

Our Role

Bank Negara Malaysia (BNM) is Malaysia's central bank. Our principal objective is to promote monetary stability and financial stability conducive to the sustainable growth of the Malaysian economy. BNM derives its mandate and powers from the Central Bank of Malaysia Act 2009 and other laws that it administers.¹

In our role to promote monetary stability, BNM formulates and conducts monetary policy to keep inflation low and stable, while ensuring that it is supportive of sustainable economic growth. We are also mandated to promote an exchange rate regime consistent with the fundamentals of the economy.

To promote financial stability, BNM regulates and supervises financial institutions to promote their safety and soundness. We oversee money and foreign exchange markets to promote their integrity and orderly functioning. We also exercise oversight over payment systems to foster safe, efficient and reliable payment systems and payment instruments. In addition, we regulate the conduct of financial institutions and intermediaries in order to provide appropriate protection to financial consumers.

BNM plays a key role in promoting a progressive and inclusive financial system. This takes into account the changing needs of the Malaysian economy and its

people, and the central role of finance in the nation's economic and social progress. Our pursuit to develop and deepen both the conventional and Islamic financial system also recognises that a well-developed financial system is one that can help absorb shocks, and therefore contributes to the country's resilience.

BNM carries out a number of other important functions. These include issuing currency, and holding and managing the country's foreign reserves. BNM is also the financial adviser, banker and financial agent of the Government. Together with other government and law enforcement agencies, we play a role in helping to prevent the criminal abuse of financial services. Additionally, BNM has been responding to climate risk, firstly through appropriate regulation and supervision of financial institutions, to support an orderly transition to a low-carbon economy; and secondly by embedding sustainable practices in our own operations.

In all BNM does, it does in the best interest of the nation.

¹ Other key legislation includes the Financial Services Act 2013; Islamic Financial Services Act 2013; Development Financial Institutions Act 2002; Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001; Money Services Business Act 2011; and the Currency Act 2020.

Promoting Monetary Stability

Bank Negara Malaysia's Monetary Policy Committee (MPC) is responsible for setting monetary policy in Malaysia to maintain price stability while giving due regard to economic developments.¹ To achieve this goal, the MPC meets at least six times a year to regularly assess Malaysia's economic and inflation prospects, and decide on the Overnight Policy Rate (OPR).

Monetary Policy in 2024

The global economy held steady in 2024 despite concerns of a global economic slowdown earlier in the year. These initial concerns arose from the accelerated monetary policy tightening undertaken by central banks the year before, coupled with the economic implications of keeping interest rates higher for longer to control inflation. However, throughout the year, economic activity was supported by resilient labour market conditions, moderating inflation and global monetary policy easing. Global trade also rebounded in line with stronger demand. The recovery, however, was not without its challenges. An escalation in military conflict in the Middle East, for example, led to on-and-off episodes of shipping disruptions. Nevertheless, the global technology upcycle, which drove demand for semiconductors and other electrical and electronic (E&E) goods, growth in non-E&E segments² and rising tourism activity supported global trade.

¹ More information on Malaysia's monetary policy and the MPC can be found in the 'Governance' chapter of this report and in the 'Monetary Stability' section of the BNM's website (<https://www.bnm.gov.my/monetary-stability>).

² Non-E&E segments, such as machinery and equipment (M&E), benefited from increased investment in emerging areas such as digitalisation and green energy.

As the effects of previously tight monetary policy took hold, many countries achieved significant progress in driving down inflation in 2024, although at a different pace. The decline in global commodity prices and improving supply chain conditions also contributed towards lower global inflation. This provided space for major central banks to ease monetary policy throughout 2024, including the US. As a result, global financial conditions began loosening towards the second half of 2024. At the same time, however, global financial markets also experienced high volatility throughout the year. This was mainly due to shifting investor expectations on the magnitude and timing of US policy rate cuts.³ There were also uncertainties surrounding China's economic prospects and the outcome of the US elections, as well as ongoing geopolitical concerns, which led to periods of tightening pressure on global financial conditions. These factors, in turn, impacted emerging market currencies, including the ringgit.

