response to US-China [strategic competition](#)].

Critically, the tariffs' inconsistency—marked by rapid escalations and partial rollbacks—undermines business confidence. Economist Michael Strain noted that frequent policy reversals deter long-term investments in U.S. manufacturing, defeating the tariffs' purpose.

ASEAN faces unity challenges in 2025: diverse interests, US-China rivalry, and Malaysia's chairmanship navigating impartiality amid close China ties.



## Table 1: Key ASEAN Unity Challenges in 2025

Challenge	Description
Internal Cohesion	Diverse national interests, such as economic ties with China vs. security with US, hinder unity.
External Pressures	US-China rivalry forces ASEAN members to balance relations, risking fragmentation.
Leadership Role	Malaysia's chairmanship in 2025 must navigate impartiality, especially with close China ties.

Malaysia's push for an expedited Code of Conduct (COC) for the South China Sea, as detailed in the [Diplomat](#) article, is a critical test, but its alignment with China on issues like the Israel–Palestine conflict and BRICS membership raises concerns among members like the Philippines and Vietnam, potentially undermining trust.



## The "Fear of Trump's Wrath": US Relations and Geopolitical Uncertainty

The phrase "fear of Trump's wrath" likely reflects concerns about a potential Trump administration in 2025, given his re-election in 2024 and the current date of April 13, 2025. Trump's previous tenure, characterized by an "America First" approach and unpredictable foreign policy, left ASEAN countries uncertain about US reliability, as noted in [Modern](#)



Diplomacy: [The Future of ASEAN & U.S. Relations: Strategic Cooperation or Transactional Challenges?]. This uncertainty could push ASEAN members to prioritize national interests, straining collective unity. The US-ASEAN Comprehensive Strategic Partnership, established in 2022 and detailed in [FACT SHEET: U.S.-ASEAN Comprehensive Strategic Partnership, One Year On | [The White House](#)], aims to strengthen ties, but Trump's policies could disrupt this, especially with increased military presence in Southeast Asia under the Indo-Pacific Strategy, as per [Towards a More Resilient and United ASEAN - [The Diplomat](#)].



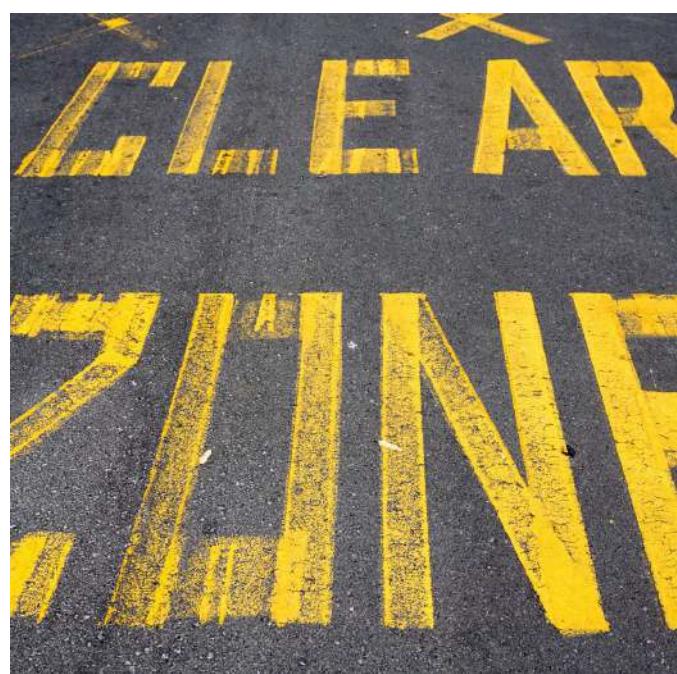
Metric	Details
Partnership Established	Comprehensive Strategic Partnership since November 2022, focusing on economic and security cooperation.
US Influence Perception	Rose from 52.1% in 2021 to 62.6% in 2022, per <a href="#">The State of Southeast Asia Survey</a> .
Potential Trump Impact	Risk of strained relations due to unpredictable policies, affecting ASEAN unity.

# LATEST MALAYSIA

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# Historical Challenges: The South China Sea Conflict

ASEAN's unity has historically been tested by the South China Sea conflict, where China's assertiveness and differing member interests have hindered consensus. Efforts to negotiate a COC with China, ongoing since 2002, have seen slow progress, as noted in [Unity, Diversity, and the ASEAN Identity - The ASEAN Magazine]. Countries like the Philippines and Vietnam, with territorial disputes, are particularly concerned, while Malaysia's role as a claimant state and coordinator for China relations, as per the Diplomat article, adds complexity. The US pivot to Asia, intended to counter China, has not fully succeeded, as detailed in [Rebuilding strategic autonomy: ASEAN's response to US-China strategic competition], leaving ASEAN to balance diplomacy and strategic autonomy.

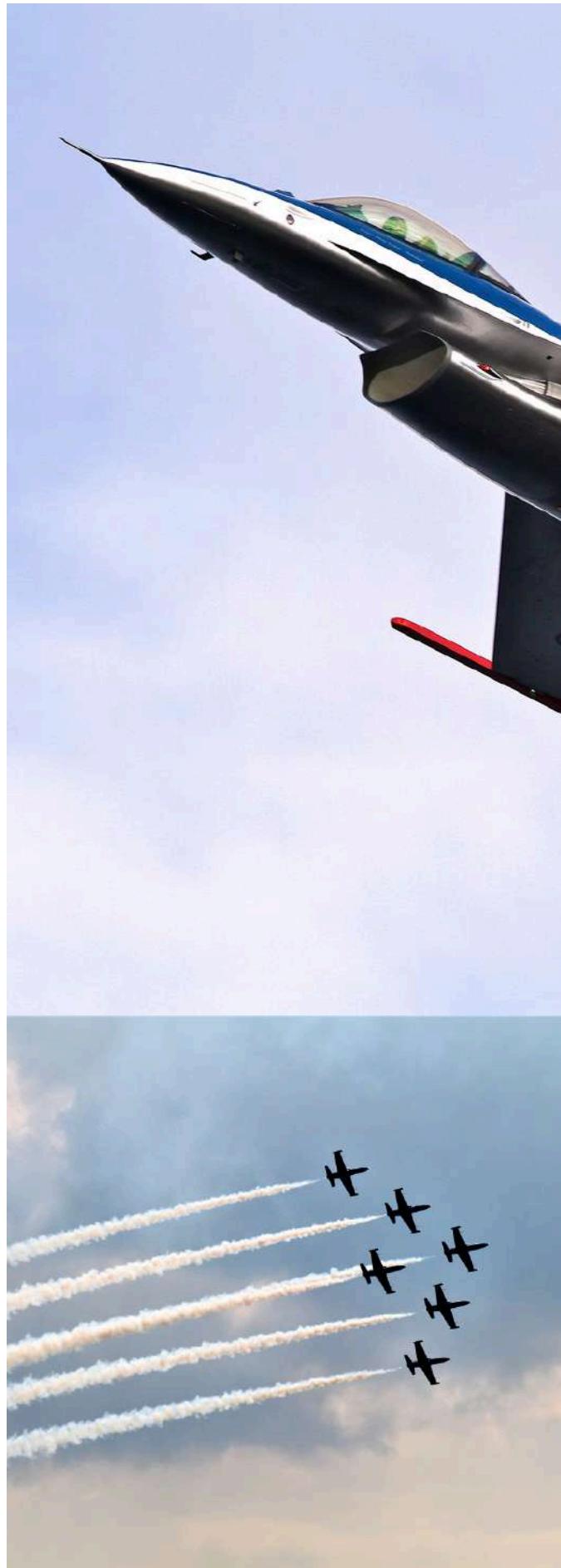


# The Belt and Road Initiative and US Pivot: Adding Complexity

China's BRI has deepened economic ties with many ASEAN countries, sometimes at the expense of US relations, as seen in Malaysia's alignment with Beijing, per [Why 2025 Is a Make or Break Year for ASEAN Unity - The Diplomat].

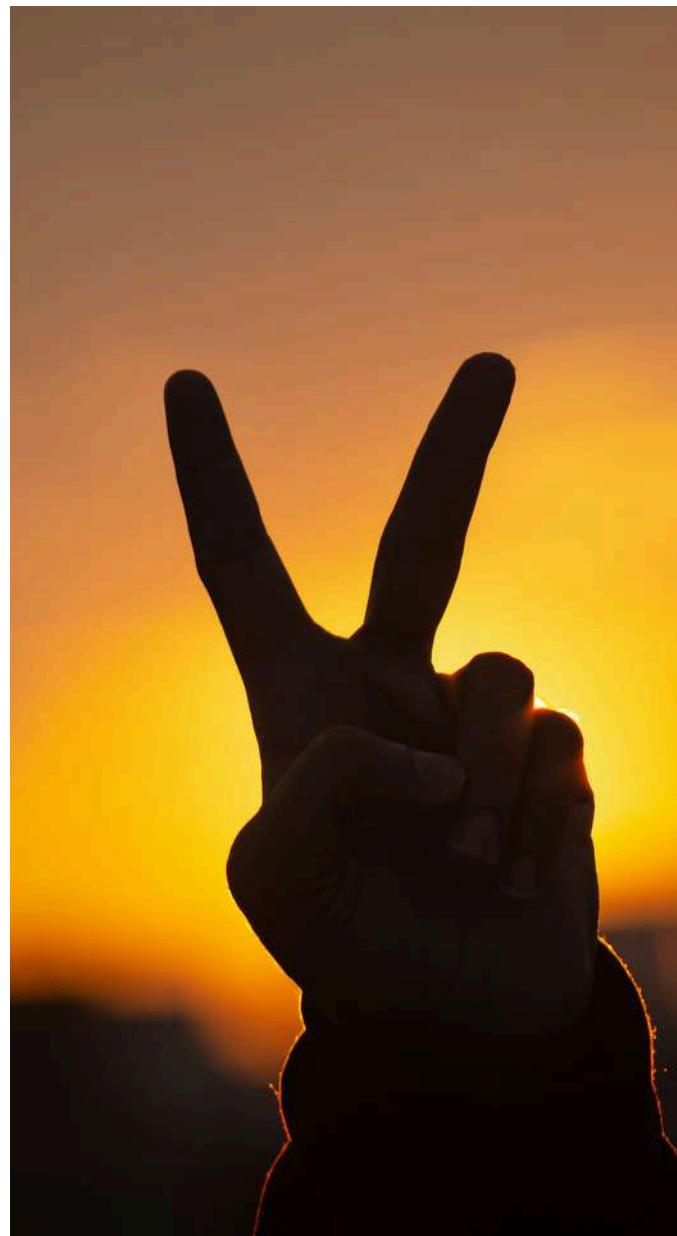
This has added to ASEAN's balancing act, with the US pivot to Asia, initiated under Obama and continued under Trump, proving futile in containing China's influence, as noted in the user's original text and supported by [The United States-ASEAN Relationship - U.S. Mission to ASEAN].

ASEAN's preference for US deterrence over direct intervention, as per [Rebuilding strategic autonomy: ASEAN's response to US-China strategic competition] reflects its efforts to maintain neutrality.



