



PRESS RELEASE

BDCB POLICY STATEMENT 2/2023

1. Brunei Darussalam Central Bank (BDCB) published its second semi-annual policy statement for 2023 today.
2. In its Policy Statement 2/2023, BDCB noted that the International Monetary Fund (IMF) projected global growth for 2023 at 3.0%, while the 2024 growth rate was revised downwards from 3.0% to 2.9%. Brunei Darussalam's economy contracted by 1.1% year-on-year in the first half of 2023, primarily driven by a 7.8% year-on-year contraction in the Oil and Gas Sector. Nonetheless, the Non-Oil and Gas Sector showed an expansion of 5.3% year-on-year, mainly attributed to the growth in Air Transport, Finance and Other Manufacturing Sectors
3. Brunei Darussalam's economic performance throughout 2023 and 2024 will depend on domestic economic activities, the performance of existing foreign direct investment (FDI) projects and the implementation progress of new FDI.
4. In the second half of 2023, many central banks have become less hawkish, with some pausing their consecutive interest rate hikes or maintaining their monetary policy stance, including the Monetary Authority of Singapore. Considering this factor and available Consumer Price Index data, BDCB's inflation forecast for Brunei Darussalam for 2023 is revised downwards within the range of 0.0% to 1.0%.
5. The banking industry remains resilient, with an aggregate Capital Adequacy Ratio of 19.6% as of Q3 2023. Additionally, an upward trend was recorded in the banking sector's profitability, in line with the increasing interest/profit rate environment. The financial sector as a whole recorded a decline in assets of 5.9% year-on-year in Q3 2023. The total asset value as of Q3 2023 stood at BND23.3 billion, of which the Islamic finance sector constituted BND13.3 billion. Deposit-taking institutions comprised 91.7% of the total financial sector assets with an asset base of BND21.4 billion.
6. In the area of capital markets, BDCB issued the Notice on the Commencement of Continuing Professional Development (CPD) Framework to promote ongoing knowledge and skill development within the capital market industry. Furthermore, BDCB also issued the Notice and Guidelines on Conducting Islamic Investment Business, which imposed new requirements and provided guidance regarding the operational aspect of conducting Islamic investment business.

7. The full version of BDCB Policy Statement 2/2023 can be found on BDCB's website at www.bdcg.gov.bn. For further information and enquiries, members of the public may contact BDCB at 8318388 or email info@bdcg.gov.bn

Brunei Darussalam Central Bank

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