

Contents

Governor's Statement

Key Highlights

Executive Summary

Economic Developments in 2017

- 13** The International Economic Environment
- 16** The Malaysian Economy
- 25** External Sector
- 35** *Box Article: Low-Skilled Foreign Workers' Distortions to the Economy*
- 44** *Box Article: A Critical Assessment of Direct Investments Abroad (DIA) and the Changing Nature of Foreign Direct Investments (FDI)*

Monetary and Financial Conditions in 2017

- 57** International Monetary and Financial Conditions
- 60** Domestic Monetary and Financial Conditions

Monetary Policy in 2017

- 71** Monetary Policy
- 72** Monetary Operations

Outlook and Policy in 2018

- 79** The International Economic Outlook
- 80** The Malaysian Economy
- 84** External Sector
- 85** Inflation Outlook
- 86** Monetary Policy
- 88** Fiscal Policy
- 90** *Box Article: The Living Wage: Beyond Making Ends Meet*
- 100** *Box Article: Complexity and Growth: Malaysia's Position and Policy Implications*
- 110** *Box Article: Unlocking Malaysia's Digital Future: Opportunities, Challenges and Policy Responses*

Contents

Governance, Organisational Development and Communications

- 121** Executive Summary
- 122** Governance
- 126** Organisational Development
- 133** Communications
- 137** *Box Article: Business Plan 2018-2020: Framing the Future with Talent and Technology*
- 140** Organisation Structure
- 141** List of Senior Officers

Board of Directors and Committees of the Bank

- 145** Board of Directors
- 147** Management Committee
- 149** Monetary Policy Committee
- 151** Financial Stability Executive Committee
- 153** Shariah Advisory Council
- 155** Financial Stability Committee

Annual Financial Statements

- 165** Statement of Financial Position as at 31 December 2017
- 166** Income Statement for the Year Ended 31 December 2017
- 167** Notes to Financial Statement for the Year Ended 31 December 2017

Annex

Glossary, Acronyms and Abbreviations