# End Remarks

In 2025, ASEAN's unity is at a crossroads, with Malaysia's leadership playing a pivotal role in navigating US-China rivalry, the "fear of Trump's wrath," and historical challenges like the South China Sea. The BRI and US pivot add layers of complexity, requiring careful diplomacy to preserve cohesion and centrality. This analysis underscores the delicate balance ASEAN must strike to address both internal and external pressures.



**Want to know how free trade reshaped Victorian Britain? Don't miss our article on the era's boldest trade deals**

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# Will Malaysia's SMEs Survive By Luck or By Leadership? A Call for Stimulus Innovation

Small and medium-sized enterprises (SMEs) in Malaysia today stand at a precipice. The struggles that began during the COVID-19 pandemic are far from over, compounded by high inflation, sluggish economic growth, and rising tariffs that continue to squeeze profit margins and deplete operational resilience. Yet, as these challenges escalate, there remains an almost deafening silence from Pakatan Harapan (PH)—the coalition government that Malaysians voted in for reform and change. Calls for SME-focused stimulus packages have grown louder, but meaningful action has yet to materialise.

In global comparisons, Malaysia's neglect of SMEs is both puzzling and worrying. SMEs are not just a small segment of the economy; they represent nearly 97.4% of all business establishments in the country, employ 7.3 million people, and contribute 37.4% to GDP and 11.7% to total exports (SME Corp Malaysia, 2022).



By Dr Ahmad Zaharuddin Sani



# A Call for Stimulus Innovation

These businesses are the beating heart of the nation's economy, yet they appear to have been left to fend for themselves in the harsh realities of post-pandemic survival. The question now is this: can Malaysia's SMEs survive through luck and grit alone, or will the government finally realise the urgency of decisive stimulus intervention?

## The Struggles of SMEs in Malaysia

The COVID-19 pandemic devastated SMEs globally, but its effects were even more pronounced in Malaysia. Businesses were forced to close temporarily—sometimes permanently—during lockdowns. Staff layoffs, debt accumulation, and evaporating consumer demand became the norm. Recovery programmes announced during the pandemic, such as the Wage Subsidy Programme and Special Relief Fund (SRF) loans, offered temporary lifelines but failed to address structural vulnerabilities within the SME sector.



# A Call for Stimulus Innovation

Fast forward to 2023-2025, and SMEs in Malaysia continue to face compounding crises. Inflation rates surged to as high as 4.0% in 2022 before moderating, but the damage was done: rising costs for imported goods and raw materials have crippled industries reliant on global trade. The decision to raise tariffs on select imports has further placed pressure on SMEs operating in manufacturing, retail, and other trade-heavy sectors. The post-pandemic labour landscape is equally dire—many now struggle to replace skilled workers lost during layoffs, unable to compete with wages offered by larger corporations.

## Lessons from other countries

These vulnerabilities have left SMEs chasing down shrinking margins. Without internal resources to absorb these economic shocks, thousands of businesses are operating in survival mode. Yet, survival shouldn't be the benchmark for an economy aiming for robust growth.



**PKR MP Lee Chean Chung urges Putrajaya to announce an economic stimulus package amid global economic volatility to help local SMEs**



# A Call for Stimulus Innovation

Malaysia's SME policies appear woefully uncoordinated in comparison to stimulus programmes rolled out in other countries.

Take Singapore, for example. Recognising the strategic importance of SMEs, the Singaporean government rapidly introduced wage subsidies, rent relief, and tax deferrals during the pandemic, covering up to 75% of wages for employees (COVID-19 Resilience Budget, 2020). As part of its long-term recovery plan, the government set aside S\$500 million for an SME Digital Transformation Fund, enabling businesses to modernise their processes and remain competitive in the digital economy.

South Korea, another comparable example, used its "K-SME Recovery Package" to combine direct grants with low-interest loans, while simultaneously funding industry-specific advisory services. Businesses in manufacturing, tech, and retail, which faced the greatest setbacks, were provided with market expansion subsidies and opportunities to access new trade networks.



**F&B and Hospitality SMEs face sustained cost pressures and must manage cash flow carefully, even as tourism recovery brings renewed demand**



# A Call for Stimulus Innovation

Even Indonesia, a regional peer, has shown more aggressive action to protect SMEs. The Indonesian government rolled out Rp 123 trillion (approx. USD 8.5 billion) in SME-specific stimulus measures during the pandemic, including grants, direct cash transfers, and working capital assistance. Post-pandemic programs focus on loan restructuring schemes for SMEs with long-term repayment options.

## The Struggles of SMEs in Malaysia

"Überbrückungshilfe" (bridging aid) programme provided sustained support based on demonstrated revenue losses, with simplified application processes and targeted assistance for fixed operating costs—precisely the burden most Malaysian SMEs struggle with.

Even Vietnam, with fewer resources than Malaysia, implemented a comprehensive VAT reduction programme (reducing rates from 10% to 8%) until the end of 2023, providing immediate relief without complex application processes.



**Some potential stimulus measures could include continued support for the M40 group through tax reliefs**



# A Call for Stimulus Innovation

In comparison, Malaysia's response has felt piecemeal and reactive rather than proactive. While government initiatives, such as the SME Digitalisation Matching Grant or the Penjana recovery programme during the pandemic, were important, they have largely been phased out. Today, SMEs still lack coordinated, comprehensive funding packages tailored to urgent post-pandemic challenges—or a long-term strategy for growth and stability in the face of global uncertainties.

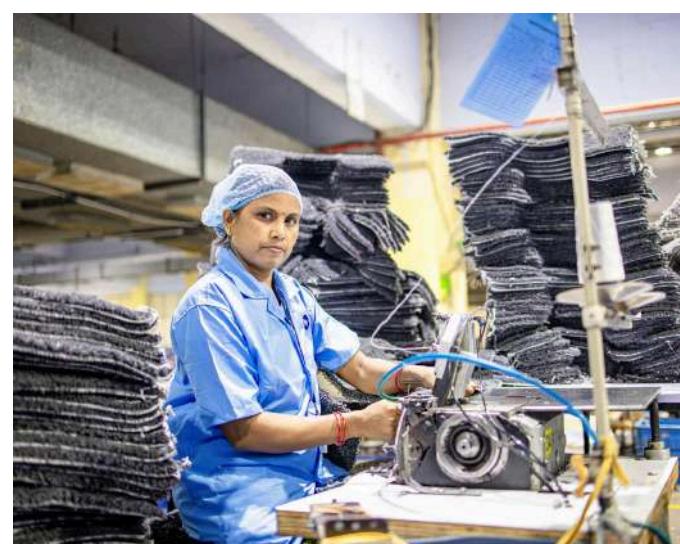
## The Need for Practical Innovation

Expecting SMEs in Malaysia to solve these issues through mere resilience or luck is both impractical and unjust. What's needed now is bold, innovative, and localised thinking on stimulus packages that don't just mirror international models but adapt practical solutions to Malaysia's unique economic infrastructure.

Here are several innovative ideas the PH government should consider:



**A government that opts for a fiscal stimulus cuts taxes or increases its spending in a bid to revive the economy**



# A Call for Stimulus Innovation

## 1. Sector-Specific Stimulus Funds

Not all SMEs are created equal. Some sectors, such as manufacturing, retail, and tourism, face higher exposure to tariffs and external trade dynamics. Instead of rolling out one-size-fits-all packages, the government should launch sector-specific funds that address industries based on their individual needs. For instance, manufacturers could receive subsidies for adopting local sourcing alternatives, while the tourism sector could receive grants for digital marketing and capacity building.

## 2. Inflation Buffer Loans

Rising costs remain one of the biggest burdens on SMEs. The government could create an inflation-resilience fund, offering zero-interest loans or small grants specifically to help SMEs manage increased overhead costs. For example, businesses could receive subsidies to absorb raw material price hikes instead of passing costs onto consumers—a measure that would stabilise both supply and demand dynamics.



**Construction shows stronger payment discipline but faces overheating risks as demand and costs rise**



# A Call for Stimulus Innovation

## 3. Public-Private Partnerships for Innovation

Malaysia's major corporations already benefit from government incentives. Why not incentivise large enterprises to partner with SMEs through joint ventures or mentorship programmes? Tech companies, for example, could collaborate with smaller businesses to accelerate digital adoption in exchange for tax benefits. Targeted public-private programmes could boost innovation while fostering inclusive business ecosystems.

## 4. Streamlining Bureaucracy

One of the greatest frustrations SMEs face when accessing government stimulus is bureaucracy. Many pandemic-era relief initiatives were marred by slow disbursement times and inaccessible eligibility criteria. Modernising loan application systems through digital-first processes and simplifying qualification requirements would make aid accessible to a wider pool of SMEs, especially ultra-small enterprises that often lack formal financial records.



**Cost inflation and operational pressure top the list of SME concerns, with global trade policy shifts and export-related risks also contributing to uncertainty**



# A Call for Stimulus Innovation

## 5. Export Expansion Initiatives

Malaysia's export-oriented industries have suffered due to slowed global demand. The government could introduce subsidies for SMEs looking to enter emerging regional markets, e.g., Africa or South America, through export grants and logistics support. By creating global trade opportunities, SMEs could find new revenue streams to offset local demand weakness.

## 6. Tax Rebates for Survival and Growth

The government should provide progressive tax rebates for SMEs that maintain or expand staff size despite current economic crunches. These rebates could directly incentivise job retention and workforce growth—turning stimulus into a win-win strategy for businesses and workers alike.



**SMEs continue to trail corporates in payment performance**



## A Crisis of Leadership or Prioritisation?

# A Call for Stimulus Innovation

One cannot avoid asking: why has Pakatan Harapan, a coalition marketed as pragmatic, reform-oriented, and attuned to the economic pulse, stayed slow on SME stimulus packages? While fiscal concerns and competing priorities—such as healthcare, education, or infrastructure—are valid, neglecting SMEs risks undermining these very pillars of development. SMEs are job creators, economic stabilisers, and community builders. Disinvestment in them is tantamount to disinvestment in Malaysia's future.

Furthermore, inaction creates enduring public distrust. To small business owners, many of whom supported PH in hopes of inclusive reforms, delays in decisive action suggest disinterest or incompetence—a dangerous narrative for any government, especially one that prides itself on reform.

The survival of SMEs isn't just an economic concern; it's a cultural and social one. SMEs represent the ambitions of ordinary Malaysians—the family-run restaurant



**Transport and logistics sector payment delays average 76 days for both large corporations (increased by five days)**



# A Call for Stimulus Innovation

that's been generationally sustained, the young entrepreneur introducing fresh innovation, or the rural farmers connecting with new markets. Their struggles are symptomatic not of personal failure but of systemic neglect.

Pakatan Harapan must answer the call. Stimulus packages for SMEs are not merely a budgetary allocation—they are an opportunity to demonstrate policymaking with insight, compassion, and vision. Luck should never dictate the survival of such vital contributors to Malaysia's economy. Inaction, hesitation, and complacency would leave the nation poorer, not just in GDP but in spirit. It's time for leadership—not luck—to determine the fate of Malaysia's small businesses.

