

Confident to weather US tariffs with strong economic fundamentals: PM

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Bernama

PARLIAMENT | Prime Minister Anwar Ibrahim is confident Malaysia's strong economic fundamentals will enable the country to navigate global uncertainties following the retaliatory tariffs by the United States.

He stressed that reforms under the Madani Economic Framework will strengthen the country's ability to withstand global economic challenges and stay prepared for future uncertainties.

"With a resilient domestic economy and strong confidence, we are not easily swayed by external pressures or overwhelmed by global challenges.

"We have the figures and data that can be managed and used wisely," he said during a special parliamentary meeting in the Dewan Rakyat today on the US tariffs.

Anwar, who is also the finance minister, described Malaysia's macroeconomic performance last year as highly encouraging, with the country recording a gross

domestic product growth of 5.1 percent in 2024 compared to 3.6 percent in 2023, surpassing the Budget 2024 forecast of between 4.0-5.0 percent.

He said last year, Malaysia recorded RM378.5 billion in approved investments - the highest in the country's history - marking a 14.9 percent increase compared to RM329.5 billion in 2023.

"In addition, we have consistently reduced the fiscal deficit - from 5.5 percent in 2022 to 5.0 percent in 2023 and subsequently 4.1 percent in 2024, down to a projected 3.8 percent for 2025," he said.

He added that the government is taking the US' imposition of reciprocal tariffs seriously.

"Given the importance of the US as Malaysia's export destination and its largest source of foreign investments, the government believes that any challenges to trade relations must be addressed pragmatically and based on national interest, while maintaining good ties with all of Malaysia's trading partners," he said.

At the same time, Anwar said the country's alliances and networks, particularly with Asean nations, China, Japan, and regional partners, have been strengthened through discussions on this issue.

The US tariff is expected to be a key agenda at the Asean Summit with the Gulf Cooperation Council (GCC) countries and China later this month.

“Based on preliminary observations, Malaysia’s export performance remains strong, especially in the electrical and electronics sector, which continues to show encouraging growth.

“With the postponement of the reciprocal tariff implementation, the impact on Malaysia’s trade is expected to remain manageable in the near term,” said Anwar.

Furthermore, he added that with ongoing structural reforms, his government has built a robust supply chain ecosystem and diversified the country’s export products and markets.

“This is to ensure we are not overly reliant on any single market or products exposed to external shocks,” added Anwar.

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