Despite challenges from the global macroeconomic environment, Malaysia's economy performed well in 2024. The economy recorded a stronger growth, expanding by 5.1% (2023: 3.6%) on the back of robust domestic demand with strong investments, as well as a rebound in exports. Malaysia's sound financial system also provided a strong buffer against the effects of volatile global financial markets. This ensured that domestic financial conditions remained conducive to financial intermediation, with sustained credit growth supporting the economy.

Positive labour market conditions amid continued employment and wage growth provided underlying support to resilient household spending. An improvement in household wealth, along with policy measures such as targeted cash transfers,⁴ also provided an additional lift to private consumption. 2024 marked a further advancement of an investment upcycle in Malaysia as the economy

³ At the start of the year, financial market participants anticipated the US Federal Reserve (Fed) to significantly ease its monetary policy stance. However, the persistently elevated inflation in the US led to delayed policy rate cuts by the Fed compared to financial markets' initial expectations.

⁴ These measures included the Sumbangan Tunai Rahmah (targeted cash transfers for lower income groups), Employees Provident Fund (EPF)-related measures, and early incentive payments to civil servants and pensioners, which supported household spending in 2024.

Promoting Monetary Stability

experienced a significant boost in investments across both private and public sectors. The country's expansion in semiconductor manufacturing and rise as a data centre hub in Southeast Asia spurred investment projects in the E&E and information and communications technology (ICT) sub-sectors. Further, ongoing multi-year private and public sector projects continued to progress well during the year.

Diagram 1: Investment Upcycles in Malaysia



1988–97
Transitioning to a manufacturing-driven economy



2011–15
Strong expansion in oil and gas activity, as well as property market boom



2023–current
Higher-value investments driven by the ICT and E&E sector

Did you know? Investment upcycles are associated with faster output growth and can be an important driver of economic transformation for Malaysia. Read our Box Article titled 'Deciphering Investment Cycles in Malaysia' in the Economic and Monetary Review 2024 for more information.

Source: Bank Negara Malaysia

Malaysia's exports rebounded in 2024, in line with improved global trade activity. Malaysia's well-established position in the global semiconductor supply chain, along with the global technology upcycle, helped to lift the E&E exports. Stronger investment activities in regional countries also increased demand for Malaysia's non-E&E exports. Additionally, increased flight capacity and visa exemption measures by Malaysia⁵ supported the continued increase in tourist arrivals and spending. This further lifted Malaysia's economic performance for the year.

Domestic inflation moderated in 2024 against a backdrop of easing global cost conditions and the absence of excessive demand pressures. Both headline and core

inflation averaged 1.8% for the year (2023: 2.5% and 3% respectively). Early in the year, cost pressures emerged from external developments, such as global supply chain disruptions and a stronger US dollar against the ringgit. However, these cost pressures subsequently receded as a result of declining global commodity prices, improvement in global supply chain conditions, and the ringgit's appreciation against major currencies. Although domestic demand grew stronger, household spending stayed below trend, indicating the absence of excessive demand pressures.

Several domestic policy reforms were steadily rolled out by the Government during the year. These included higher water tariff rates, adjustments to the Sales and Services Tax (SST),⁶ and the implementation of targeted subsidies for diesel. These adjustments led to some upward price pressures for certain categories of consumer goods and services. However, this was offset by broader declines in inflation across other segments, in particular, food and non-alcoholic beverages. Further, the mitigation and enforcement measures put in place minimised the spillover impact on the prices of other goods and services. For instance, public transport operators and businesses involved in goods transportation were able to continue accessing subsidised diesel which limited the cost impact on businesses. As a result, the overall effects of these policy adjustments on inflation remained contained.