For a coalition that champions progress, boldness must prevail. It's not just about surviving; it's about thriving. And Malaysians, especially their SMEs, deserve nothing less.



**SMEs (increased by four days), impacted by subsidy reforms, higher fuel costs, and supply chain disruptions**



# Victorian England's Agricultural Crisis and Migration Surge Amid Today's Tariff Wars



In the rolling fields of Victorian England, the 1840s marked a seismic shift that would ripple through the countryside and reshape the nation's social fabric. The repeal of the Corn Laws in 1846, a cornerstone of Britain's protectionist trade policy which slashed duties on imported grain ushering in an era of free trade championed by Prime Minister Sir Robert Peel.



## Victorian England

# The Echoes of Free Trade

This bold move aimed to lower food prices for a growing urban population and fuel industrial expansion. But for England's farmers, it was a devastating blow, triggering an agricultural depression that gutted rural economies and accelerated a mass exodus from villages to towns. As we navigate today's global tariff wars—marked by U.S. President Donald Trump's sweeping duties on imports from China, Canada, and Mexico—the parallels to this historical upheaval offer a stark reminder of how trade policies can upend lives and landscapes.



## The Corn Laws and the Rural Collapse

The Corn Laws, enacted in 1815, were tariffs designed to protect British landowners and farmers by keeping domestic grain prices high against cheaper foreign imports. They shielded an agricultural sector that employed nearly a third of England's workforce and sustained rural communities.



## Victorian England

# The Echoes of Free Trade

But by the 1840s, industrialists and urban workers, squeezed by high food costs, clamored for reform. The Anti-Corn Law League, backed by manufacturers, argued that free trade would slash bread prices and boost Britain's global competitiveness. Peel, swayed by economic liberalism and the Irish potato famine's looming threat, pushed through repeal in 1846, dismantling tariffs despite fierce opposition from his own Conservative Party.

The impact on English farms was swift and brutal. Cheap grain from North America and the Black Sea flooded markets, driving down prices. Between 1871 and 1895, wheat prices plummeted by over 30%, wool and livestock followed. Arable farmers in southern and eastern England faced ruin as crops became unprofitable. Land values crashed, and tenant farmers were evicted. The Great Agricultural Depression hit hardest in the 1870s and 1880s, with farm incomes collapsing and rural poverty soaring. "The landed elite's wealth and power were demolished," notes historian Will Tanner, on the era's upheaval.



## Victorian England

# The Echoes of Free Trade

Smaller farms, lacking capital to diversify or mechanize, were particularly vulnerable. Many shifted from arable to livestock farming, but even this couldn't stem the tide. The structural realignment was merciless: thousands of farms folded, and rural laborers, once the backbone of village life, found themselves jobless. The state offered little relief, adhering to laissez-faire principles, leaving farmers to face market forces alone.



### The Rural Exodus to Urban Sprawl

The agricultural crisis didn't just bankrupt farmers—it reshaped England's demographic map. As rural livelihoods vanished, migration to towns surged. Between 1841 and 1891, England's urban population doubled, while rural areas shrank. Cities like Manchester, Birmingham, and London swelled with former farmworkers seeking factory jobs during the Industrial Revolution. The 1851 census showed that, for the first time, more Britons lived in urban than rural areas—a tipping point driven by trade policy's fallout. End of Part 1.

**This is not the end.  
Part 2 will appear  
in our next edition**

# The South China Sea dispute

The South China Sea (SCS) has become one of the world's most volatile geopolitical flashpoints, where the rise of China collides with a U.S.-led effort to uphold international maritime law. At the heart of the conflict lies a tangled web of territorial claims, resource competition, and power projection—underscored by China's assertion of "historic rights" over vast swathes of the sea, marked by its controversial nine-dash line. While China ratified the United Nations Convention on



**This article explores the tensions, legal debates, and strategic stakes shaping the future of the SCS.**

## The western efforts to contain China's rise

the Law of the Sea (UNCLOS) in 1996, its rejection of key legal rulings and increasing militarization of disputed features have drawn sharp rebukes from Southeast Asian nations and Western allies. As the U.S., Japan, Australia, and others respond with military exercises, diplomatic statements, and legal advocacy, the question looms: are these moves a necessary defense of international order or a containment strategy against a rising power?



## Geopolitics

# China, UNCLOS, and Historical Context

The South China Sea (SCS) conflict and China's assertive stance on international frameworks like the United Nations Convention on the Law of the Sea (UNCLOS) reflect a complex interplay of historical grievances, economic ambitions, and geopolitical rivalries. Below is an analysis of the latest developments, the SCS dispute, and the broader context of Western efforts—led by the United States and allies like Japan—to manage China's rise, alongside the question of revisiting UNCLOS.

### Background: China, UNCLOS, and Historical Context

UNCLOS, adopted in 1982, establishes rules for maritime boundaries, exclusive economic zones (EEZs), and continental shelves. China actively participated in its negotiations and ratified it in 1996. However, China challenges interpretations of UNCLOS that contradict its "historic rights" claims in the SCS, particularly the ambiguous "nine-dash line" which overlaps with claims from Vietnam, the Philippines, Malaysia, Brunei, and Taiwan.



**UNCLOS, adopted in 1982, establishes rules for maritime boundaries, exclusive economic zones (EEZs)**



# China, UNCLOS, and Historical Context

China views the post-WWII order, including UNCLOS, as Western-imposed during a time of national weakness. Now an economic and military power—with around 18% of global GDP in 2024 and the world's largest navy by ship count—China seeks to reshape global rules to reflect its influence, creating tension with the U.S.-led alliance system that views these efforts as revisionist.

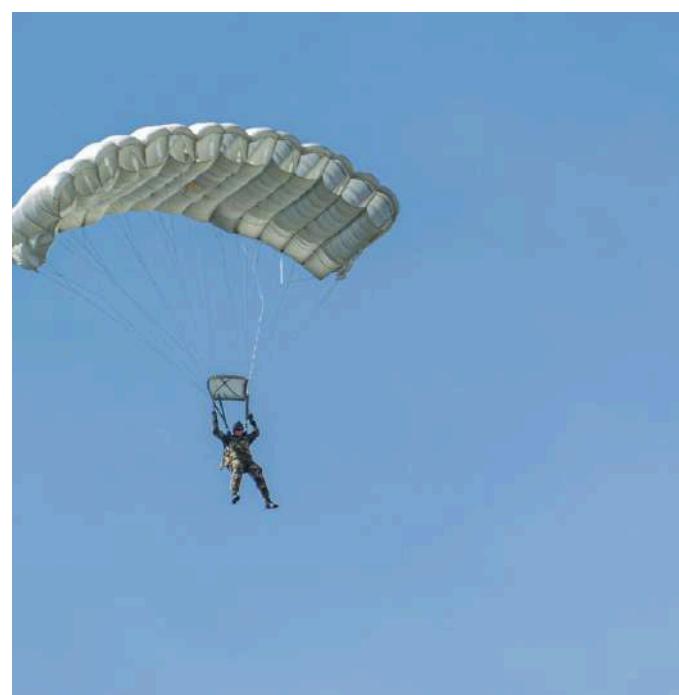
## Latest Developments in the South China Sea

### 1. Tensions and Incidents (2024-2025):

- Philippines-China Clashes: Several confrontations have occurred, notably near Second Thomas Shoal and Sabina Shoal. A 2024 incident involving a Chinese coast guard ramming a Philippine boat intensified disputes. The Philippines cites the 2016 Permanent Court of Arbitration (PCA) ruling under UNCLOS to assert its EEZ, which China rejects.
- Vietnam and Malaysia: Both have protested Chinese incursions, such as a 2024 incident near Vietnam's Vanguard Bank. Malaysia reported harassment near Luconia Shoals.



**Philippines-China Clashes:**  
**Several confrontations**  
**have occurred, notably**  
**near Second Thomas Shoal**



## Geopolitics

# Latest Developments

- China's Maritime Presence: Beijing continues using coast guard and state-backed fishing fleets to assert control through "gray zone" tactics, avoiding direct military confrontation.

### 2. Military Buildup:

- China has militarized artificial islands in the Spratly and Paracel archipelagos, equipping them with runways and missile systems. Although construction slowed post-2018, patrols persist.
- In response, the U.S., Philippines, Japan, and Australia expanded joint drills like "Kamandag" and "Sama Sama" in 2024 to assert freedom of navigation (FON).

### 3. Diplomatic Developments:

- ASEAN-China negotiations on a Code of Conduct (CoC) continue, with modest progress in a 2024 draft, though binding commitments remain elusive.
- The Philippines has garnered support from allies, including a joint 2024



**The U.S., Philippines, Japan, and Australia expanded joint drills "Kamandag" and "Sama Sama" in 2024**



## Geopolitics

# Western Efforts To Contain China

While the U.S. and allies emphasize maintaining a "rules-based international order," China sees these moves as a containment strategy. Key components include:

### 1. Military Presence and Alliances:

- U.S. Strategy: The U.S. conducts regular FON operations. Its 2024 National Defense Strategy names China the primary challenge, highlighting deterrence through alliances.
- Japan's Role: Though not a claimant, Japan supports Vietnam and the Philippines via security aid and in July 2024 signed a Reciprocal Access Agreement (RAA) with the Philippines for joint exercises.
- AUKUS and Quad: These groupings (AUKUS: U.S., UK, Australia; Quad: U.S., Japan, India, Australia) coordinate Indo-Pacific strategies, although they are not SCS-specific.

### 2. Economic and Diplomatic Tools:

- The U.S. imposed sanctions on Chinese firms linked to SCS militarization and promoted



**The U.S. and allies emphasize maintaining a "rules-based international order,"**



## Geopolitics

# Western Efforts to "Contain" China

alternatives to China's Belt and Road Initiative, such as Japan's "Quality Infrastructure Investment."

- Multiple countries, including Australia and EU members, filed UN statements in 2024 rejecting China's nine-dash line.

### Limitations:

- Southeast Asian states remain cautious of full alignment with the U.S. due to economic ties with China. For example, China is the Philippines' top trading partner.
- The U.S. has not ratified UNCLOS, weakening its moral authority, though it observes it as customary international law.



**Southeast Asian states remain cautious of full alignment with the U.S. due to economic ties with China**



# The Question of Revisiting UNCLOS

The proposal to amend UNCLOS is controversial.

### 1. China's Perspective:

- Beijing argues UNCLOS overlooks "historic rights" based on pre-treaty activities. It favors bilateral talks and sees multilateral arbitration as biased.

