

Fireside Chat with YBhg. Dato' Sri Abdul Rasheed Ghaffour
Governor of Bank Negara Malaysia

on

“Navigating Malaysia’s Economic Crossroads: Stability, Growth & Global Headwinds”

Monday, 6 April 2026 | Astor Room 3, The St. Regis Kuala Lumpur

REPORT



The Kuala Lumpur Business Club (KLBC) hosted a fireside chat with YBhg. Dato' Sri Rasheed Ghaffour, the 10th Governor of Bank Negara Malaysia on 6th April 2026. A classic KLBC event, the fireside chat titled “Navigating Malaysia’s Economic Crossroads: Stability, Growth & Global Headwinds”, garnered a full house, bringing together 97 business leaders and members of the diplomatic community to discuss Malaysia’s economic outlook amid an increasingly complex global environment.

The session underscored that the global economy is undergoing a structural shift rather than a cyclical downturn, driven by geopolitical tensions, evolving trade dynamics, technological competition, and supply chain realignments. These developments are reshaping the operating landscape for open, trade-dependent economies such as Malaysia.

Against this backdrop, Malaysia enters 2026 from a position of relative strength. The economy recorded solid growth of 5.2% in 2025, alongside low inflation and a strengthening currency. For 2026, growth is projected at 4%–5%, with inflation expected to remain moderate. This resilience is underpinned by diversified growth drivers, including sustained household consumption, robust investment activity, a broad export base—particularly in electrical and electronics—and a recovering tourism sector.

However, the discussion emphasised that external risks remain elevated, particularly from prolonged geopolitical conflicts and persistently high energy prices. While Malaysia benefits from certain buffers, including subsidies and its broader energy position, global developments will continue to influence domestic conditions.

A key focus of the session was the role of monetary policy, with Bank Negara Malaysia maintaining a data-driven and flexible approach. Policy decisions are guided by the need to balance price stability

with sustainable growth, taking into account evolving domestic and external conditions over the medium term.

Importantly, the Governor highlighted that Malaysia's long-term trajectory will be determined by the pace and effectiveness of structural reforms. Priority areas over the next 3-5 years include digitalisation and AI adoption, labour market transformation, targeted social protection, fiscal consolidation and climate transition. While such reforms are inherently challenging, there is growing alignment and acceptance across stakeholders on their necessity.

The conversation also addressed the impact of artificial intelligence, acknowledging both the risks of job displacement and the opportunities for new job creation. The emphasis was on proactive workforce preparation through reskilling and the development of future-ready talent to ensure inclusive growth.

From a financial perspective, Malaysia's strong and resilient financial system continues to play a critical role in supporting economic stability and facilitating growth. Looking ahead, the sector is expected to evolve further to meet the needs of a changing economy, including expanding innovation, strengthening Islamic finance and enhancing financial inclusion.

At the regional level, Malaysia remains committed to deepening ASEAN economic integration, particularly through trade, cross-border payments and financial cooperation. Initiatives such as expanded payment linkages and the Nexus system are expected to enhance connectivity and unlock new opportunities for businesses, including SMEs.

In conclusion, while Malaysia stands at an economic crossroads, the discussion reinforced that the country is not at a point of fragility, but one of opportunity. With strong fundamentals in place, the key challenge—and opportunity—lies in executing reforms, strengthening resilience and positioning Malaysia to capture emerging opportunities in a rapidly changing global economy.