

## **Abdul Rasheed Ghaffour: Welcoming address - Sasana Symposium 2025**

Welcoming address by Mr Abdul Rasheed Ghaffour, Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Sasana Symposium 2025, Kuala Lumpur, 17 June 2025.

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Welcome to Bank Negara Malaysia and welcome to Sasana Symposium 2025.

Since BNM's establishment in 1959, Bank Negara Malaysia has seen the nation through many pivotal moments. From an economy that was mainly based on primary commodities to a highly diversified economy with strong global linkages. Today, we meet at a critical juncture.

- Global trade orthodoxy is being up-ended;
- Policy uncertainties are high; and
- Technological advancement is changing the way we work and operate.

We are approaching this environment from a position of strength. The latest high-frequency indicators such as the manufacturing industrial production index (IPI), services, exports and wages point toward a resilient growth of the Malaysian economy. Consumer spending continues to expand as reflected by the steady growth in retail trade activity, underpinned by favourable labour market conditions. While the cost of living remains a burning issue but inflation, at least, is low and steady. Against this backdrop, open discourse is important to gather the best ideas so that Malaysia can effectively respond to these external challenges, while we continue to drive the much-needed structural reforms for Malaysia.

From its inception in 2023, Sasana Symposium has hosted engaging dialogues around the thinking, analyses and assessment of the economy and the financial system that we have shared in our flagship reports published in March. This year, we hope to continue the tradition of bringing to life the pages of our reports and visual displays of our policy and initiatives in practice. Through panel sessions, fireside chats and workshops, we share not only what we do, but why we do it. The sessions encapsulate the range of reforms and initiatives we are driving, which is aimed to make a meaningful difference for the *rakyat*. From topics like financial literacy; payment linkages; and digital assets to monetary stability; financial scams and even, healthcare reforms – these are the building blocks of a stronger, more resilient Malaysia.

Structural reforms are not something one institution or individual can tackle alone; it requires a whole-of-nation approach. One area where this is on full display is in healthcare reforms, where rising medical inflation demand a coordinated approach. Together with the Ministry of Health, the Ministry of Finance and key stakeholders, we are working to implement key initiatives, coined as RESET, to address the high medical inflation. This includes:

- R - revamping medical and health insurance and takaful;

- E - enhancing price transparency;
- S - strengthening digital health systems;
- E - expanding cost-effective care options; and
- T - transforming provider payment mechanisms.

The success of RESET hinges on the involvement of all stakeholders in building a more accessible and resilient healthcare system for Malaysians. More details on RESET and broader healthcare reforms will be discussed in the panel session – 'Rising Cost, Rising Stakes: Expediting Reforms to Address Medical Inflation' tomorrow, which will feature Yang Berhormat Datuk Seri Dr. Haji Dzulkefly Ahmad, Minister of Health, Yang Berbahagia Datuk Johan Mahmood Merican, Treasury Secretary-General, Ministry of Finance, Aakash Mohpal, Senior Economist from World Bank and myself.

In parallel, we continue advancing initiatives that align with our core mandates. One such initiative is the Qualified Resident Investor, or QRI Programme. After a successful pilot, we are officially rolling it out on 1 July 2025. It is already showing promising results, with strong inflows into our domestic financial market exceeding USD1 billion. This effort supports our goal of fostering two-way flows in the domestic financial market which helps to ensure orderly market conditions that support sustainable economic growth and stability of the foreign exchange rate.

As stewards of financial stability, we recognise the pace at which the digital asset landscape is evolving. Hence, we are also driving forward with digitalisation efforts to ensure Malaysia's financial system remains fit-for-purpose and able to serve the needs of the Malaysian economy. From the modernisation of RENTAS, our payment systems infrastructure, to the expansion of cross-border payment linkages, and now the exploration of asset tokenisation and other digital solutions, we aim to build a strong foundation for an adaptive and resilient economy.

In driving our green agenda forward, the Greening Value Chain (GVC) initiative – first introduced in Malaysia in 2022, is now gaining momentum. As Malaysia chairs ASEAN this year, we are also actively sharing our experiences and learnings to support regional efforts in building sustainable, climate-resilient ASEAN economies. I am also pleased to inform that the Climate Finance Innovation Lab (CFIL), an initiative under the Joint Committee on Climate Change (JC3), is now open for business. The CFIL serves as a collaborative platform to develop and test new financial solutions for climate and nature-related projects. More details on this will be discussed tomorrow in the panel session – 'Building Climate Journey: How Wide Ranging is the Funding Mechanism'.

Ladies and gentlemen,

Reforms and policies are not mere ideas on paper. They can make a real difference in the everyday lives of Malaysians. And that is why Sasana Symposium goes beyond pages and panels. It showcases people benefiting from our policies too. Today and tomorrow will provide a chance for you to see how the financial sector initiatives take shape in ways you can see, feel, and connect with.

- iTEKAD, our social finance programme, has empowered microentrepreneurs to grow their businesses and create jobs in their communities. I invite you to visit *Bazar*iTEKAD, to meet and support the entrepreneurs whose stories reflect this

impact. You will meet Mohammad Zamzum who has expanded his business to the world by exporting his cooking paste to the after participating in iTEKAD. He is one of the over 10,000 microentrepreneurs onboarded in iTekad, where some former *asnaf* recipients are now zakat contributors.

- Even the wristlets you receive today are crafted with upcycled plastic embedded with shredded polymer banknotes – a visual reminder of BNM's role in fostering a resilient and sustainable economy.
- I also welcome you to explore the ASEAN Tunnel and exhibition, an immersive and interactive showcase of ASEAN's economic and financial journey – past and present.

In closing, I would like to extend my sincere appreciation to our guest of honour, Yang Amat Berhormat Prime Minister and to our esteemed moderators, panellists, speakers and participants for their insights shared over these two days. True to the spirit of '*Sasana*' which carries the meaning of 'learning and gathering', let this symposium continue to be a meeting of purpose where ideas converge, and reforms take root.

On that note, ladies and gentlemen, thank you.