PRESS RELEASE

BDCB POLICY STATEMENT 1/2026

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1. Brunei Darussalam Central Bank (BDCB) today published the first semi-annual policy statement for 2026.

2. In its Policy Statement 1/2026, BDCB reported that the International Monetary Fund (IMF) projected global growth to moderate to 3.0% in 2026 and 3.4% in 2027, whereas global inflation is expected to increase to 4.7% in 2026, before easing again in 2027.

3. Meanwhile, Brunei Darussalam reported a 0.3% year-on-year expansion in Q1 2026. The Oil and Gas sector grew by 4.1%, supported by stronger production of crude oil, natural gas and LNG, while the Non-Oil and Gas sector contracted by 3.0%, driven by a 1.6% reduction in downstream activities and contractions in other sectors such as Finance, Business Services, and Construction. Looking ahead, the economic outlook remains positive and is expected to benefit from ongoing upstream and downstream developments, as well as positive spillovers from key foreign direct investment (FDI) and development initiatives under the 12th National Development Plan (RKN12).

4. Consumer prices in Brunei Darussalam remained on a deflationary trend, with inflation averaging at -0.1% during January to May 2026. As a highly import-dependent economy, Brunei Darussalam remains vulnerable to imported inflation, particularly through food and intermediate goods channels. Nonetheless, the pass-through to domestic prices is expected to remain contained, owing to government subsidies, administrative price controls and the prevailing monetary policy framework. Brunei Darussalam Central Bank (BDCB) forecasts inflation for 2026 to fall within the range of -0.3% to 0.7%.

5. Despite heightened global uncertainties, Brunei Darussalam's financial sector remained resilient, stable, and sound, with total financial sector assets at BND25.7 billion as of Q1 2026. The banking sector remained well-capitalised and highly liquid, and asset quality continued to improve, despite some moderation in the banks' profitability.

6. Looking ahead, BDCB will continue to closely monitor global and domestic economic, and financial market developments, while remaining vigilant to emerging risks. Through continued vigilance, prudent policy calibration, and strong collaboration with relevant stakeholders, BDCB remains committed to safeguarding monetary and financial stability in Brunei Darussalam, while promoting sustainable economic growth and resilience.

7. The full version of BDCB Policy Statement 1/2026 can be found on BDCB's website at www.bdcb.gov.bn. For further information and enquiries, members of the public may contact BDCB at 8318388, or email info@bdcb.gov.bn.

Brunei Darussalam Central Bank
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