### 2. Barriers to Revision:

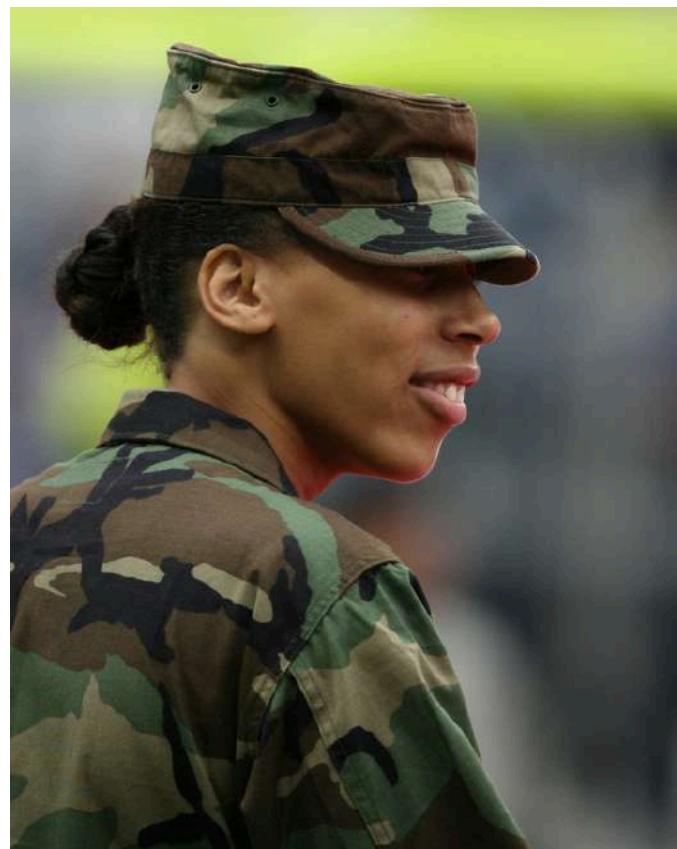
- Reopening UNCLOS could unravel decades of legal consensus and prompt other nations (e.g., Russia, Turkey) to demand changes.
- The treaty already allows for certain exemptions. China declared such in 2006 regarding sovereignty disputes.

### 3. Western and Regional Resistance:

- The U.S. and its allies consider UNCLOS a pillar of global maritime law. They fear revisions would erode legal norms.
- Japan, heavily reliant on open sea lanes, strongly opposes legitimizing China's expansive claims.



**Beijing argues UNCLOS overlooks "historic rights" based on pre-treaty activities**



# The Question of Revisiting UNCLOS

### 4. Alternative Solutions:

- **Minilateral Deals:** Countries could create smaller agreements on fisheries and environmental cooperation
- **Clarifying UNCLOS:** Strengthening the legal framework via precedents or new protocols is an option, though China's refusal to accept arbitration limits effectiveness.
- **Regional CoC:** A binding ASEAN-China Code of Conduct could manage disputes without altering UNCLOS, though progress remains slow.



**Strengthening the legal framework via precedents or new protocols is an option**



## Geopolitics

# Geopolitical Outlook

### 1. China's Strategic Interests:

- Economic Security: The SCS is essential to China's trade routes; 80% of oil imports pass through the Strait of Malacca.
- Regional Influence: Control of the SCS strengthens Beijing's regional clout and diminishes U.S. sway.
- Global Leadership: By challenging UNCLOS, China aims to reshape global norms in favor of the Global South.

### 2. Risk Factors:

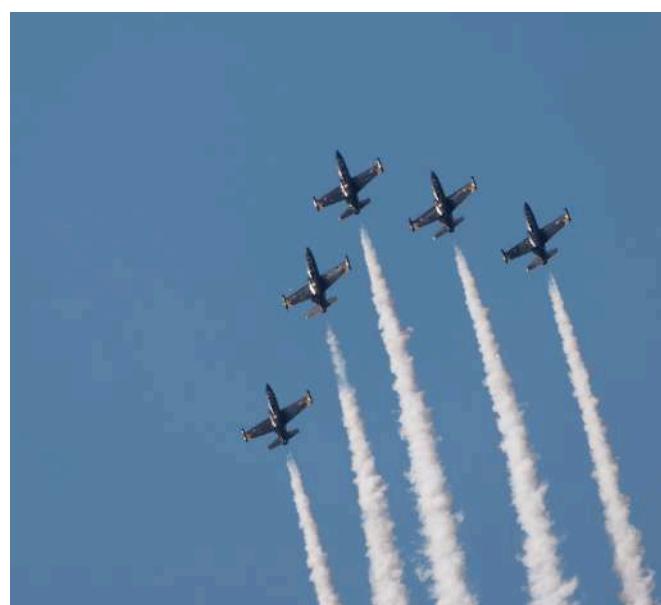
- Military Missteps: Gray zone operations increase the chance of accidental conflict, especially involving U.S. allies like the Philippines.
- Trade Disruption: Any military escalation could imperil \$3.4 trillion in annual SCS maritime trade.

### 3. Western Dilemmas:

- The U.S. risks either overcommitting to regional conflicts or appearing unreliable to allies.
- Japan and Australia must balance strategic deterrence with economic exposure to China.



**Gray zone operations increase the chance of accidental conflict**



## Geopolitics

# Critical Perspective

Labeling Western efforts as mere "containment" oversimplifies the issue. U.S.-led strategies reflect both deterrence and vested interests in regional stability. China's resistance to UNCLOS arbitration stems from its desire to reshape a system it views as skewed. Smaller claimants like the Philippines straddle a difficult path: leaning on international law to push back against Beijing while relying economically on it. Revising UNCLOS is unlikely and dangerous. Instead, solutions like resource-sharing or a binding regional CoC offer more viable paths to peace. Ultimately, the South China Sea dispute is not just legal—it's geopolitical.

### Sources

- Crisis Group, International Court of Arbitration (PCA), Center for Strategic and International Studies (CSIS)
- ICAS, CFR, ASEAN statements, and regional government reports (2024-2025)
- General geopolitical knowledge up to April 2025



**This article explores the tensions, legal debates, and strategic stakes shaping the future of the SCS.**



# China vs. U.S. Market Dependence in the Trade War

The U.S.-China trade war, escalating since 2018 and intensifying in 2025 with tariffs reaching 145% on Chinese imports and China's retaliatory 125% on U.S. goods, has spotlighted the mutual economic dependencies between the world's two largest economies. The claim that "China needs the U.S. market more than the U.S. needs the Chinese market" is a contentious one, rooted in trade dynamics, market dependencies, and strategic leverage. This analysis evaluates the validity of this claim and explores its consequences, drawing on trade data, economic analyses, and recent developments.

## Evaluating the Claim

### 1. China's Dependence on the U.S. Market



**Despite this reduction,  
the U.S. remains a  
significant destination  
for Chinese goods**



# Trade War

- Export Share: In 2018, at the onset of the trade war, U.S.-bound exports accounted for 19.8% of China's total exports. By 2023, this figure had dropped to 12.8%, reflecting China's efforts to diversify its markets. Despite this reduction, the U.S. remains a significant destination for Chinese goods, contributing approximately 3% to China's GDP through exports. Sectors like electronics, machinery, and consumer goods (e.g., smartphones, laptops) are heavily reliant on U.S. demand.
- Employment Impact: Goldman Sachs estimates that 10-20 million Chinese workers are involved in U.S.-bound export businesses. A sharp decline in U.S. market access could lead to job losses, particularly in coastal manufacturing hubs producing furniture, clothing, and appliances.
- Market Diversification: China has expanded trade with Asia, Latin America, and Europe, with exports of electric vehicles (EVs) and solar panels growing in these regions. For instance, cheap Chinese solar panels have transformed Pakistan's energy system and EV exports have boosted



**Goldman Sachs estimates that 10-20 million Chinese workers are involved in U.S.-bound export businesses.**



# Trade War

- Costa Rica's electric mobility. However, these markets often yield lower profit margins than the U.S., and China's debt-financed production capacity may struggle to sustain losses from reduced U.S. sales.
- Domestic Demand Strategy: China is accelerating its "domestic demand expansion" to offset external shocks, leveraging its massive consumer base. However, weak domestic consumption and a sluggish real estate market limit the effectiveness of this strategy in the short term.

## 2. US dependence on China

- Import Reliance: The U.S. relies heavily on China for critical goods, including electronics (e.g., smartphones and laptops), pharmaceuticals, and critical minerals like rare earths. China supplies 74% of U.S. phone imports and dominates global supply chains for lithium-ion batteries and solar panels. Replacing these imports is challenging due to cost and scale; U.S. factories are estimated to be 50 times more expensive for certain goods.



**The U.S. relies heavily on China for critical goods, including electronics (e.g., smartphones and laptops)**



# Trade War

- Consumer Impact: U.S. tariffs have led to higher prices for American consumers, with estimates suggesting an annual cost increase of nearly \$1,000 per household. The 145% tariffs on Chinese goods exacerbate this, particularly for electronics and appliances.
- Corporate Exposure: U.S. companies like Apple and Tesla are deeply integrated into Chinese manufacturing. Tariffs threaten their profit margins, and Beijing's regulatory pressures (e.g., antitrust probes) could further squeeze these firms.
- Agricultural Exports: China accounts for about half of U.S. soybean exports and 10% of poultry exports, concentrated in Republican-leaning states. Beijing's revocation of import approvals for U.S. soybean exporters in March 2025 demonstrates its leverage over U.S. agriculture.
- Capital Flows: The U.S., with its trade deficit, is vulnerable to shifts in foreign investment sentiment. China's potential to sell U.S. Treasury bonds or devalue the yuan could destabilize U.S. financial markets, though such moves risk mutual harm.



**U.S. companies like Apple and Tesla are deeply integrated into Chinese manufacturing**



# Trade War

## 3. Comparative Leverage

- China's Resilience: China's economic slowdown (driven by real estate woes and capital flight) has paradoxically made it more resilient to trade shocks. Policymakers have factored in harsh realities, and Beijing can use U.S. tariffs as a scapegoat to rally domestic support. China's control over critical minerals and its ability to reroute exports through Southeast Asia (e.g., Vietnam, Malaysia) enhance its leverage.
- U.S. Vulnerabilities: The U.S. economy is projected to slow sharply in 2025, with growth estimates between 0%-0.5% and a potential technical recession. The Federal Reserve faces constraints due to sticky inflation, limiting monetary policy responses. Market turbulence, with \$19 trillion wiped off global equities since February 2025, underscores U.S. vulnerability to trade disruptions.
- Asymmetric Dependencies: While China needs the U.S. market for high-value exports, the U.S. relies on China for daily essentials and strategic goods. Posts on X highlight this asymmetry, noting that China's imports from the U.S. (e.g., energy, agriculture) are easier to replace than U.S. imports from China (e.g., high-tech goods).



**The U.S. economy is projected to slow sharply in 2025, with growth**



# Trade War

## Verdict:

The claim that China needs the U.S. market more than the U.S. needs the Chinese market is \*partially true but oversimplifies the dynamics. China's export-driven economy is significantly exposed to U.S. demand, but its diversification efforts and domestic strategies mitigate this dependency. Conversely, the U.S. is critically dependent on Chinese supply chains for essentials, and replacing these would be cost-prohibitive in the short term. Both economies are interdependent, but China's strategic leverage—through supply chain control, retaliatory tariffs, and resilience to shocks—suggests it may have an edge in a prolonged trade war.

