

TACKLING U.S. TARIFF WITH 'SOFT DIPLOMACY'

Officials will head to Washington at end of month for talks on 24 per cent levy on goods, says PM

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Malaysia will send officials to the United States later this month to discuss the 24 per cent tariff on Malaysian goods, Prime Minister Datuk Seri Anwar Ibrahim said.

He said the move was part of the government's "soft diplomacy of quiet engagement" as it did not subscribe to megaphone diplomacy.

"As part of our soft diplomacy of quiet engagement and having built a consensus among Asean leaders, we (Malaysia) will be sending officials to Washington to begin the process of dialogue.

"There may be limited room to revisit the underlying intent, but there is still scope to adjust the policy's implementation."

He said this in his keynote address at the launch of the Asean Simplified ESG Disclosure Guide for SMEs in Supply Chains, held for the Asean Finance Ministers' and Central Bank Governors' Meeting and related meetings.

Present were Finance Minister II Datuk Seri Amir Hamzah Azizan and Bank Negara Malaysia governor Datuk Seri Abdul Rasheed Ghaffour.

Anwar, who is finance minister, said in the meantime, Malaysia would adapt like it always did in any economic challenge.

"Winds may shift, but we do not drift. Our trade diversification strategy is already gathering pace.

"While we intend to remain steadfast trade partners with the US, we will, in tandem, do whatever it takes to safeguard our economic interests.

"This includes engaging proactively with the US towards achieving a mutually beneficial outcome and, at the same time, diversifying and strengthening our ties with all major trade markets across the EU (European Union), Asia, the Middle East and Africa."

On Sunday, Anwar said the medium to long-term impact of



Prime Minister Anwar Ibrahim breaking into a stride at the Asean Investment Conference in Kuala Lumpur yesterday. REUTERS PIC

the US tariff on Malaysian imports would be challenging, but the government was ready to address and mitigate it.

He said Malaysia would respond calmly by engaging in constructive discussions with the US to safeguard vital market access, preserve investor confidence and secure fair outcomes for Malaysian exporters.

Amir Hamzah said Malaysian officials would go to the US at the end of the month.

He said Malaysia would take a measured and non-confrontational approach to the issue.

"The reciprocal tariffs is a shock to the world economy, but we must avoid hasty reactions and refrain from taking a knee-jerk approach.

"Most important, we have to understand the implications and issues at hand.

"With this in mind, we will go to the US to engage in thorough discussions for a deeper understanding of the situation and work towards a more favourable outcome.

"For now, there is no need to panic. We will handle this matter in an orderly and prudent manner," he told reporters.

Anwar called on Asean member states to stay united and resilient in the face of the tariffs.

He said the US tariffs announced on April 2 were not the first challenge to multilateralism, nor would it be the last.

"The global trading system is under intense strain, more so than

at any point in recent memory.

"Last week, the US unveiled its latest turn towards economic nationalism, sweeping tariffs on all imports, being part and parcel of what has been dubbed as the 'Trump tariffs against the rest of the world'.

"But if Asean can hold its nerve by staying open, pragmatic and cohesive, it may yet be among the last believers in a world that works better when it works together."

In stressing that Asean has always been a product of evolution, Anwar said the bloc's strength was always linked in its durability.

"At times like these, there is a temptation to retreat into nostalgia or fatalism, to assume that the international order is beyond repair or that regional cooperation is too slow to matter.

"But Asean has always been a creature of evolution, not revolution and its strength lies not in drama, but in durability.

"Over nearly six decades, it has withstood wars, crises and coups, and still managed to inch forward, often frustratingly, but forward nonetheless. As such, today, even more pertinent than ever, we must pursue greater economic integration in Asean."

Anwar said Asean countries must rely on each other and the bloc even as the fallout from the tariffs spread across the globe.

He said this included strengthening intra-Asean cooperation and moving beyond rhetoric to tangible action.