The MPC kept the OPR unchanged for the year at 3.00%, where it had stayed since May 2023. While many central banks globally carried out monetary policy easing in 2024, the outlook of Malaysia's inflation and economy did not call for the same response. The reopening of economies post-COVID-19 crisis saw a recovery in demand, resulting in significant inflationary pressures globally. This prompted many central banks to tighten their monetary policies considerably throughout 2022 and 2023 to manage elevated inflation, following sizeable monetary policy easing to support the economy during the pandemic. Relative to other countries, Malaysia experienced inflationary pressures to a lesser degree. The extent of our monetary policy easing during the COVID-19 crisis was not as large⁷ and the scale of our fiscal support was relatively more moderate. Once the domestic economy was on firmer footing, Malaysia adopted a pre-emptive and more

⁵ Malaysia removed visa requirements for travellers from China and India for stays up to 30 days, from 1 December 2023 until 31 December 2024. The initiative was subsequently extended until 31 December 2026.

⁶ In 2024, the SST rate was increased from 6% to 8% for selected services including accommodation, professional services, and digital services. Other services such as food and beverage, and telecommunications were kept at 6% SST rate. The scope of taxable services was also expanded to include logistics services and entertainment.

⁷ The MPC lowered the OPR by a total of 125 basis points in 2020 to provide support to the domestic economy during the COVID-19 crisis. More information on the MPC's considerations in 2020 is available in BNM Annual Report 2020.

Diagram 2: Let's Talk About Inflation

Headline inflation measures the overall inflation in an economy. It is based on the Consumer Price Index (CPI), which is computed by the Department of Statistics Malaysia (DOSM), and tracks changes in the prices of a fixed basket of goods and services over time. The CPI basket reflects the average spending patterns of Malaysian households and includes essential items like food and energy, which tend to experience short-term price fluctuations.

Core inflation is a measure of the underlying trend in price changes. In Malaysia, core inflation is estimated by excluding price-volatile items (e.g. fresh meat, vegetables and eggs) and price-administered items (e.g. electricity, road tolls and sugar). By excluding items of which price fluctuations are deemed transitory, core inflation better captures the more persistent trend of inflation which matters for monetary policy considerations.



Source: Bank Negara Malaysia

gradual approach of raising the OPR in line with improving demand conditions.⁸ This measured approach preserved supportive conditions for domestic economic activity while keeping inflation in check, including through 2024.

In 2024, the MPC focused on assessing the potential impact of supply shocks⁹ from external disruptions and domestic policy reforms on the broader economy. As monetary policy is a demand management tool, it has limited direct influence in addressing these supply shocks. Further, it takes time for any impact from OPR changes to work its way through the economy. To safeguard Malaysia's medium-term prospects for price stability and sustainable growth, the MPC carefully assessed the potential short- and longer-term effects of these shocks on inflation and growth. This involved vigilantly monitoring risks of supply-driven price increases becoming pervasive and persistent. This can happen especially if supply shocks are paired with excessive demand and unanchored inflation expectations.¹⁰ Early signs of widespread and persistent price increases, if left unchecked, could lead to high and more prolonged inflation. Such a situation would be damaging to the welfare of all Malaysians, especially those from lower-income households. High inflation erodes people's purchasing power and savings, especially affecting those in the lower-income group. It is also detrimental for businesses as they face increased costs

to produce goods and provide services, or lower sales due to reduced demand. These factors would then lead to slower economic activity and growth.

As a whole, the assessment pointed to a limited impact of supply shocks on inflation in 2024. Relative price changes arising from the domestic policy reforms were assessed to be contained, with effective measures implemented limiting the impact on business costs. Global cost pressures early in the year also eased, which meant lower pressures on firms' production costs. Further, amid an absence of excessive domestic demand and unanchored inflation expectations, the MPC observed limited signs of excessive spending, borrowing and risk-taking behaviour by households and businesses. The robust demand during the year was also driven by stronger investment activity, which will support an expansion of Malaysia's productive capacity. This means more goods and services can be produced over time to meet future demand without generating excessive price pressures. Taking all these together, there was no evidence that price increases were pervasive and persistent in the prevailing environment. As such, the MPC was able to look through these supply shocks without having to adjust the OPR. Overall, monetary policy continued to be supportive of economic growth in 2024.

