

KEYNOTE ADDRESS BY YAB PRIME MINISTER AT SASANA SYMPOSIUM 2025: STRUCTURAL REFORMS FOR A RESILIENT MALAYSIA

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Venue : SASANA KIJANG, BANK NEGARA MALAYSIA

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KEYNOTE ADDRESS BY

THE HONOURABLE

YAB DATO' SERI ANWAR BIN IBRAHIM

PRIME MINISTER OF MALAYSIA

SASANA SYMPOSIUM 2025: STRUCTURAL REFORMS FOR A

RESILIENT MALAYSIA

17TH JUNE 2025 (TUESDAY) | 11:00AM

SASANA KIJANG, BANK NEGARA MALAYSIA

Assalamualaikum warahmatullahi wabarakatuh dan salam sejahtera.

Yang Berbahagia Tan Sri Dato' Sri Shamsul Azri bin Abu Bakar,

Ketua Setiausaha Negara;

Yang Bahagia Dato' Seri Abdul Rasheed Ghaffour,

Gabenor Bank Negara;

Baru balik Mekah, mabrur insya-Allah, Allahummaj'ahu Hajjan Mabrura wa Sa'yan Masykura wa Dhanban Maghfura wa 'Amalan Shalihan Maqbula wa Tijaratan lan Tabur"

Yang Berbahagia Datuk Johan Mahmood Merican,

Ketua Setiausaha Perbendaharaan;

Yang Berbahagia Tan Sri Mohamed Azman Yahya; dan

rakan-rakan saya muliakan.

1. Saya ucap terima kasih kepada Gabenor Datuk Rashid atas ikhtiar ini, meneruskan wacana segar, memberi kefahaman tentang apa makna reformasi struktural yang sangat diperlukan dalam keadaan ekonomi yang tidak menentu. Tetapi memerlukan tekad politik dan dasar yang jelas, untuk pertama, menjamin pertumbuhan yang segar; dan kedua, kerangka MADANI itu dilaksanakan secara berkesan.
2. Terima kasih sekali kepada keluarga Bank Negara Malaysia, dan beberapa inisiatif itu memberi suatu gambaran bahawa Bank Negara Malaysia bukan sahaja menjadi satu bank negara dan pusat yang hanya menentukan soal dasar fiskal dan kewangan terutamanya, tetapi juga memikirkan soal kesenjangan, soal masyarakat, beberapa ikhtiar sosial, peningkatan golongan asnaf, dan kemiskinan tegar. Ini akan memberikan makna dan pengertian, relevance, atau kaitan, apa erti pembangunan?
3. Bila kita sebut tentang reform structural, ini memberi gambaran bahawa perubahan kecil, anjakan paradigma biasa itu tidak akan cukup. Kita lihat umpamanya, mengapa kita mengasak perubahan struktural dari segi umpamanya, penyasaran subsidi. Kerana penyasaran subsidi ini tidak salah bagi yang miskin, bagi yang melarat, tapi subsidi bagi golongan kaya, subsidi bagi orang asing yang tidak membayar cukai tentunya akan membebankan mana-mana negara.

4. Tetapi apa juga langkah fiskal dan perubahan, termasuk langkah-langkah yang kita perkenalkan, tidak semestinya popular. Sebab itu, peranan Bank Negara dan juga rakan-rakan dalam institusi kewangan perlu, bukan sahaja mendukung perubahan, mendukung anjakan paradigma dan perubahan struktural, tetapi memberi kefahaman kepada masyarakat.

5. Now that we are in the face of global headwinds, we cannot afford, therefore, to wait for calmer seas. We must learn to sail better. That's precisely the reason why we are doing this program and this initiative together because it's an attempt to bring the great minds, the intellectuals, the great minds of government, industry, and academia—to chart a course forward towards structural reforms for a resilient Malaysia, the theme of this year's Sasana Symposium.

6. Therefore, as I said in Bahasa, I must express my profound gratitude and thanks, and appreciation for the Governor and the Bank Negara family for nurturing this tradition of thoughtful discourse. Normally, I would say reasoned discourse, now in its third year, but also for undertaking some measures which are not necessarily forte' for central banks. So, banks talk money, money, money matters, but here there's also care and concern: social programs, uplifting the poor, talking about inequality, and building national resilience. And I think I'm very fortunate, therefore, to have the Governor and the team working in this direction. I trust, therefore, that the ideas exchanged over these two days, insya-Allah, will not remain abstract—that they will translate into policies grounded in real-life realities, and driven by clear purpose.