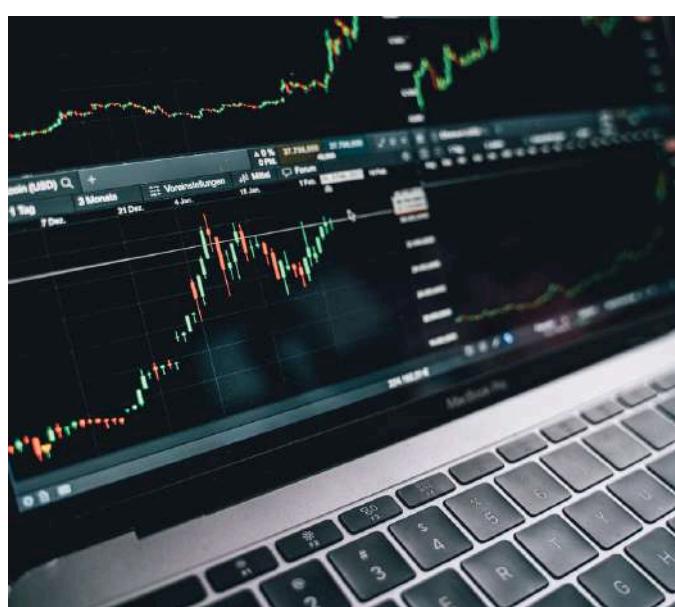
## Consequences of Market Dependency

### China:

**Export Losses:** A 2019 UNCTAD study estimated a \$35 billion loss in Chinese exports to the U.S. due to earlier tariffs, with sectors like office machinery and communication equipment hit hardest. The 2025 tariffs could amplify this, with a projected 1.1% employment drop and 1% GDP loss in a worst-case scenario.



**China's export-driven economy is significantly exposed to U.S. demand**



# Trade War

**Diversification Gains:** Countries like Vietnam, Thailand, and Brazil have benefited from trade diversion, with Vietnam's share of U.S. phone imports rising from under 10% to 22%. China's rerouting of goods through Southeast Asia sustains some export revenue but at lower margins.

**Domestic Strain:** Reduced U.S. market access could exacerbate China's economic slowdown, particularly if domestic consumption fails to offset export declines. This risks missing climate goals if stimulus prioritizes industry over green tech.

**US:**

**Higher Costs:** Tariffs have raised consumer prices, with Apple's share price falling 20% due to cost pressures. A 2025 estimate suggests a \$1,000 annual cost increase per U.S. household.

**Agricultural Losses:** China's shift to Brazilian soybeans cost U.S. farmers \$27 billion in export sales during Trump's first term. Renewed restrictions in 2025 threaten further losses in Republican strongholds.



**Reduced U.S. market access could exacerbate China's economic slowdown**



# Trade War

Market Instability: The Dow Jones fell 724 points after 2018 tariff announcements, and \$19 trillion was wiped off global equities in 2025. Investor uncertainty could reduce foreign investment, raising U.S. debt costs.



## Global Spillovers

- Trade Diversion: Bystander countries like Vietnam, Mexico, and Brazil have seen export growth, with global trade rising 3% due to the trade war. However, risks of Chinese “dumping” (e.g., steel) threaten jobs in countries like the UK.
- Supply Chain Realignment: U.S. tariffs may shift battery supply chains to allies like South Korea and Japan, enhancing national security but disrupting global markets. Europe benefits from cheaper Chinese goods diverted from the U.S.
- Recession Risks: Economists warn of a U.S. recession, with the Federal Reserve Bank of Atlanta projecting a 2.8% GDP contraction in Q1 2025. Global growth is dampened, though Asia-Pacific economies may mitigate impacts through monetary easing.

**U.S. tariffs may shift battery supply chains to allies like South Korea and Japan**



# Trade War

## Strategic and Geopolitical Consequences

- China's Leverage: Beijing's control over rare earths and regulatory pressure on U.S. firms (e.g., Apple, Tesla) strengthens its position. Export controls on critical minerals could disrupt U.S. industries, though this risks deterring foreign investment in China.
- U.S. Isolation Risk: China's defiance, contrasted with other countries' negotiations, isolates the U.S. in global trade. Xi Jinping's vow to "fight to the end" signals a long-term standoff, potentially escalating tensions over Taiwan or technology.
- Decoupling Challenges: Full decoupling is deemed "likely impossible" due to integrated supply chains. A "monumental split" risks \$19 trillion in global market losses and could inflame U.S.-China rivalry beyond trade.



**'Full decoupling is deemed "likely impossible"'**



**Continued.....**

# Trade War

## Feature: Key Dynamics and Scenarios

### China Playbook

- Short-Term: Retaliatory tariffs (125% on U.S. goods), export controls on rare earths, and regulatory pressure on U.S. firms. Beijing may devalue the yuan to boost exports, though this risks inflation.
- Long-Term: Accelerate domestic demand and trade with Asia, Latin America, and Europe. Investments in Southeast Asian manufacturing (e.g., Vietnam) sustain export channels, but debt servicing remains a challenge.
- Risk: Overreliance on subsidies and state support could lead to overcapacity, triggering a “China shock 2.0” that disrupts global markets.



**Accelerate domestic demand and trade with Asia**

### US Playbook

- Short-Term: Maintain high tariffs (145%) to pressure China, subsidize farmers (\$30 billion in 2018-2020), and encourage reshoring. Exemptions for tech firms may soften corporate backlash.



# Trade War

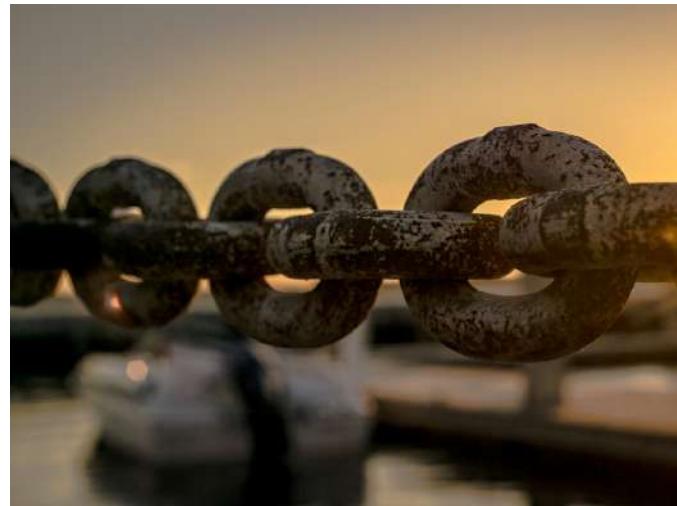
## Feature: Key Dynamics and Scenarios

### US Playbook

- Long-Term: Friendshore supply chains to South Korea, Japan, and Canada, particularly for batteries and semiconductors. Invest in domestic production, though high costs pose barriers.
- Risk: Persistent inflation and recessionary pressures could erode public support, especially if consumer costs rise further. Political polarization may intensify in affected regions.

### Potential Scenarios

- Prolonged Standoff: Both sides maintain high tariffs, leading to a 1-2% GDP loss for each. Global trade realigns, with bystander countries gaining but facing risks from Chinese dumping. U.S. consumers and Chinese exporters bear the brunt.
- Partial De-escalation: Negotiations yield tariff reductions, preserving some trade ties. China diversifies further, and the U.S. accelerates friendshoring, stabilizing markets but not reversing decoupling trends.



**Higher tariffs are paid by importers, often passed to consumers via increased prices, impacting businesses and households**



# Trade War

## Potential Scenarios

- Full Decoupling: A collapse of trade ties wipes out \$19 trillion in global markets, triggers a U.S. recession, and slows China's growth. Geopolitical tensions escalate, with ripple effects on Taiwan and tech competition.

## Conclusion

The notion that China needs the U.S. market more than the U.S. needs the Chinese market holds some truth due to China's export-driven economy and the U.S.'s consumer market size. However, this overlooks the U.S.'s critical reliance on Chinese goods and supply chains, which are harder to replace in the short term. China's strategic tools—diversification, domestic demand, and control over critical inputs—give it escalation dominance, as argued in *Foreign Affairs*. Consequences include higher U.S. consumer prices, Chinese export losses, global trade realignment, and recession risks. While both economies suffer,



**Imports bring goods into a country; exports send goods abroad, driving trade, economic growth, and global market connections**



# Trade War

## Conclusion - The End

China's resilience and leverage suggest it may withstand a war of attrition better, though not without costs. The trade war's trajectory—whether toward de-escalation or decoupling—will shape global economic stability and U.S.-China relations for years to come.

Recommendation: Monitor China's export controls and U.S. tariff exemptions, as these will signal the next phase. Stakeholders should prepare for supply chain disruptions and explore opportunities in bypasser countries like Vietnam and Brazil.



**Trade wars are tough to win; tariffs raise costs, disrupt supply chains, but may protect jobs and leverage negotiations**



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**LATEST MALAYSIA**

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## News in Brief

# Tesla Launches First Superchargers in Singapore

Tesla has launched its first V4 Superchargers in Singapore at One Holland Village, expanding its network to 12 stations with 37 stalls. The V4 Superchargers offer up to 250 kW of power, enabling a Model 3 Long Range to gain 282 km of range in 15 minutes, with fees starting at \$0.51 per kWh. Tesla plans to add more stalls and four new stations in Singapore's South, East, and West regions in 2025. The "Plug and Charge" system streamlines the experience via the Tesla App, and new vehicle updates allow drivers to set target battery levels and plan routes with Supercharger stops. Regionally, Tesla operates 26 Supercharging sites with 96 stalls and 24 Destination Charging sites with 97 stalls across Singapore and Malaysia.

- "Tesla aims to deliver a seamless charging experience through a comprehensive network and advanced technology," the company stated.

**Tesla is an American electric vehicle and clean energy company, producing cars, batteries, and solar products, led by Elon Musk**



# US identifies Malaysia's Halal Import restrictions as a trade barrier

The United States has identified Malaysia's halal import restrictions and bumiputera equity requirements as significant trade barriers, contributing to a 24 percent reciprocal tariff on Malaysian exports, according to the 2025 National Trade Estimate Report by the Office of the US Trade Representative (USTR). Malaysia's stringent halal requirements, which mandate dedicated halal-only facilities for slaughterhouses, storage, and transportation, exceed international norms and increase costs for US exporters. Unlike other countries that permit shared facilities with Islamic cleaning procedures, Malaysia requires US meat and poultry plants to be inspected and certified by Malaysia's Department of Islamic Development (Jakim) and an accredited Foreign Halal Certification Body. Additionally, the registration process with the Department of Veterinary Services (DVS) is described as overly burdensome, involving extensive documentation, lengthy reviews, and plant-by-plant inspections. Updates to registrations can take weeks to months,

**Malaysia's JAKIM Halal certification ensures Shariah compliance, boosting market trust and global trade for food, cosmetics, and more**



# On trade barriers

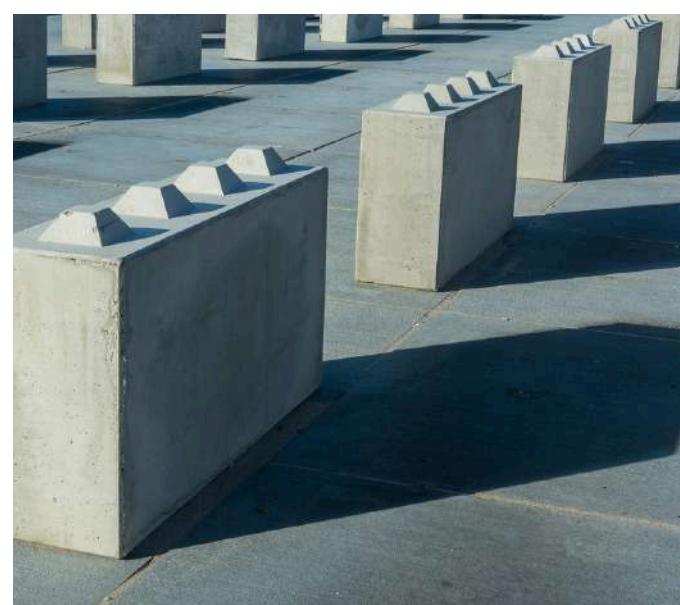
and minor discrepancies may lead to shipment detentions. The USTR considers these regulations unnecessary, given the US's established history of supplying safe animal products to Malaysia.

