Monetary Policy Statement (MPS) Snapshot: May 2023



What did we decide?

We raised the OPR from 2.75% to 3.00%

- The Malaysian economy is showing strength
- At this level, the OPR is back to pre-crisis levels and is more aligned with the stronger state of the economy

What's happening in the economy?

The Malaysian economy will continue to expand this year

- Unemployment is coming down closer to pre-crisis levels, and this will support household spending
- Even more tourists have visited, which supports local businesses
- Large projects are progressing well
- Despite some challenges, global growth is supported by the strong job market and the rebound of China's economy



Inflation trended lower in recent months but remains elevated amid firm demand



How do we see the economy in the future?

The Malaysian economy will remain resilient. Inflation will moderate but remain elevated

- It's important to ensure that our OPR is at the right level to prevent problems that can arise from long periods of low interest rates (e.g., too much borrowing)
- We will ensure that our OPR supports sustainable growth while keeping inflation in check

BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA