

# Monetary Policy Statement (MPS) Snapshot: July 2025



## What did we decide?

### We reduced the OPR from 3% to 2.75%

- The cut is a pre-emptive measure to preserve Malaysia's steady growth path amid continued challenges from the global environment
- Inflation remains in check
- We continue to closely monitor what is happening globally and the impact on Malaysia's economy

## What's happening in the economy?

### The Malaysian economy expanded in the second quarter

- Job and wage growth, together with income support measures by the Government, are contributing to household spending
- Exports are supported by demand for tech products and tourist spending
- Public and private projects continue to progress, supporting investment activity
- The ringgit performance continues to be mainly driven by external developments



### Inflation remains contained



## How do we see the economy in the future?

### Malaysia's economy is on a strong footing but faces an uncertain global environment; inflation to remain moderate

- Lower interest rates mean loans will generally become cheaper, which will support economic activity
- Household spending and investment activity will continue to support Malaysia's economic growth
- Continued demand for tech products and tourist spending will provide some support to exports
- Contained global costs and absence of excessive domestic demand will help limit price pressures
- Developments around the world are still fluid and could affect our growth prospects
- We will continue to keep a close watch on how inflation and growth develop in the future, and ensure that the OPR continues to support growth amid price stability