At the prevailing level of OPR, domestic monetary conditions remained conducive to the economy. Credit conditions supported household and business financing needs. Lending rates also remained broadly stable. BNM's monetary operations focused on ensuring sufficient liquidity in the banking system. This ensured the orderly functioning of domestic financial markets and financial intermediation in the economy.¹¹

⁸ Between May 2022 and May 2023, the MPC increased the OPR by a total of 125 basis points through five 25-basis point adjustments, bringing it from 1.75% to 3.00%. More information on the MPC's considerations during this period is available in BNM Annual Report 2022 and BNM Annual Report 2023.

⁹ Further discussion on supply shocks can be found in the BNM Economic and Monetary Review 2024 Box Article titled 'Supply Shocks and Implications for Monetary Policy'.

¹⁰ Inflation expectations can influence price- and wage-setting behaviours which could affect actual inflation outcomes. For example, when expectations are unanchored in a high inflation environment, firms would expect prices, including the costs of their inputs, to keep rising, thus leading them to increase the prices of goods and services at a faster rate. At the same time, workers may demand higher wages due to their expected loss of purchasing power. As a result, these behaviours can further contribute to higher actual inflation, making the initial expectations on inflation self-fulfilling.

¹¹ BNM conducts monetary operations using a range of instruments. More information on the various instruments used can be found in the 'Monetary Operations' section of the BNM's website (<https://www.bnm.gov.my/web/guest/overview>).

Diagram 3: 2024 Key Domestic Figures at a Glance



Real GDP grew by **5.1%**
(2023: 3.6%)

Headline inflation averaged at **1.8%**
(2023: 2.5%)



Overnight Policy Rate (OPR) maintained at **3%**
where it has stayed since May 2023

Source: Bank Negara Malaysia and Department of Statistics, Malaysia

The Ringgit Exchange Rate

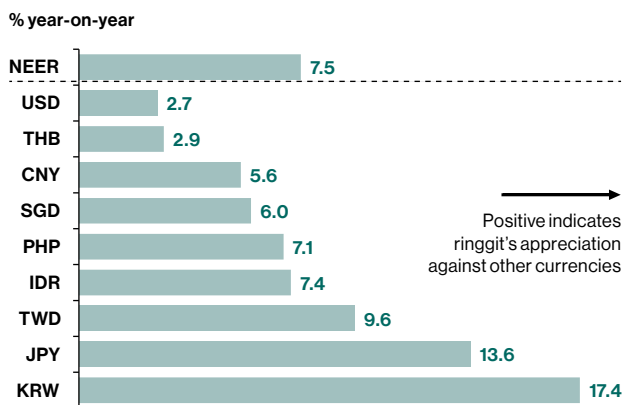
As with the year before, the ringgit's performance in 2024 continued to be driven mainly by external factors.¹² In the first half of the year, the ringgit, alongside many other regional currencies, faced depreciation pressures against the US dollar. Initial uncertainty on the Fed's interest rate decisions and a delay in the US rate cuts resulted in a stronger US dollar, as investors continued to favour US dollar-denominated assets. This was because interest rates in the US were higher than the prevailing interest rates in many countries, including Malaysia, which provided investors with better returns. Escalations in geopolitical tensions also led to financial market participants' preference for holding the US dollar, which is typically seen as a 'safe asset' during times of uncertainty.

During this period, the Government together with BNM took coordinated actions to manage downward pressures on the ringgit. Efforts were aimed at encouraging more consistent repatriation and conversion of foreign earnings

by corporates and investors. These collective actions contributed to more consistent inflows and helped ease the pressure on the ringgit.

