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**Statement by Mr. Abdul Rasheed Ghaffour
Malaysia**

On behalf of
Brunei Darussalam, Cambodia, Republic of Fiji, Indonesia,
Lao People's Democratic Republic, Malaysia, Nepal, Philippines, Singapore, Thailand,
Tonga, and Vietnam

**IMFC Statement by Abdul Rasheed Ghaffour
Governor, Central Bank of Malaysia**

International Monetary and Financial Committee, April 17, 2026

**On behalf of Brunei Darussalam, Cambodia, Fiji, Indonesia, Lao P.D.R.,
Malaysia, Nepal, Philippines, Singapore, Thailand, Tonga, and Vietnam**

1. **Successive and compounding global shocks continue to weigh disproportionately on emerging market and developing economies (EMDEs)** – most acutely on low income and vulnerable countries. Already grappling with domestic constraints and pressing priorities, these members are often compelled to absorb spillovers from global developments largely beyond their control, particularly from policy actions in major economies.
2. **Safeguarding resilience in this challenging environment requires adequate policy space, as well as flexibility and agility in policy responses.** The Fund's capacity development – alongside the continued operationalization of the Integrated Policy Framework (IPF) – will be critical in supporting members' efforts to rebuild policy buffers, strengthen institutional capacity, and enhance ability to respond effectively to external shocks.
3. **The stakes of the Fund's ongoing policy reviews could not be higher.** Reviews on surveillance framework, external imbalances, program design and conditionality, and debt sustainability will shape how the Fund conducts surveillance, calibrates policy advice, and deploys its lending toolkit in years ahead – especially for members facing elevated uncertainty and constrained policy buffers. Importantly, swift implementation of the Sixteenth General Review of Quotas (GRQ) and timely progress on the Seventeenth Review, including a meaningful realignment, are essential to reinforce the Fund's credibility and effectiveness.

Global and Regional Economic Outlook

4. **The global economic environment remains highly uncertain despite near-term resilience.** Growth has held up better than expected, supported by policy buffers, easing inflation in some economies, and investment related to technological transformation. Risks, however, remain firmly tilted to the downside. Heightened geopolitical tensions, persistent trade policy uncertainty, growing geoeconomic fragmentation, and recurrent climate-related shocks continue to weigh on confidence, investment, and medium-term growth.
5. **Against this challenging backdrop, economic performance in our region has remained relatively resilient.** Growth continues to be underpinned by strong domestic demand, ongoing recovery in services and tourism, robust trade performance, moderating inflation, and generally sound macroeconomic and financial frameworks and policies. Policymakers have acted proactively, deploying integrated and well-calibrated policies to safeguard macro-financial stability while supporting growth. Going forward,

however, the region remains exposed to external spillovers, including shifts in global financial conditions, renewed trade disruptions, and commodity price volatility. The recent conflict in the Middle East and its potential implications for the energy market, inflation dynamics, and global financial conditions, will pose further tests to the region's resilience and highlight the importance of orderly energy and climate transitions. These developments underscore the importance of continued vigilance and policy coordination to preserve resilience.

Roles and Priorities of the Fund

6. **The Fund's role as a trusted advisor, lender of last resort, and platform for multilateral cooperation is more critical than ever.** We welcome the Managing Director's emphasis on supporting macroeconomic stability, resilience, and private-sector-led growth in an increasingly shock-prone world. Fund surveillance must remain candid, even-handed, and focused on macro-critical risks, including spillovers from policies in systemically important economies.
7. **In the more immediate term, we encourage the Fund to further strengthen timely surveillance,** including the provision of quick, first-cut assessments of emerging shocks and spillovers. In an environment of rapidly evolving geopolitical conflicts and heightened uncertainty, members are increasingly relying on the Fund's timely assessments. The Fund's surveillance must also extend beyond the oil and energy markets, given the expanding spillover impacts on fertilizers, food, and other supply chains. Such analysis would help members distinguish between temporary disruptions and more persistent macroeconomic risks, thereby supporting members' own assessments and policy responses.
8. **The Fund must continue to be a strong and consistent advocate for a rules-based multilateral trading system.** While near-term trade uncertainty may have eased slightly, this should not be interpreted as a durable improvement to the global trade environment. Elevated policy unpredictability and the proliferation of trade-restrictive measures continue to weigh on investment, productivity, and medium-term growth – particularly for open and trade-dependent economies. We urge the Fund to maintain a clear, principled, and even-handed voice in highlighting the macroeconomic costs of fragmentation and protectionism through its surveillance and analytical work.
9. **We support the operationalization of the IPF by strengthening its quantitative rigor and integrative framework and appreciate the extensive technical assistance provided to our constituency.** The IPF has enhanced dialogue between staff and country authorities and improved understanding of policy interactions and trade-offs under complex conditions. As operationalization advances, it is essential that the IPF remains true to its original intent of improving policy flexibility by capturing the full range of operational tools. Implementation should remain pragmatic and non-prescriptive, fully recognizing country-specific circumstances. Ultimately, the IPF should support – rather than substitute for – authorities' judgment and hard-earned policy credibility.

