

NO HASTY RESPONSE TO U.S. TARIFFS

Trump's policies are constantly changing, says Anwar

KUALA LUMPUR

MALAYSIA must not rush its response to United States tariffs under President Donald Trump's administration due to constant uncertainties in its decision-making, said Datuk Seri Anwar Ibrahim.

The prime minister said Malaysia's policy, as agreed upon by Asean, was based on the principle of centrality.

"This means adopting an independent and neutral approach while establishing networks with all countries, even though our relations with China, Brazil, South Africa, Canada and Mexico may seem closer.

"Our engagement and relations with the US have continued until now. We cannot act too hastily due to uncertainties, not only in geopolitics but also in some decisions announced by Trump.

"For instance, just yesterday (Monday) morning, there was a change in policy when he decided not to proceed with, and instead delay, the implementation of tariffs on Canada and Mexico. Within a month, policy changes may happen or be maintained," he said during the Prime Minister's Question Time in the Dewan Rakyat.

He was responding to a question from Lim Guan Eng (PH-Bagan), who asked about Malaysia's position on the global trade war triggered by the implementation of tariffs by the US president and whether Malaysia will stand with China, Canada and Mexico, and the financial and fiscal measures being taken to protect the Malaysian economy and people from the effects of these tariffs.

Anwar said while the impact of the global trade war due to the tariffs was uncertain, Malaysia was gearing up at the cabinet level, adding that a special committee had been established.

He said Malaysia was also aggressively expanding networks with other countries while maintaining neutrality.



Prime Minister Datuk Seri Anwar Ibrahim says Malaysia's policy is based on the principle of centrality. BERNAMA PIC

He cited Africa, through South Africa and Ethiopia, and Latin America, through Brazil and Peru.

"We have also opened better engagement with China and Russia. With these networks, we believe we can create new investment opportunities and expand our export markets."

He said the US remained an important trading partner as trade with the country accounted for 11 per cent, which was "relatively high", while Malaysia's exports to the US remained at 13 per cent.

"There are no indications that this should be viewed negatively, but I agree with Lim that we must take proactive steps.

"This means, in addition to aggressively expanding our trade networks with new countries, such as Brazil, where investments and trade have increased, we must also ensure that domestic growth programmes are expanded in line with announced policies, including industrial planning, energy transition, and digital transformation."

On Malaysia's participation in BRICS, Anwar said the growth of economies in the organisation had been significant.

"Trade with Egypt has increased by 53.6 per cent, Angola by 59 per cent and Ethiopia by 56 per cent. These are new markets. Algeria has seen a 27.9 per cent increase, while Libya has grown by 19.7 per cent.

"If we can expand and diversify our trade in these markets, we will be able to cushion the impact, even as we remain actively engaged in negotiations with the US. However, we should wait and assess, as continuing with tariffs will have negative consequences.

"As for BRICS, China and Rus-

sia remain firm in using their own financial systems without relying on the US dollar, and there has been no direct reaction from Trump.

"The key point is Malaysia, along with Asean, should not only maintain an independent stance, but also take a position that protects our national and regional interests."

Anwar said Malaysia had taken proactive measures to ensure its electrical and electronics exports to the US remain unaffected.

"It is true that Malaysia's exports of E&E, semiconductors, and chips to the US are significant, accounting for about 26 per cent of US demand. I agree that we cannot take this lightly.

"That is why we have taken several early measures. First, we continue to engage with the US to clarify that we comply with all regulations and do not violate any agreements or conditions set by the United Nations.

"Second, we are expanding our trade networks to ensure that our exports are not overly dependent in just a few countries but are diversified into other markets."

He added that a high-level committee, overseen by the Investment, Trade and Industry Minister, was monitoring the issue so that any potential impact remains minimal compared with current trade pressures.

He was responding to a question from Datuk Seri Doris Sophia Brodi (GPS-Sri Aman), who asked about the implications of trade sanctions on Malaysian companies, particularly in the E&E sector related to semiconductor chip manufacturing, and how the country was preparing for it.