As the year progressed, financial market expectations grew for the Fed to begin lowering policy rates. The Fed's eventual decision to cut its policy rate in September 2024 led to a narrowing difference in interest rates between the US and the rest of the world. These factors led to capital inflows into emerging markets as investors searched for higher returns. Following this, the US dollar weakened against major and emerging market currencies. The ringgit rebounded against the US dollar as a result. At the same time, investor optimism on Malaysia's positive economic prospects further supported the currency. While depreciation pressures re-emerged later in the year due to uncertainties surrounding the US elections, the ringgit recorded an overall appreciation against the US dollar and other major economies in 2024 (see Chart 1). In the longer term, the ongoing domestic structural reforms are expected to bring more investment flows into Malaysia. This will effectively provide more enduring support for the ringgit.

Chart 1: Performance of the Ringgit Against Other Selected Major and Regional Currencies in 2024



Note: NEER refers to the ringgit nominal effective exchange rate. It is an index measuring the ringgit's performance against the currencies of Malaysia's major trading partners. As a net exporting economy that has key relationships with many countries, this is often a better measure of general trends in the exchange rate rather than any one bilateral exchange rate (e.g. ringgit against the USD) to gauge the relative competitiveness of Malaysian exports against main trade partners.

Source: Bank Negara Malaysia. Exchange rates used here are the average of buying and selling rates at noon in the Kuala Lumpur Interbank Foreign Exchange Market.

¹² More information on the drivers of the ringgit, including short-term fluctuations and long-term fundamentals, can be found in BNM's feature article titled 'The Drivers of the Ringgit' in this Annual Report.

BNM's liquidity and foreign exchange operations continued to provide necessary support for orderly market conditions. Through the buying and selling of ringgit, BNM ensures sufficient two-way liquidity in the foreign exchange market during periods of market stress. This helps to prevent sudden or excessive swings in the ringgit exchange rate. Such ringgit movements could hamper economic activities like exports and investments.¹³ We maintained efforts to deepen the foreign exchange market through ongoing initiatives by BNM's Financial Markets Committee and banks operating in Malaysia. This helps businesses meet their funding needs more effectively. We also continued to promote access to hedging instruments for businesses to better manage their foreign exchange risks.¹⁴

Analysis and Research

Changes on the domestic and external front presented another challenging year in ensuring monetary stability. Our research remained focused on assessing the resilience of the Malaysian economy against various shocks and emerging trends. This was a complex task as the impact from economic developments is not always straightforward. Some changes create short-term volatility while others have longer-term consequences. Over the year, we extended our efforts to better understand them, which was critical in informing our policy assessments and formulation.

A key development for Malaysia in 2024 was the implementation of domestic policy reforms. This is still ongoing. We conducted scenario analyses to study their effects on domestic inflation and growth in the near and medium term. As the year progressed, we updated our scenario assumptions as information became available to refine our assessment of Malaysia's economic and inflation prospects. Adjustments in domestic policies can directly and indirectly affect the prices of goods and services. We continuously monitored signs of spillover to broader price trends through assessments of inflation persistence and pervasiveness. We collected insights on firms' sentiment and behaviour.¹⁵ This included how they

managed pricing and cost pressures when faced with shifting conditions. We also conducted a deeper analysis of the role of inflation expectations in shaping economic decisions such as household spending. Additionally, we continued to look deeper into recent drivers of inflation in Malaysia,¹⁶ and enhanced our surveillance toolkit to incorporate more high-frequency data for a timelier indication of underlying inflation trends.

In addition to the impact of domestic policy reforms, we conducted in-depth assessments of the investment upcycle, which is a key driver of Malaysia's economy. We examined the nature of these investments, the profiles of the businesses involved, and their linkages to the domestic economy, such as job creation. Our assessment analysed the short-term impact of the increased investment activity, as well as the potential longer-term effects on the economy such as improvement in productivity.¹⁷ On another key driver of growth, we continued our assessments of the domestic labour market and the strength of private consumption. This included examining the significance of the gig economy in Malaysia, including its impact on employment and income prospects to support household spending. We also regularly evaluated the domestic financial conditions and their effects on credit and financing conditions, as well as consumption and investment activities.

