

PM: 25PC TARIFF WOULD HAVE HURT ECONOMY

Reduction to 19pc will protect jobs, income in Malaysia, says Anwar

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THE 25 per cent tariff previously imposed by the United States on Malaysian exports would have had serious economic repercussions, Prime Minister Datuk Seri Anwar Ibrahim said yesterday.

He said the high tariff rate posed a significant threat, particularly to Malaysia's semiconductor and electrical and electronics (E&E) sectors, which are major contributors to the country's exports.

"We negotiated for months because the 25 per cent tariff was simply too high. Alhamdulillah, it has now been reduced to 19 per cent," said Anwar.

"If it had remained at 25 per cent, it would have badly affected our economy, as Malaysia is a key hub for semiconductors and E&E in Asia."

He said Malaysia's exports to the US currently amounted to RM200 billion annually, with semiconductors making up 60 per cent of that total.

He said the reduction was not merely a trade victory, but a move to protect jobs and income back home.

"This is why leadership must involve not only managing domestic issues, but also international diplomacy.

"Some people ask, why engage with the US? The answer is simple: to safeguard tens of thousands of Malaysian jobs and secure higher tax revenues that can be channelled back to the people."

On Friday, the government announced that Malaysia had agreed to reduce tariffs to zero for 6,911 out of 11,260 product lines — or 61 per cent — as part of reciprocal negotiations with the US.

Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said the move was aimed at enhancing market access and encouraging a more



Prime Minister Datuk Seri Anwar Ibrahim and Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi at the Felda Settlers' Day and Rural Entrepreneurs Carnival at Mitec in Kuala Lumpur yesterday. BERNAMA PIC

open flow of trade between the two nations.

Meanwhile, Anwar said the US President Donald Trump had praised Malaysia's role in brokering peace between Thailand and Cambodia, describing the effort as a "fantastic job".

Speaking at the Felda Settlers' Day and Rural Entrepreneurs Carnival at Mitec, Anwar said Trump made the comments during a phone call on Thursday, following Malaysia's success in securing a ceasefire between the two neighbouring nations.

"He said: 'Thank you Prime Minister Anwar for the fantastic job in bringing both Cambodian and Thai prime ministers together and securing a lasting peace'."

"He used the word 'fantastic' three times."

The prime minister credited the Foreign Ministry, armed forces and government leadership for the successful diplomatic effort, which he said had enhanced Malaysia's standing globally.

"Alhamdulillah, a ceasefire was achieved. Malaysia is being spoken of from Washington to London, with praise for our success in uniting Asean and securing peace," he said.

Anwar added that he remained in contact with Cambodian Prime Minister Hun Manet, who had expressed appreciation and requested further Malaysian support to facilitate peace talks.

He said both the Cambodian

and Thai defence ministers were expected to visit Kuala Lumpur on Monday to discuss the next steps toward lasting peace.

On the domestic front, Anwar also announced that FGV Holdings Bhd could proceed with its delisting from Bursa Malaysia by Aug 28; a move that would enable Felda to chart its own path and focus more directly on the interests of settlers.

"Because of improved management, we can begin delisting by the end of August. Felda will no longer be held back.

"FGV will be able to determine its direction and ensure, through Koperasi Permodalan Felda Malaysia Bhd, that settlers' interests remain the top priority," he said.

Anwar said the government continued to allocate nearly RM1 billion annually to resolve Felda's legacy debts and had approved RM100,000 for each Felda village to be managed at the settlers' discretion.

"Whether they want to buy tractors, build fish ponds or invest in drones, the choice is theirs," he said.

He also said dialysis centres had been established in Felda areas and over 1,000 schools adopted by corporations and government-linked companies, with Felda schools included in the initiative.

"I want children of settlers to benefit just as students in other areas do."