7. Now, as I have often said: reform is not a luxury. It is a national necessity and it is damn unpopular. But I do think we have no choice. The problem lies when, on one side, there is this impatient demand to undertake massive reforms, and on the other side, those ultra or neoconservatives or desperate politicians who would apportion the entire blame and go against any attempt to undertake reform.
8. The leadership must, therefore, be wise in navigating this change. There's no turning back. Structural reform is a necessity to save the economy of the nation. Structural reform is not about headline-grabbing pronouncements, it is about unlocking our growth potential, promoting broad-based prosperity, and steadily building buffers so that we can weather storms. And I would add, through this governance exercise, we must avoid leakages, endemic corruption, and wastage.
9. Around the world, we are observing a troubling trend: slower growth, driven by a mix of geopolitical and policy uncertainty. A small and open economy like Malaysia is not exempt from this swirl of uncertainty. In line with our vision to be a high-income economy, we must be adaptive in our policies, have strong institutions, and above all, be clear-sighted about our chosen direction.
10. The MADANI Economic Framework reflects this vision and articulates a dual commitment. First, industrial policies should be modernized, focused on sectoral competitiveness, digital transformation, green growth, and value chain upgrading. Second, the benefits of economic expansion should be broad-based,

particularly for the vulnerable and underserved segments of our society.

11. Now, the marital reform agenda adopts a whole-of-nation approach as we prioritize five critical areas: fiscal sustainability and governance. And mind you, from my limited experience now to novice, this is the most challenging to depart from the usual exercise in negotiations to award contracts, to a transparent tender exercise, to ensure that institutions, including the Anti-Corruption Commission and the rest, have to be bold enough and have the courage to take measures, however unpopular, to stem this endemic corruption in this country.

12. Then we talk about medium-term fiscal consolidation. Then the second issue, of course, subsidy rationalization. It sounds attractive. Even the English is about, you know, what I would say — elegant subsidy rationalization — oh my God. But it has to be done. The media has been daily asking about RON95, and the opposition is saying, “Look, with all this talk about the success of Bank Negara and Khazanah and billions brought in, the country is extremely poor. They’re oppressing the people.” That is the narrative that you find in the social media. And many of the corporate players are completely oblivious to what’s happening about me saying, and that’s our challenge now. It has to be done, but it has to be explained, well-articulated, get the people to understand and appreciate. That is why I think this sort of reasoned exchanges and discourse is vital to ensure not only the program is considered to be effective or sound policies, but effectively implemented and understood by the majority of our people.

13. So again, back to subsidy rationalization: targeted, not blanket, ensuring the assistance reaches those thoroughly in need. Third, it's tax reform. I said, you know, there's a dilemma. Remember to paraphrase Hamlet, "to tax or not to tax?" Now you have to expand the revenue base. We want to ensure quality education, better health reform and services. Now, to grapple with the new challenges, new technology, digitalization, all would demand funds, disbursement of more funds, but nobody wants to pay, including the very rich. But that is our challenge therefore.
14. Tax reform is a necessity to expand the revenue base, improve enforcement and, of course, address leakages without burdening the poor. Then, next will be human capital upliftment. All agencies, government, GLICs, the private sector have to undertake this measure. Because once we pride ourselves in being able to attract foreign investments, new technology, AI from Infineon to NVIDIA to Google to AMD, but then we need to therefore uplift the human capital and talent through, of course, TVET, digital upskilling, including labour market reforms.
15. The next will be institutional integrity, again another major challenge, where transparency, anti-corruption enforcement, and accountability are embedded across ministries, agencies, GLICs and the private sector.

Ladies and gentlemen,

16. Amid rising global headwinds and the imposition of unilateral tariffs, I just wish good luck to Zafrul, who's now in Washington DC. Malaysia's economy remains fundamentally sound. I'm just quoting the Governor.

17. Now, as Chair of ASEAN this year, Malaysia has reaffirmed the need to pursue deeper economic integration, anchored in inclusive, resilient and sustainable growth. I mean, this word "resilience" is all about, domestic resilience, the regional resilience. There's so much capacity even within Asia, the resilience that we have to build to strengthen our trade, our investments, intra-trade investments, then work with others. So, we continue to depend on the United States for investments and trade. We enhance our relations with China and countries in this region. And the EU, fortunately, has been more positive now easier to negotiate with them. Thank you, ambassadors, please convey my regards to your chiefs. And now we are working very closely to ensure that this EU-FTA with Malaysia and with ASEAN succeed. Because then everybody realises that dependence and to just wait and be obsessed with the issue of tariff will not help. So, we take other measures to ensure there is resilience, domestically, regionally, and between countries and among regions.

18. So, in an increasingly volatile global landscape, ASEAN centrality and regional economic bonds we have been, should I say, committed to build, as we have done so for decades to offer a steady compass and a strategic counterbalance to external uncertainties.

19. We are charting Malaysia precisely, a bold course in digital transformation, guided by national strategies such as the Digital Economy Blueprint, the Financial Sector Blueprint, and the Capital Market Master Plan. Now, together, these frameworks lay the foundation for an agile, resilient and future-ready economy.

