



## **Keynote Speech**

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Standard Chartered  
Global Research Briefing H1 2025

Wednesday, 13 Sya'ban 1446 corresponding to 12 February 2025

Balai Khazanah Islam Sultan Haji Hassanal Bolkiah

BismillahirrahmanirrahimAlhamdulillahi Rabbil 'Aalameen,  
Wassalaatu Wassalaamu 'Alaa Asyrafil Ambiya E'walmursaleen,  
Sayyidina Muhammadin Wa'ala Aalihee Wasahbihee Ajma'een,  
Waba'du

Yang Mulia

Pengiran Aki Ismasufian bin Pengiran Haji Ibrahim  
Chief Executive Officer  
Standard Chartered Bank, Brunei Darussalam

Distinguished Speakers and Panellists,  
Esteemed Attendees,  
Ladies and Gentlemen,

Assalamu'alaikum Warahmatullahi Wabarakatuh and a very Good Afternoon,

1. Alhamdulillah, it is a great pleasure to be joining you this afternoon at the annual Standard Chartered Global Research Briefing event. This event marks an opportune time to discuss global developments as the world economy enters a pivotal moment, shaped by evolving technological advancements, market dynamics and geopolitical shifts.
2. In its latest update, the International Monetary Fund (IMF) expects the global economy to grow at a steady rate of 3.3 per cent both in 2025 and 2026 – a pace that is still deemed lower than pre-pandemic levels.

Meanwhile, inflation is expected to slow down to 4.2 per cent this year and 3.5 per cent next year, allowing for further normalisation of monetary policy among central banks. While the outlook for the US economy remains optimistic on the back of continued strength in domestic demand, there remains significant divergences across economies, notably with weaker growth momentum in the Euro area and China. In addition, heightened policy uncertainty, potential trade disruptions and geoeconomic fragmentation could potentially weigh down global growth prospects moving forward. In addition, policy shifts under the new US administration could further reignite inflationary pressures, leading to potential rate hikes that may negatively affect businesses and investors' confidence.

3. Amidst an increasingly complex global environment, Brunei Darussalam's economic outlook remains positive, with the IMF revising its 2024 growth projection upward from 2.4 per cent to 2.5 per cent. The oil and gas sector continues to be a crucial pillar of the economy, supported by increased foreign direct investment in downstream industries. Inflation is projected to remain low in 2025, sustaining the subdued trend observed throughout much of 2024. However, Brunei Darussalam's economic performance will largely hinge on geopolitical developments, particularly those influencing global commodity prices and the economic stability of its key trading partners.

4. Against this backdrop, policymakers need to urgently look into different pathways in reviving economic growth, while ensuring the resilience of the financial sector against any potential disruptions. For today's keynote address, I would like to focus on three key areas:

a) Firstly, **technological innovation**. During the recent World Economic Forum meeting held in Switzerland last month, global leaders discussed the "Intelligent Age", which refers to our current era that is characterised by rapid advancements in artificial intelligence (AI), quantum computing and other cutting-edge technologies. Over the past year, we have observed significant advancements made in generative AI (or GenAI) which illustrate the tremendous pace of innovation. In fact, a survey of 109 financial services firms by Bain & Company showed that the use of GenAI led to an average 20% productivity gain. AI investments in the financial sector are also projected to reach 97 billion US Dollars by 2027, signalling the sector's position at the forefront of technological adoption. While the advent of the Intelligent Age presents unprecedented benefits, it also brings unprecedented risks. This is even more so in the changing political landscape, where policy shifts that favour innovation without careful consideration of financial stability, can amplify financial vulnerabilities. Thus, to navigate this era responsibly, coordinated efforts are required across all sectors. Financial sector participants will need to ensure operational resilience and effective risk management, while regulators play a key role in ensuring

an appropriate regulatory and supervisory framework is in place to enable the responsible and safe delivery of financial services.

b) The second key area is **sustainable finance**. Prior to 2015, climate risks were barely the focus for central banks worldwide. Today, as climate change-related events are becoming more frequent and more severe, climate-related risks can no longer be ignored. Understanding their impact will be even more crucial for central banks and regulators alike. Indeed, financing a sustainable economy remains one of the defining challenges of our era, where analysts estimate that investments of 100 trillion to 300 trillion US Dollars will be needed, between now and 2050. If no action is taken to address these risks, the global economy could lose up to 15 per cent of its GDP by 2050. In mobilising capital to a more sustainable economy, both the regulator and industry players must adopt a coordinated approach – particularly to mitigate risks of greenwashing and to provide greater confidence for capital to be funded to legitimate sustainable activities. On this note, I am happy to share that this year, we will be launching the Sustainable Finance Roadmap, which aims to guide the financial sector towards a sustainable future.

c) This brings me to the third point I would like to highlight today – **crisis preparedness**. The world is currently at an inflection point, where the current global order is being tested as countries turn to protectionist policies that can lead to resource misallocation, supply chain

disruptions and financial instability. While the financial sector will need to work together to leverage each other's expertise and capabilities to support the transition to a digital and sustainable economy, we must also be mindful of our broader objective of upholding the public's trust in the financial sector. This responsibility is a shared accountability requiring the collective efforts of all stakeholders. In this regard, BDCB remains committed to strengthening its crisis preparedness by reinforcing its legislative framework and institutional structure. These initiatives are designed to safeguard the financial sector from potential disruptions and enable a rapid and effective response to maintain stability and resilience during times of crisis.

Ladies and Gentlemen,

5. As we navigate through these changes and the rapidly evolving landscape, I am pleased to share that BDCB will embark on a new milestone this year as we work on the development of the second Financial Sector Blueprint (2026 – 2035). Moreover, in supporting a vibrant financial sector, we will also be refining key strategies, namely, a renewed Digital Payment Roadmap. The success of these strategies, however, relies on effective collaboration and coordination among stakeholders. As such, my hope is that we can continue to deepen our engagement with the industry in realising a more dynamic, inclusive and sustainable development path ahead.

6. In closing, the swift changes happening around us are indeed complex and multi-faceted. It illustrates the importance of having an event such as today's to deepen our understanding of the emerging opportunities and risks ahead. With that, I look forward to the sharing of meaningful insights today and wish all of you a productive session ahead.

Thank you.

WABILLAHITAUFIKWALHIDAYAH

WASSAMU'ALAIKUMWARAHMATULLAHIWABARAKATUH