

KERATAN AKHBAR

TARIKH : 16 OGOS 2025
AKHBAR : NEW STRAITS TIME
MUKA : 2
SURAT

OPR cut will provide lift to domestic growth



Bank Negara Malaysia governor Datuk Seri Abdul Rasheed Ghaffour announcing the country's second-quarter gross domestic product in Kuala Lumpur yesterday. NSTP PIC BY AZIAH AZMEE

'OPR cut will provide lift to domestic growth'

KUALA LUMPUR: The recent overnight policy rate (OPR) cut will provide an additional lift to domestic growth amid moderate inflation prospects, Bank Negara Malaysia said yesterday.

The central bank also said the ringgit had strengthened against the currencies of Malaysia's major trading partners in the second quarter of 2025, supported by broad dollar weakness.

Bank Negara governor Datuk Seri Abdul Rasheed Ghaffour said it continues to monitor the impact of the OPR reduction, noting improved clarity in the external environment since it was lowered to 2.75 per cent last month, particularly regarding tariff negotiations.

"At the July meeting, we assessed that while Malaysia's economy remained resilient, external uncertainties could affect domestic economic prospects," he told a media briefing on Malaysia's second-quarter growth here yesterday.

While uncertainties over sectoral tariffs linger, Rasheed said the economy remains on a strong footing.

On the ringgit, he said

favourable economic prospects and structural reforms will provide medium-term support to the local note, with Bank Negara ensuring orderly foreign exchange market operations.

He also pointed to coordinated efforts with corporations and investors to encourage more consistent repatriation and conversion of foreign earnings.

"In the second quarter, the ringgit appreciated by 1.5 per cent on a nominal effective exchange rate basis, against the currencies of Malaysia's major trading partners.

"It also strengthened by 5.1 per cent against the dollar amid a broad-based weakening of the greenback. This reflects investors' concerns on United States economic prospects in light of US trade and fiscal policy developments," he said.

Rasheed said inflation is expected to remain moderate for the rest of the year.

Bank Negara revised its headline inflation forecast range to between 1.5 per cent and 2.3 per cent. This was down from the earlier projection of between two per cent and 2.5 per cent.

