



PRESS RELEASE

BDCB POLICY STATEMENT 1/2025

1. Brunei Darussalam Central Bank (BDCB) today published its first semi-annual policy statement for the year 2025.
2. In its Policy Statement 1/2025, BDCB noted that the International Monetary Fund (IMF) forecasts global economic growth for 2025 at 3.0%, a decline from the 3.3% expansion in 2024, followed by a modest recovery to 3.1% in 2026. Meanwhile, **Brunei Darussalam's** Gross Domestic Product (GDP) posted a decline of 1.8% y-o-y in the first quarter of 2025, following a contraction in both the Oil and Gas Sector and the Non-Oil and Gas Sector by 1.5% and 2.0% respectively. Despite this, overall economic growth in 2025 is expected to remain moderate, driven by a gradual recovery in oil and gas production, expansion in the Non-Oil and Gas sector, including construction, tourism, trade, and info-communications and technology (ICT). It will also be supported by sustained positive developments in foreign direct investment (FDI) projects that are currently ongoing, especially in petrochemicals, halal foods and manufacturing.
3. In line with the global disinflationary trend, inflation in Brunei Darussalam averaged -0.4% y-o-y in the first six months of 2025, underpinned by a combination of global and regional disinflationary trends as well as domestic policy measures such as government subsidies, administrative price controls, and the domestic monetary policy framework. The effects of imported inflation on domestic prices have **been minimised by the Brunei dollar's parity with the Singapore dollar**. Considering these factors and available Consumer Price Index data, BDCB has revised its inflation forecast for Brunei Darussalam for year 2025 to the range of -0.6% to 0.4%.
4. BDCB noted that the total assets of the domestic financial sector grew by 1.3% as of Q2 2025 with a total size of BND24.6 billion, of which BND14.6 billion was held by the Islamic finance sector while the conventional sector held BND10.0 billion. Deposit-taking institutions made up 91.5% of the sector with an asset base of BND22.5 billion. The banking industry remained fundamentally strong in Q2 2025 with an aggregate Capital Adequacy Ratio of 19.6%, **despite a slight moderation in the sector's profitability**.
5. There were several notable developments on the regulatory front in the first half of 2025. As part of efforts to develop a more effective domestic money market, BDCB issued a notice revising the Minimum Cash Balance requirement. In advancing the domestic Islamic finance sector, BDCB, in consultation with relevant stakeholders, has introduced Islamic windows for conventional banks to offer Islamic financial products. To strengthen the resilience of the banking sector, BDCB has also introduced the Liquidity Coverage Ratio requirement for banks.

6. With regards to the capital market, BDCB has introduced a mandatory Rules and Regulations Module for **Representative's Licence** holders and applicants as part of the licensing examination requirement under the Securities Markets Order, 2013. Furthermore, in support of the establishment of a digital economy, BDCB has granted approval for the National Digital Payments Network Sdn Bhd (ndpx) to launch the 'tarus' digital payment system. BDCB also introduced a requirement for financial institutions to adopt a unified and standardised quick response (QR) code for all payment transactions initiated by QR code.
7. The full version of BDCB Policy Statement 1/2025 **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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