### Quotes:

- "All US meat and poultry plants must be inspected and approved by Malaysia's Department of Islamic Development (Jakim), and certified by an accredited Foreign Halal Certification Body, before they can export to Malaysia."
- "This (registration) process requires submission of an application with extensive supporting documentation for DVS review, which can take several months."
- "Following the application review, meat and poultry products are subject to plant-by-plant on-site inspection by DVS and Jakim."
- "For all products subject to registration, DVS requires additional documentation to make any adjustment to registration parameters (eg, introduction of a new product in an approved plant and clerical changes to plant numbers or addresses)."



**Trade barriers, like Trump's tariffs, disrupt supply chains, raise costs, and risk shortages, but aim to protect local industries and jobs**



# Trump's Trade War Gambit Is Losing Its Edge

Donald Trump's trade strategy banks on a simple premise: the U.S. market's 300 million consumers are so vital that foreign producers will bend to secure access, slashing prices to keep America's economic engine humming. Renegotiate trade deals, wield tariffs as a cudgel, and watch the world fall in line. It's a bold vision, rooted in the belief that America's market scale guarantees dominance. But this approach is faltering, misreading a profound global shift that's eroding U.S. leverage.

The world's economic center has moved. Emerging markets—China, India, Southeast Asia—are now the prize. With swelling populations and rising wealth, these regions boast consumers willing to pay premium prices for high-margin goods. Manufacturers, once desperate to flood the U.S. with cheap products, now chase richer profits elsewhere. Why prioritize low-cost exports to America when Asia's middle class offers better margins? The U.S. market, once a global linchpin, is no longer the only game in town.



**Trump's tariffs may cause empty shelves in the USA, with reduced Chinese imports threatening shortages of toys, apparel, and electronics**



# Trade War Gambit

Trump's plan assumes producers will tremble at the threat of losing American consumers. But the data tells a different story: China's retail market is projected to surpass \$8 trillion by 2027, dwarfing U.S. growth. India's consumer spending is surging at 7% annually. Southeast Asia's digital economy is booming. These markets aren't just alternatives—they're superior profit centers.

This miscalculation undermines Trump's trade war. Tariffs may disrupt, but they won't force concessions when producers can pivot to more lucrative regions. The U.S. risks isolating itself, raising costs for its own consumers while global supply chains realign. To win, America must rethink its leverage, investing in innovation and competitiveness rather than banking on a fading market advantage. The world's producers aren't trembling—they're chasing the future elsewhere.



**Trump's trade war escalates with tariffs on China, Canada, Mexico, aiming to curb deficits, protect jobs, and counter fentanyl smuggling**



## Workplace

# The Five Top AI-Powered Tools For The Workplace

Here are five AI-powered tools that employees can use online to enhance work efficiency and productivity in 2025, based on their ability to streamline tasks, automate processes, and improve workflows.:

**ChatGPT** - A versatile AI chatbot by OpenAI that assists with tasks like drafting emails, brainstorming ideas, coding, and research. Its natural language processing capabilities make it ideal for quick answers and creative inspiration, integrating seamlessly into workflows to save time.

**Notion AI** - An AI-powered assistant within Notion that automates routine tasks like note organization, task management, and content generation. It enhances workflow efficiency by summarizing documents, generating action items, and streamlining project management.

**Motion** - An AI-driven project management tool that auto-schedules tasks based on priorities, deadlines, and team availability.



**AI revolutionizes industries, enhances efficiency, and transforms lives, but ethical concerns and job displacement demand careful navigation for a balanced future**



## Workplace

# The Popular Grammarly

It integrates with calendars to optimize time management, reducing manual planning and boosting team productivity.

**Grammarly** - An AI writing assistant that enhances written communication by correcting grammar, suggesting style improvements, and ensuring tone consistency. It's particularly useful for professionals crafting emails, reports, or HR documents, saving time on editing.

**Zapier** - An AI-powered automation tool that connects apps to automate repetitive tasks, such as logging data or creating to-do lists. It streamlines workflows across platforms like Trello, Salesforce, and email, freeing employees for strategic work.

These tools are accessible online, with free or affordable plans, and cater to various workplace needs, from communication to project management, making them excellent choices for improving efficiency



**AI aids journalists with data analysis and automation, but human creativity, ethics, and storytelling remain irreplaceable for impactful reporting**



## New Trending Products

# These 7 Must-Have Products Are Taking the World by Storm in 2025!

Discover the hottest products dominating global e-commerce in 2025! These seven must-haves are reshaping consumer trends, from snail mucin serums to smart home gadgets and eco-friendly yoga mats. Fueled by social media and innovation, they're selling fast across continents, blending wellness, tech, and sustainability for savvy shoppers worldwide.

## The Beauty Versus The Beast



**Skincare Products (e.g., Snail Mucin Serum, Pimple Patches)**  
– Skincare continues to dominate globally, with snail mucin serum seeing a 340% popularity surge and pimple patches up 42%. These products appeal to diverse audiences in North America, Asia, and Europe due to their effectiveness and social media traction, particularly on TikTok. South Korean skincare, in particular, has a 300% search volume increase since 2022, with a global market projected to hit \$190 billion in 2025.

## New Trending Products

# Must-Have Products in 2025!

### For Your Smart Home

Smart Home Devices (e.g., Smart Thermostats, Smart Lights) – The global smart home market is expected to reach \$251.16 billion in 2025 with an 18.3% growth rate. Devices like smart thermostats and voice-controlled assistants are top sellers in North America, Europe, and Asia, driven by convenience and energy efficiency. Demand is strong among tech-savvy consumers seeking to automate home environments.

### The Eco-conscious Person

Eco-Friendly Products (e.g., Sustainable Yoga Mats, Reusable Water Bottles) – Eco-conscious products like biodegradable goods and stainless steel water bottles are trending across Europe, North America, and Australia, fueled by environmental awareness. Google Trends shows a 2,600% increase in searches for “beef tallow for skin” in New Zealand and North America, reflecting a broader sustainability trend. These items appeal to consumers prioritizing health and eco-friendly lifestyles.

## New Trending Products

# Must-Have Products in 2025!

### Leggings and more

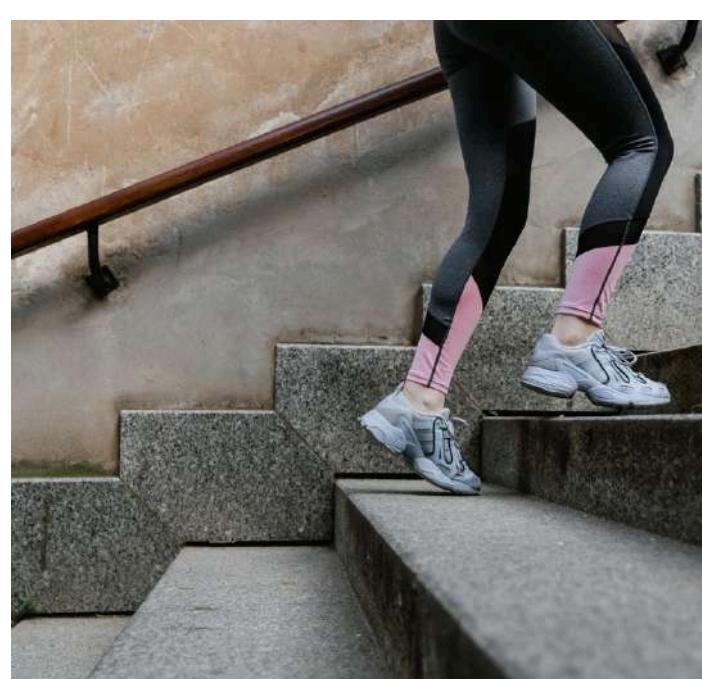
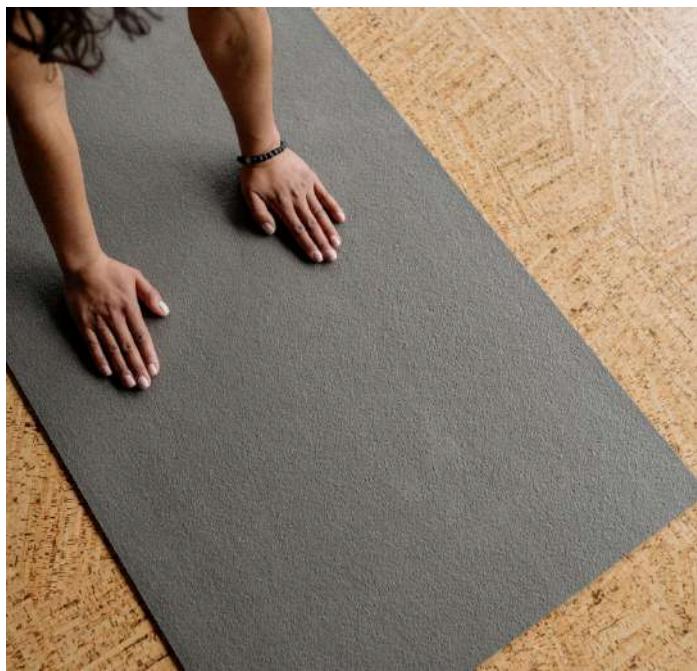
Athleisure Wear (e.g., Leggings, Seamless Sets) – Activewear, particularly leggings and seamless athleisure sets, is booming in North America, Europe, and Asia, with specific styles like “flare” and “butt-lifting” leggings seeing increased searches. The global fashion industry, valued at \$1.53 trillion, drives this trend, with social media platforms like Instagram amplifying demand through influencer marketing.

### Jewellery

Personalized Jewelry (e.g., Engraved Pendants, Initial Bracelets) – Jewelry, especially customizable pieces, is a high-demand category globally, with a market valued at \$353.26 billion in 2023 and growing. Popular in North America, Europe, and Asia, personalized items like single-letter necklaces resonate with consumers seeking meaningful gifts, boosted by influencer-driven trends on social media.