Against the backdrop of external challenges, we studied how global economic and financial conditions can affect Malaysia's economy and the ringgit. This included analysing the impact from policy rate changes by other central banks, geopolitical tensions, and shifting financial markets sentiment. The global landscape was not without positive developments. A key example was the emerging global technology upcycle buoyed by increased adoption of artificial intelligence and cloud computing. By examining Malaysia's position in the global technology supply chain, we analysed how this upcycle could affect our exports, local industries, and subsequently domestic employment and wages. Our analyses suggest that Malaysia is well-plugged in the semiconductor supply chain and stands to benefit from rising global demand in this upcycle.¹⁸

¹³ More information on policy related to the ringgit can be found in the 'Ringgit Exchange Rate Policy' section of the BNM's website (<https://www.bnm.gov.my/monetary-stability/ringgit>).

¹⁴ More information on financial market development initiatives can be found in the 'Market Development Initiatives' section of the BNM's website (<https://www.bnm.gov.my/committees/fmc>).

¹⁵ More information can be found in the BNM's Third Quarter of 2024 Quarterly Bulletin Box Article titled 'Clocking in on Business Sentiments: The RES' Business Climate Clock'.

¹⁶ More information on whether price changes in Malaysia were driven by economy-wide or idiosyncratic factors can be found in BNM staff working paper titled 'Understanding Inflation Drivers: Differentiating Common and Idiosyncratic Dynamics in Malaysia' on the BNM's website (<https://www.bnm.gov.my/publications/research>).

¹⁷ Further discussion on Malaysia's investment upcycles can be found in the BNM Economic and Monetary Review 2024 Box Article titled 'Deciphering Investment Cycles in Malaysia'.

¹⁸ Further discussion can be found in the BNM Economic and Monetary Review 2024 Box Article titled 'Malaysia's Position in the Global E&E Value Chain and Prospects'.

As the financial and economic advisor to the Government, BNM continued to actively participate in several inter-agency policy groups focusing on Malaysia's economic priorities. These included policies related to the cost of living,¹⁹ labour, public finance, social protection and investments. We provided policy advice from a macroeconomic lens, taking into consideration the potential impact on domestic inflation and growth, as well as households and businesses. The ultimate aim is to preserve macroeconomic stability and protect the welfare of Malaysians.

We also supported policies that would facilitate the country's transition to a high-income nation. Strengthening the inflow of quality investments is critical to ensure Malaysia's economic competitiveness and growth potential in the long run. Through investor roadshows coordinated between BNM and the Government, we engaged with global investors more directly to showcase Malaysia's economic strength and investment opportunities. The launch of the InvestMalaysia Portal in November 2024²⁰ also marked a key milestone in our efforts to further enhance the country's attractiveness as a business and investment destination. Recognising further economic growth opportunities that rising data centre investment activity could bring to Malaysia, we also advocated for the development of a local ecosystem for data centre activities to tap into these potential benefits. This includes the fostering of stronger connections with local businesses and industries to provide critical back- and front-end services in support of data centre activities. We also continued our advocacy on climate transition and measures to foster the green mobility industry, recognising its potential as a new source of growth for Malaysia.²¹

A high-skilled workforce is required to build a high-income nation. We carried on supporting policies that would help Malaysian employees meet the skill demands necessary in a digitalised future economy. We also continued our advocacy on policies that promote a more comprehensive and efficient social protection system to ensure the well-being of Malaysians in the long term.²²

Communication and Outreach

Throughout the year, BNM continued to consistently communicate about our OPR decisions, Malaysia's growth and inflation outlook, and the ringgit. Our aim is to keep the public informed and engaged in these areas. We continuously strive to enhance our communication in promoting greater transparency in the MPC's decisions. This included sharing information about the MPC's decision-making process and important insights which guided these decisions. For this purpose, we leveraged our various communication platforms, including social media channels, interviews, speeches and public workshops. We also kept an active engagement with various key stakeholders during the year. These include analysts, investors, industries, media and Government representatives.²³

We maintained ongoing collaboration with academia through various initiatives. These included the Visiting Research Fellowship (VRF)²⁴ and Research Support Initiative (RSI)²⁵ programmes. The VRF programme allowed us to expand our research on monetary and financial economics by producing joint publications, with two working papers published during the year.²⁶

¹⁹ Further discussion on cost of living can be found in the BNM Annual Report 2024 Feature Article titled 'Curbing Inflation, Easing Costs: The Policy Perspective'.