10. **Capacity development remains a cornerstone of the Fund's engagement with its members.** We support efforts to ensure that capacity development is well-prioritized, sustainably financed, and closely integrated with surveillance and lending – particularly for small states, low-income countries (LICs), and fragile and conflict-affected states. As capacity development plays a vital role in building the skills and core competencies of Fund members while enhancing members' policymaking and institutional capacities, we underscore the importance of preserving the quality and relevance of assistance provided by the Fund. In this regard, more predictable, sustainable and flexible financing for capacity development will be increasingly important as demand continues to rise. In the context of rapid digitalization, artificial intelligence, climate transition, and changes in global finance which present both opportunities and risks, strengthening capacity in these areas will be critical for many members. In particular, we welcome the Fund's collaboration with the FATF to promote safe and inclusive digital finance, which is essential to safeguarding trust in the financial system while supporting growth and financial inclusion.
11. **A rapidly evolving economic landscape demands a commensurately evolving surveillance framework.** The ongoing Comprehensive Surveillance Review (CSR) therefore carries notable significance. It provides an important opportunity to adapt surveillance to changing global circumstances and streamline the coverage of macro-criticality within the Fund's mandates. The CSR should also strengthen scenario analysis, contingent policy advice, and coherence between bilateral and multilateral surveillance. We acknowledge the Fund's work on global imbalances. The work must, however, recognize that not all surpluses or deficits are undesirable, and that they could reflect inherent structural factors. The Fund should avoid an overly narrow emphasis on exchange rate policies to correct the imbalances. In particular, the Fund must resist associating foreign exchange intervention activities with mercantilist intent. In many cases – particularly in emerging markets – foreign exchange interventions are deployed for the legitimate intent of macroeconomic stabilization, financial stability, or precautionary purposes, and are fully consistent with existing Fund guidance, including under the IPF. There is also benefit in complementing the current account-based assessments with a more granular analysis of financial account dynamics. Finally, the Fund must also emphasize that both surplus and deficit countries, particularly the biggest drivers of imbalances that are not justified by fundamentals, have roles to play in rebalancing.
12. **A fit-for-purpose lending toolkit is essential in today's volatile environment.** We welcome the Review of Program Design and Conditionality (ROC) as an opportunity to enhance program realism, ownership, and effectiveness. Conditionality should be well-calibrated, growth-friendly, and mindful of political-economy constraints as well as social and distributional impacts, including for the most vulnerable. At the same time, the ROC must aim to continue safeguarding the Fund's resources while ensuring vulnerable members are sufficiently supported to undertake necessary reforms. It is also important to recognize that the stakes on the outcome of the ROC are high, as they may have broader spillover effects across the Global Financial Safety Net, including for the design of programs and conditionality by regional financing arrangements.

13. **Debt vulnerabilities remain acute for many members, particularly small states and LICs.** While some progress has been made, debt resolution processes remain slow, uncertain, and costly. We call for further strengthening of the global debt architecture, including more predictable and timelier implementation of the G20 Common Framework and continued engagement through the Global Sovereign Debt Roundtable. The ongoing review of the Low-Income Country Debt Sustainability Framework (LIC-DSF) should strengthen the analytical robustness and practicality of the framework. This framework should better reflect the realities faced by small states and shock-prone LICs, supported by careful and balanced communication to avoid unintended market effects.
14. **We reaffirm our strong commitment to a quota-based, adequately resourced IMF at the center of the Global Financial Safety Net.** We call for the swift implementation of the Sixteenth General Review of Quotas to reinforce the Fund's quota-based structure and strengthen its permanent resource base. At the same time, with the recent escalation in global uncertainty, we are deeply concerned that repeated delays in governance reform and the lack of timely progress in the quota realignment could undermine the Fund's credibility and effectiveness. Meaningful progress under the Seventeenth Review is therefore critical to enhance the Fund's legitimacy by better reflecting members' relative positions in the global economy, while protecting the poorest and most vulnerable members. In an environment of more frequent and complex shocks, stronger collaboration with regional financial arrangements, such as the CMIM, can enhance system-wide resilience, promote more effective burden sharing, and help alleviate pressure on Fund resources, while respecting regional mandates and ownership.
15. **Finally, we commend the Fund's management and staff for their continued dedication under increasingly demanding circumstances.** Malaysia, together with other members of our constituency, reaffirm our support for a strong, agile, and trusted IMF – that remains focused on its core mandate and steadfast in promoting cooperation in support of global monetary and financial stability. We also look forward to welcoming all IMFC members to Bangkok, Thailand in October this year, in conjunction with the IMF-WBG Annual Meetings.