KERATAN AKHBAR

TARIKH : 19 OGOS 2025

AKHBAR : NEW STRAITS TIME

MUKA SURAT : 3

OPR cut a strategic push to spur growth

TARGETED INTERVENTION

OPR CUT A STRATEGIC PUSH TO SPUR GROWTH

It signals trust in country's economic fundamentals

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BANK Negara Malaysia's decision to trim the Overnight Policy Rate (OPR) by 25 basis points to 2.75 per cent marks a pivotal shift in monetary strategy, positioning Malaysia alongside its regional peers which are easing rates to cushion against global volatility.

The move — the first since 2023 — is aimed at stimulating domestic demand, energising the property market and bolstering financial resilience.

Dr Cheah Chan Fatt, a research fellow at Universiti Malaya's Ungku Aziz Centre for Development Studies, said the cut is more than a technical adjustment.

"It is a targeted intervention to stimulate loans, energise the property market and reinforce Malaysia's economic recovery. Its success will depend on complementary fiscal measures, continued policy clarity, and sustained consumer and investor confidence."

Lowering the OPR immediately translates into cheaper borrowing costs for individuals and businesses.

Bank Negara Malaysia cut has the Overnight Policy Rate by 25 basis points to 2.75 per cent. NSTP FILE PIC

For households with floating-rate mortgages, the impact is tangible: a RM500,000 home loan over 30 years could see repayments reduced by RM70-RM75 monthly.

New borrowers are expected to gain as banks revise their debt-service ratio calculations.

With financing costs easing, loan eligibility widens and affordability improves, offering relief for the B40 and M40 groups.

The property market is poised to emerge as one of the biggest winners from the OPR cut.

Cheaper mortgages are likely to revive buyer confidence, accelerate the clearance of unsold units and breathe life into stalled residential projects.

Property developers who have grappled with sluggish demand in recent quarters are likely to see renewed momentum as lower borrowing costs stimulate sales and open financing avenues for new projects.

Small and medium enterprises are also poised to benefit. Easier access to credit will help businesses manage cash flow, invest in technology and scale operations, enhancing their resilience against global uncertainties.

At the macro level, Cheah described the OPR cut as a "pre-emptive measure" to safeguard Malaysia's growth path.

He added that the adjustment signals confidence in Malaysia's economic fundamentals.