20. Few may realise that Malaysia was among the early movers in the digital asset space, having begun exploring central bank digital currencies as early as 2017. Now, these efforts gained momentum with the establishment of a formal regulatory framework in 2019, providing much-needed clarity and confidence in the trading of and investment into crypto assets.

21. Now, I have to deal with the Securities Commission and Bank Negara, they are bastions of conservatism, as you know. But I'm not joking. But they are supposed to do that. So, we have to really engage and negotiate to make sure that they retain that anchor and, at the same time, accept the new risks. So, good luck to Johan.

22. And today, we mark yet another beginning of a new chapter, one that calls for deeper collaboration between regulators and industry players. It is in this spirit that I'm proud to launch the Digital Asset Innovation Hub, a testament to Malaysia's commitment to ensure policy evolves alongside innovation. It takes a lot of argument and the art of persuasion with the Governor and the Securities Commission Chief. No, I'm joking partly serious. Now, the hub will serve as a catalyst for progress, enabling innovators to test use cases such as programmable payments, Ringgit-backed stablecoins, and supply

chain financing, unlocking new efficiencies across the financial system and the broader economy.

23. So our ambition is clear, to align infrastructure, policy, and talent across both the public and private sectors in pursuit of a digitally capable, future-ready Malaysia. This national vision is clearly closely tied to our regional commitments, because ASEAN as ASEAN deepens cooperation in digital connectivity, which happens to be the thrust of our ASEAN program, the ASEAN Power Grid and the digital connectivity, energy transition, macroeconomic stability. Then Malaysia, therefore, has to continue to play a proactive role in shaping a connected, inclusive, and sustainable future for our region.

Ladies and gentlemen,

24. At the heart of these efforts is a deeper purpose. We're not just or merely adopting technology for its own sake, but building systems rooted in trust, driven by transparency and designed to serve both our national and regional interests.
25. Yet, as we embrace reform and resilience, we must not lose sight of immediate challenges that touch the lives of ordinary Malaysians. None more pressing than the rising cost of healthcare. We have this critical panel discussion. The Treasury, Central Bank, Ministry of Health, better come out with something reasonable. Otherwise, it's a problem we have to address. It's a serious problem. I mean, I think the session tomorrow should be given some focus. And I believe our

friends in the media should also help in this, because people have to understand the rising costs, but you have to deal with it. Some immediate measures have been undertaken, and I was a bit tough to the Ministry of Health. I said, “Look, procurement of medicine, I mean, use generic, use generic, and, of course, the cheapest possible not tied to the traditional source, which can be extremely exorbitant in terms of price.”

26. I used to joke — even Americans, the medicine given to the Prime Minister they choose the best. I said, “Not necessary. I would be happy to receive any generic one not necessarily imported from the most expensive companies”. That is what I have requested. I’ve not been successful. They still give me the best. That’s why everybody wants to become a Prime Minister.

27. For many Malaysians, private healthcare is becoming increasingly inaccessible due to escalating medical cost inflation. This is not simply an economic concern it is a matter of national well-being. Now, in recognition of this, I’m pleased to announce the establishment of a joint ministerial committee. This ministerial committee will comprise Ministry of Finance, Health and, of course, Central Bank — to ensure that quality healthcare is both affordable and accessible for all Malaysians. We are not talking about minor adjustments or minor paradigm shift. We must be prepared to undertake a fundamental shift towards a value-based private healthcare system that prioritizes outcomes, transparency, and fairness.

28. Key reforms include: clearer pricing, stronger digital healthcare, and expanded access through affordable options such as universal-based medical insurance product.
29. So, our aim again is to make healthcare a pillar of national resilience. But as I said, my experience and I was undergo a surgery, that was serious. And then they will put you in bed. And I asked the cost of the particular bed imported it's about RM300,000, because it's very sophisticated. So, I asked the nurses, "Have you used it?" "No, we used it. We used it in the usual, you know, movements." "Then why do you need this?" "We don't know." You see, this has to stop. We don't need to have the best except probably the best MRI, yes, but not the best beds. Even the Governor can use a normal bed. So, national resilience one, but must be guided by compassion, sound policy, and the needs of the Rakyat. And insya-Allah, I would personally see this reform through.
30. Now, before I conclude, let me reaffirm that the MADANI government remains resolute in delivering deep and meaningful structural reforms. Like seasoned navigators, we must and will stay the course, especially when the waters are uncharted and the conditions uncertain.
31. Even small shifts in direction, when taken with consistency and purpose, can alter the course of a nation, shaping a future where the economy serves not the few, but uplifts the many.

32. With that, dengan **lafaz Bismillahirrahmanirrahim, I hereby officiate the Sasana Symposium 2025 and launch the Digital Asset Innovation Hub.**

Wassalamu'alaikum Warahmatullahi Wabarakatuh.

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