New Trending Products

# Must-Have Products in 2025!



## New Trending Products

# Must-Have Products in 2025!

### Healthy lifestyle

Health and Wellness Supplements (e.g., Ashwagandha, Magnesium Sprays) – The global health and wellness market is projected to reach \$7.4 trillion by 2030. Products like ashwagandha gummies and magnesium sprays are trending in North America, Asia, and Europe due to rising focus on mental and physical health. Google Trends shows significant search growth for ashwagandha since mid-2022, with strong sales during holiday periods.

### For the Techies

Tech Accessories (e.g., Wireless Chargers, Phone Cases) – With mobile device ownership expected to hit 18.22 billion by 2025, tech accessories like wireless chargers and personalized phone cases are top sellers globally, particularly in North America, Asia, and Europe. The phone accessories market is valued at \$88.07 billion, with a 6.8% annual growth rate, driven by new device releases and demand for stylish, functional add-ons.

# Economic Performance By States

In 2023, Johor, Malaysia's third-largest economic contributor, achieved a value added of RM148.2 billion (2022: RM142.4 billion), marking a 4.1 per cent increase as compared to 8.5 per cent growth the previous year (Exhibit 2). The Services sector expanded by 5.4 per cent (2022: 11.0%), driven by growth in Wholesale & retail trade, accommodation, food & beverages, as well as Utilities, transport and ICT subsectors.

The Manufacturing sector expanded by 2.8 per cent, supported by increases in Electrical, electronic & optical products as well as Petroleum, chemical, rubber & plastic products, particularly chemical products.

The Construction sector continued to strengthen by recording a growth of 13.2 per cent (2022: 15.9%), due to double-digit growth in the Civil engineering and Specialised construction activities. Meanwhile, the Agriculture sector shrank by 1.1 per cent (2022: 3.1%), influenced by the drop in the Crop subsector (Oil Palm).



Source: DOSM



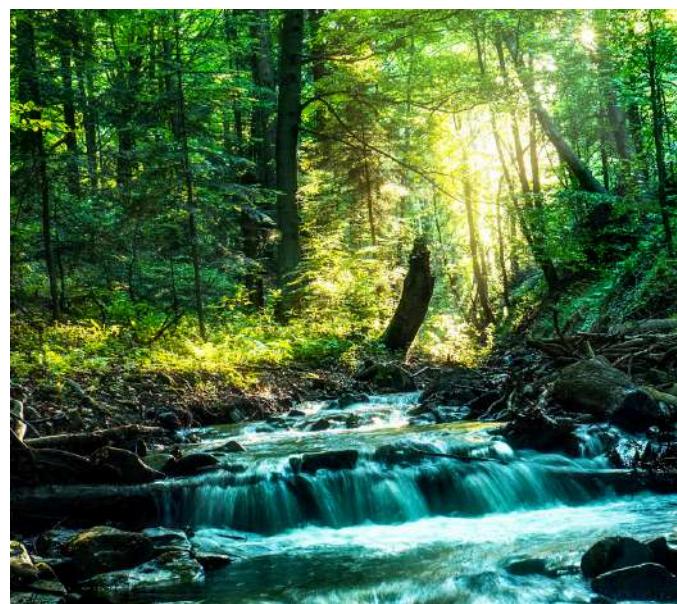
# The Economic Powerhouse of Asia's Eastern Region: A Wealth of Resources

Stretching across the vibrant landscapes of East Asia, Southeast Asia, and South Asia, the Eastern Region is a cornerstone of global resource wealth, fueling economic growth and technological innovation. From Indonesia's lush tropical forests to China's dominance in rare earth elements, the region's natural assets are as diverse as they are vital. This feature dives into the economic resources that make this region a linchpin in global supply chains and a hub of opportunity, while also exploring the challenges that temper its potential.

## Timber: The Green Gold of Southeast Asia

In the heart of Southeast Asia, Indonesia and Malaysia stand as titans of the global timber trade. Their sprawling tropical forests yield vast quantities of hardwood, making them major exporters in a world hungry for construction materials and furniture.

**Southeast Asia's rich resources—timber, minerals, oil, and gas—fuel global markets, but sustainability challenges test the region's economic rise and environmental future.**



# Asia's Eastern Region

Indonesia's teak and Malaysia's meranti are prized commodities, feeding markets from North America to Europe. However, China, despite having some domestic timber reserves, leans heavily on imports to meet its colossal demand, driven by rapid urbanization and manufacturing. The timber trade underscores Southeast Asia's role as a resource powerhouse, but deforestation and sustainability concerns loom large, pushing governments to balance economic gains with environmental stewardship.

## Gold: Shining Bright in China and India

Gold, a symbol of wealth and stability, glitters across the region. China leads as one of the world's top gold producers, its mines yielding tons of the precious metal annually, bolstering its economic might and global influence. India, while possessing smaller deposits, plays a significant role in the gold market, driven by cultural demand for jewelry and



**Saving trees preserves ecosystems, sequesters carbon, and sustains resources. Reforestation, sustainable logging, and policy enforcement protect Southeast Asia's vital forests for future generations**



# Asia's Eastern Region

investment. These reserves not only fuel domestic economies but also position the region as a key player in the global gold trade, where price fluctuations can ripple through financial markets.

## Minerals: The Tech-Fueling Core

The Eastern Region's mineral wealth is the backbone of the global tech industry. China dominates the production of rare earth elements—critical for smartphones, electric vehicles, and renewable energy technologies—controlling a significant share of the world's supply. This monopoly gives China unparalleled leverage in tech supply chains, as nations from the US to Japan rely on its exports. Beyond rare earths, China's vast reserves of coal, aluminum, and uranium power its industrial engine, though environmental costs are mounting.



**China's rare earth dominance fuels tech, but global competition for these critical minerals sparks supply chain tensions and innovation races**



# Asia's Eastern Region

In Southeast Asia, Indonesia shines with its bauxite and nickel production, essential for aluminum and battery manufacturing, respectively. As the world shifts toward green energy, Indonesia's nickel reserves are increasingly coveted for electric vehicle batteries. India, meanwhile, contributes coal, iron ore, and bauxite, supporting its growing steel and aluminum industries. Together, these mineral resources make the region indispensable to global manufacturing, though over-reliance on China's rare earths raises concerns about supply chain vulnerabilities.



**Oil resources face declining demand as renewables rise, but strategic reserves and geopolitical tensions will shape their future relevance**

## Oil and Gas: A Modest but Strategic Reserve

While the Eastern Region doesn't rival the Middle East's hydrocarbon wealth, it holds strategic oil and gas reserves. China, a net importer, taps its moderate domestic reserves while relying on global markets



# Asia's Eastern Region

to fuel its economy. In Southeast Asia, Indonesia and Malaysia are notable producers, with offshore fields supplying regional energy needs. However, their reserves pale compared to global giants, making them price-takers in a volatile market. Investments in exploration and liquefied natural gas (LNG) infrastructure are helping these nations maximize their output, but energy security remains a priority as demand grows.

## Water: Hydropower Potential and Scarcity Challenges

Water, often overlooked, is a defining resource in the region. China boasts the world's greatest hydropower potential, with megaprojects like the Three Gorges Dam generating massive electricity to power its industrial heartland.



**Humans rely on water for survival, agriculture, and energy. Scarcity and pollution threaten access, demanding sustainable management in Asia's vital rivers**



# Asia's Eastern Region

Yet, water scarcity plagues parts of East Asia, where rapid urbanization and climate change strain supplies. In South Asia, India's mighty rivers, like the Ganges and Brahmaputra, offer hydropower and irrigation potential but face seasonal shortages and monsoon-driven flooding. Managing water resources is a delicate balancing act, as governments juggle energy needs, agriculture, and urban demands.

## Economic Value and Global Impact

While the Eastern Region's resource wealth may not be quantified in the trillions like Russia or the US, its economic significance is undeniable. China's mineral dominance, particularly in rare earths, positions it as a linchpin in global tech supply chains while Indonesia and Malaysia's timber and mineral exports



**Asia's vast resources—timber, minerals, oil, water—drive global economic power, but sustainability and geopolitical challenges shape its dynamic future**



# Asia's Eastern Region

drive trade balances. India's coal and iron ore fuel its industrial ambitions, and the region's collective resources underpin its economic rise. However, challenges like environmental degradation, resource depletion, and geopolitical tensions over supply chains cast shadows over this wealth.

As the world pivots toward sustainability and technological innovation, the Eastern Region's resources will remain critical. From powering electric vehicles to building smart cities, the region's timber, gold, minerals, oil, gas, and water are shaping the future. Yet, the path forward demands careful stewardship to ensure that this wealth endures for generations to come.

## Conclusion

Southeast Asia's timber, minerals, and energy resources drive global trade, but sustainability and scarcity challenges demand careful management for future prosperity.



**Malaysia's economic resources—timber, oil, gas, and palm oil—fuel global trade, but sustainable management is key to long-term prosperity**



# Your Customers Are Glued to Their Phones – Here's How to Reach Them

Let's be honest – when was the last time you browsed the web on a desktop computer? If you're like most people, it's probably been a while. These days, we do everything on our phones: shopping, banking, even booking doctor's appointments.

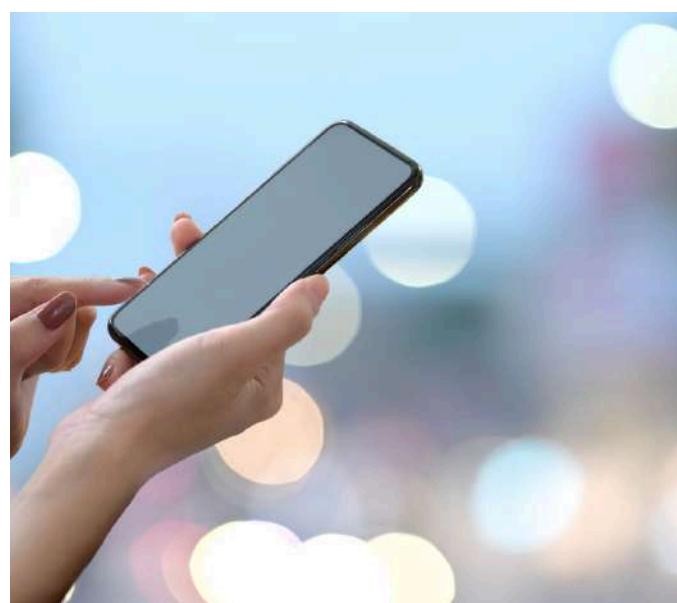
The numbers don't lie. Mobile traffic now makes up 63% of all web visits, up from just 24% a decade ago. For businesses, this isn't just interesting data – it's a wake-up call. If your website or marketing isn't mobile-friendly, you're invisible to most of your potential customers.

## Why Mobile Matters More Than Ever

Think about your own habits:

- How often do you quickly Google something on your phone while watching TV?
- When was the last time you walked into a store without checking reviews on your mobile first?

By Johan Chairil



# Why Mobile Matters More Than Ever

- How many times have you abandoned a website because it loaded too slowly on your phone?

These everyday moments explain why companies like Nike and Starbucks invest so heavily in mobile experiences. They know that convenience wins every time.