²⁰ To access the InvestMalaysia portal, visit <https://www.investmalaysia.gov.my>.

²¹ More information on the progress of Malaysia's firms on their environmental sustainability journey can be found in the BNM's Second Quarter of 2024 Quarterly Bulletin Box Article titled 'Green Gauge: Tracking Firms' Strides Towards Environmental Sustainability'.

²² These include policies promoting well-targeted social assistance for those in need of support, as well as broader income security for vulnerable groups and workers in the informal sector (e.g. self-employed individuals) by ensuring access to viable retirement savings plans and upskilling opportunities.

²³ More information on the BNM's public engagements throughout the year can be found in the 'Engaging Malaysians' chapter of this Annual Report.

²⁴ The VRF was launched in October 2020. The programme aims to produce joint research publications between academics and BNM staff. More information can be found on the BNM's website (<https://www.bnm.gov.my/research/vrf>).

²⁵ The RSI was launched in October 2020. This program is designed for post-graduate and post-doctorate candidates specialising in econometrics, macroeconomics, monetary and financial economics, machine learning, and data science. More information can be found on the BNM's website (<https://www.bnm.gov.my/research/rsi>).

²⁶ The joint research publications titled 'Does the threshold effect of government debt on growth exist for Malaysia?' and 'Phillips Curve Relation in Pre and Post Covid Malaysia' can be found on the BNM's website (<https://www.bnm.gov.my/publications/research>).



MPC members, including our three external members, exchanged perspectives during in-depth discussions at the September 2024 meeting. In addition to the ten members, the MPC meetings are also attended by the relevant Bank staff.

Going Forward

In 2025, like many other economies, the Malaysian economy is expected to face challenges arising from global developments. This is against a backdrop of uncertainties surrounding tariffs and other policies from major economies, as well as geopolitical conflicts. Our resilient domestic demand, however, will serve as an important buffer against these external shocks. Investment activity is expected to remain robust and household spending will stay resilient. At the same time, inflation is also expected to remain manageable in 2025. The favourable domestic economic conditions in 2025 provide a firm foundation for the ongoing implementation of structural policy reforms as announced by the Government. Although they may impact inflation and economic growth in the near term, advancing these efforts is necessary to strengthen our economic resilience and ensure a sustained development of our economy over time.

In line with the evolving global and domestic environment, the MPC will remain vigilant to ongoing developments that may impact our domestic growth and inflation prospects. Incoming information on economic and monetary developments will continue to inform the assessment

of Malaysia's growth and inflation outlook. BNM will remain steadfast in ensuring price stability in support of sustainable economic growth in the long term. Amid the uncertain environment, we will continue to leverage our existing communication platforms to offer deeper insights into Malaysia's economic and financial developments, as well as risks to our outlook. Our monetary operations will continue to ensure sufficient liquidity in the banking system and financial markets. They will complement our other policies to ensure smooth financial intermediation that is conducive for the economy.

Beyond the immediate term, our focus is on strengthening the country's resilience for the future. Malaysia will need to attract more high-quality investment, foster digitalisation and build a future-ready workforce. There is also a need to strengthen the country's climate resilience whilst capturing the opportunities that arise as a result of the transition. In addition to our advocacy work, BNM will collaborate further with our stakeholders on relevant policy measures, particularly structural reforms, to enhance our economic strength and raise Malaysia's growth potential. Our collective efforts are aimed at achieving Malaysia's aspiration to transition into a high-income developed nation with sustainable and equitable economic growth.