## 3 Simple Ways to Win at Mobile

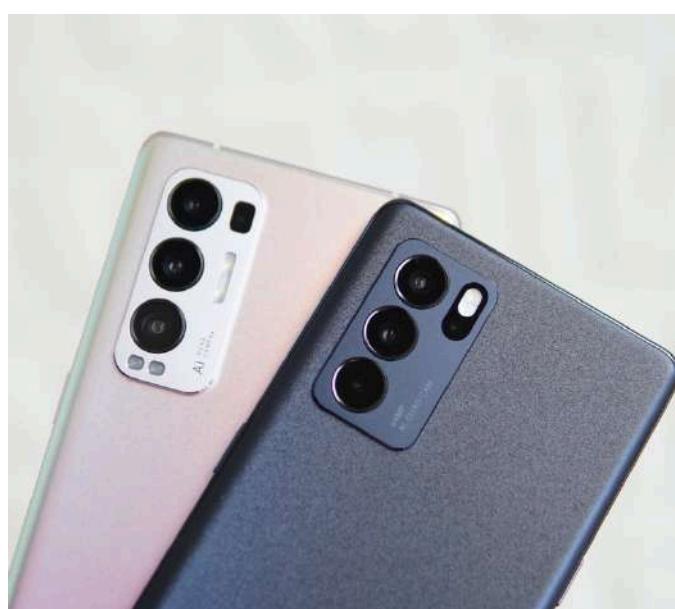
You don't need a massive budget to improve your mobile presence. Start with these practical steps:

### 1. Speed Up or Lose Out

Nothing kills a sale faster than a slow-loading website. 53% of mobile users abandon sites that take longer than 3 seconds to load.

*Quick fix: Use free tools like Google's PageSpeed Insights to identify what's slowing down your site. Often, simply compressing images can make a huge difference.*

In 2025, 7.34 billion people use mobile phones globally, with 90% owning smartphones, driving communication, commerce, and digital connectivity.



# 3 Simple Ways to Win at Mobile

## 2. Design for Thumbs, Not Mice

Desktop websites crammed onto a phone screen are frustrating to use. The best mobile sites:

- Put important buttons where thumbs can easily reach them
- Use big, tap-friendly links
- Keep forms short and simple

## 3. Make Paying Painless

Ever filled out a long checkout form on your phone and given up? So have your customers. Mobile checkout should take 30 seconds or less. Options like Apple Pay and Google Pay let customers buy with one tap – no typing required.

The iPhone 16 Pro Max is the top-selling mobile phone globally in 2025, with a 5% market share

## The Bottom Line

Mobile isn't coming – it's already here. The businesses thriving today are the ones that meet customers where they are: on their phones, looking for quick and easy solutions.



# The Bottom Line

You don't need to overhaul everything at once. Start with one improvement this week – whether it's speeding up your site or simplifying your checkout. Small changes add up to big results.

**Question to Ponder:** What's the most frustrating mobile experience you've had recently? (We've all got one!) Fixing those pain points for your customers could be your next big opportunity.

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ChatGPT is the most downloaded app

worldwide in 2025, with 52 million downloads in April across iOS and Google Play



# Top 5 iPhone Missteps Apple Made This Decade

The iPhone is arguably one of the most successful commercial products to have ever existed. Apple, the company that made it, has been enjoying its success ever since. Though initially, the smartphone was ridiculed for its high price and initial limited camera functions, it is now the gold standard for mobile phones.

**When iPhones launched in 2007, excitement and awe dominated, with revolutionary touchscreen tech sparking widespread enthusiasm and curiosity**



# Top iPhone Misssteps

However, it is to no surprise that the iPhone is experiencing a problem where customers are not changing their phones as frequently as before. The prices have increased significantly over the last decade, as previously an iPhone would cost around RM2,000 back in 2012. Now, they're easily RM4,000 for the latest model.

## 5. Lack of noticeable differences between iPhone models

The past five iPhone launches have left consumers questioning the lack of noticeable differences between new and old models, aside from seasonal color variations. The iPhone 16 introduces a dedicated camera button, but many users feel it's an unnecessary addition rather than a game-changing feature.

**After the iPhone's 2007 launch, BlackBerry, with its keyboard-centric smartphones, was the biggest competitor, dominating the mobile market**



# Top iPhone Missteps

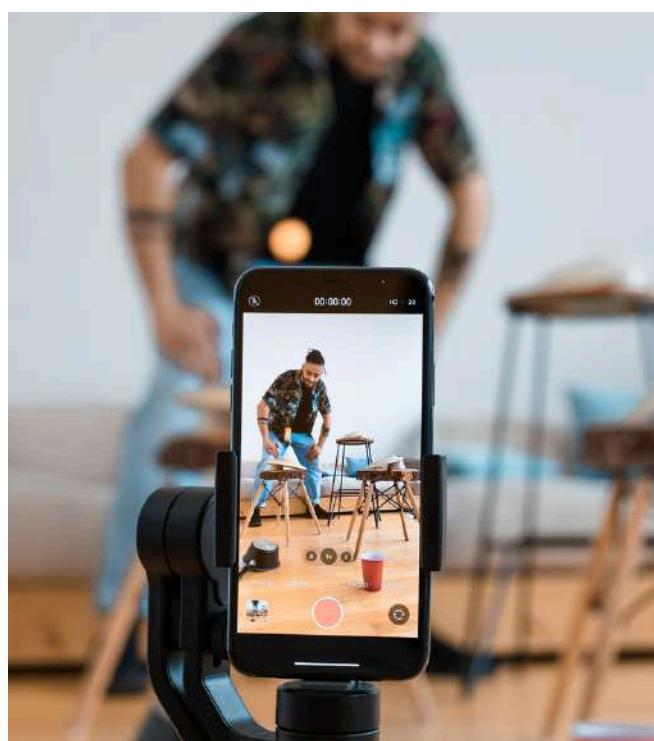
Leaks of the iPhone 17 have only fueled skepticism, as many believe it offers minimal upgrades. A viral meme humorously captures the sentiment—an old man excitedly receiving a new shirt identical to the one he's already wearing.

## 4. New lineup for slimmer phones

The new possible innovation for the upcoming lineup is the slim iPhone. That could be a popular option, but it might still be a form of novelty for many.

While a thinner phone design might be appealing, many users are questioning its practicality when paired with a protective case. Given the high cost of smartphones, most consumers prioritize durability over aesthetics, making a case essential. If the device's slimness is compromised by a bulky case, some may see the design choice as counterintuitive.

**In 2025, mobile phones feature sleek, foldable designs, vibrant OLED displays, and AI-driven cameras, with thinner profiles and innovative materials**



# Top iPhone Misssteps

Keep in mind that these are rumours, it is unclear if Apple is actually releasing a slim phone, but the rumor mills are off the roof with this.

## 3. Tariffs affecting the already high prices for iPhones

Despite this not being Apple's fault, tariffs. The unclear conditions of the tariffs that might be imposed by President Trump, will potentially drive up prices. Consumers worry that future iPhones may become even more costly than what they already are.

It is unclear how many Malaysians are buying their iPhones on installment, but there seems to be a lot of services that can help them get one easily. Currently, there are three year installments for these devices, if they were to double up in price, customers may opt for a competitor's phone.

**Foldable phones face tepid consumer acceptance due to high costs, durability concerns, and limited practical benefits over traditional smartphones**



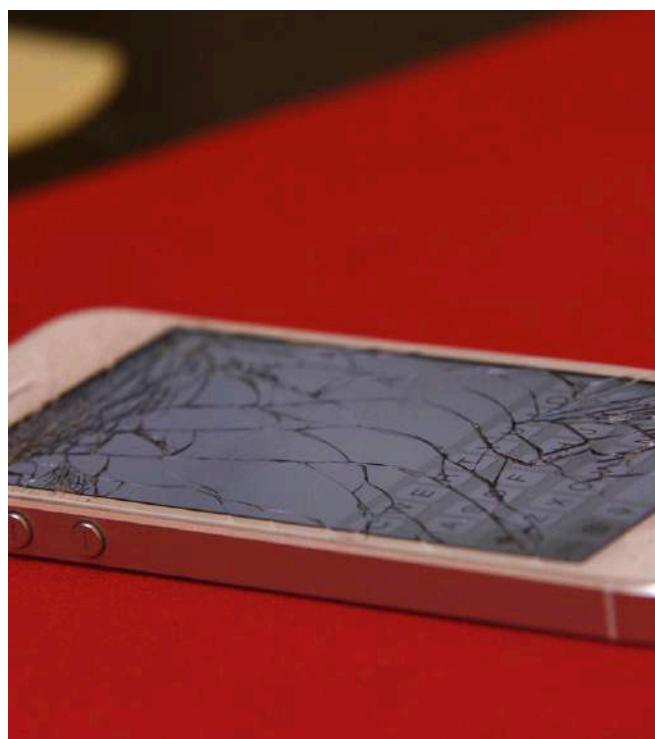
# Top iPhone Misssteps

## 2. Technological innovation from competing brands

Apple lost its position as China's top smartphone seller to Vivo and Huawei, with shipments dropping 17%—its biggest decline since 2016. Globally, Apple's market share fell as Chinese brands gained traction. AI integration is reshaping consumer preferences, and Apple's delayed AI rollout has further impacted its competitive standing in China.

Discussions on Reddit highlight frustrations with major smartphone brands, particularly Apple, for their perceived lack of groundbreaking innovation. In contrast, Chinese manufacturers like Huawei and Xiaomi are pushing boundaries with advancements such as foldable designs and AI integration, leaving Western companies trailing behind with incremental updates that fail to excite consumers.

**In 2025, solid-state batteries are highly anticipated, promising longer life, faster charging, and enhanced safety for mobile phones**



# Top iPhone Misssteps

## 1. Faulty iPhones

Some iPhone models are reportedly plagued with specific issues, with the iPhone 13 Pro Max frequently experiencing the dreaded white/green screen of death. This malfunction renders the screen completely unusable, leaving the device paralysed. Fortunately, Apple continues to offer free screen replacements for affected units.

Each iPhone comes with its own set of vulnerabilities that, in some cases, can render the device useless. It's frustrating to think that after spending RM4,000 on a smartphone, a technical flaw, through no fault of the user, could lead to sudden failure.

Even the iPhone 16 has a touchscreen problem where the screen could become unresponsive. Just like the 13, this might be a widespread problem in a few years from now.

**BlackBerry declined due to slow innovation, failure to adopt touchscreens, and fierce competition from iPhone and Android's app ecosystems**



# Top iPhone Misssteps

As it is, Apple does not release the numbers on how many faulty iPhones are out there, but it is somewhat expected for a mobile phone that is used every single day. Despite that, their Macs/Macbooks are built differently as they appear to be stronger and oddly priced the same. The production difference could be a factor in this difference though.

Whatever it may be, Apple is still one of the most popular tech companies in the entire world. Despite the issues listed, they're able to make an immersive experience for their customers down from their smartwatch, to their smartphones, tablets and computers.



**Nokia faded due to slow smartphone adoption, Symbian's outdated OS, and fierce competition from iPhone and Android's innovative ecosystems**



# **BUSINESS NEWS**