

MALAYSIA, EU RESUME FTA TALKS

Pact will benefit Malaysian economic sectors immensely, says PM's Office

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MALAYSIA and the European Union (EU) have resumed negotiations for the

Malaysia-European Union Free Trade Agreement (MEUFTA), stalled since 2012.

Prime Minister Datuk Seri Anwar Ibrahim said this was agreed upon with European Commission president Ursula von der Leyen during his two-day working visit to Brussels, Belgium, from Sunday.

In a statement yesterday, the Prime Minister's Office said the renewed engagement marked a significant milestone in strengthening Malaysia's economic ties with one of the world's largest trading blocs.

"This also underscores Malaysia's commitment to fostering deeper economic ties with the European Union, a major trade and investment partner for Malaysia.

"This milestone also reflects the enduring strength of the partnership between both parties and their shared commitment to fostering economic prosperity."

It said MEUFTA was set to unlock immense benefits across multiple sectors of Malaysia's economy while strengthening the global supply chain in critical sectors. MEUFTA, it said, was also poised to bolster exports from sectors, such as electrical and electronic products, palm oil and its derivatives, as well as optical

and scientific equipment to the EU market.

"The MEUFTA will catalyse significant investments from the EU in cutting-edge sectors, such as green energy and advanced manufacturing, aligning with the industrial reform goals of the New Industrial Master Plan 2030."

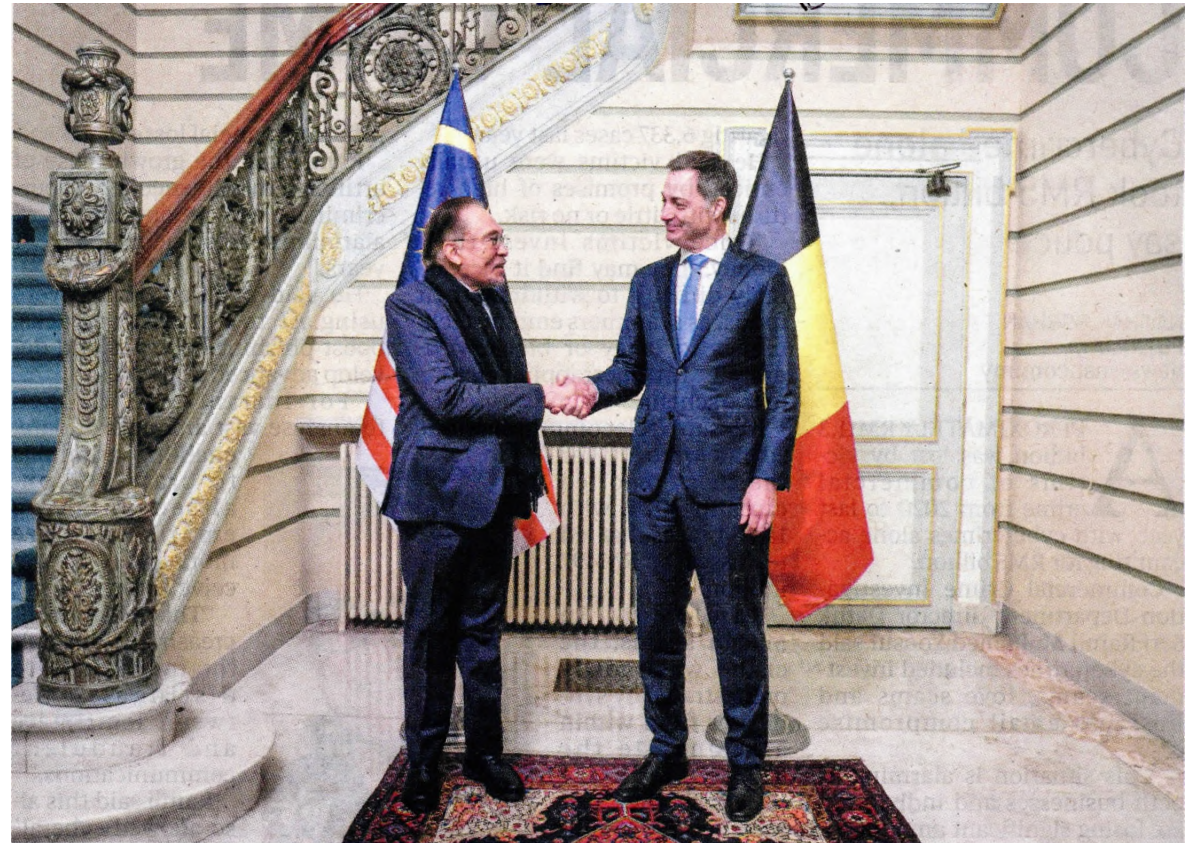
In 2023, the EU was Malaysia's fourth largest trading partner, with trade reaching RM206.79 billion. From January to November 2024, trade with the EU grew by 5.2 per cent to RM200 billion compared with the same period in 2023. Up to 2023, EU investments in Malaysia have generated over 153,000 jobs through 1,323 projects valued at RM227.9 billion.

"The resumption of MEUFTA negotiations is a testament to our shared vision of economic collaboration and our mutual aspiration to unlock the potential of trade and investment partnerships.

"Malaysia's government remains committed to pursuing a balanced and comprehensive agreement that delivers tangible benefits to all stakeholders while ensuring a 'win-win situation' for both Malaysia and the EU."

The Prime Minister's Office said the government would continue to engage with industry leaders and other stakeholders to ensure that the MEUFTA aligns with Malaysia's national interests and economic goals.

In a separate statement, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul



Prime Minister Datuk Seri Anwar Ibrahim with his Belgian counterpart Alexander De Croo in Brussels yesterday. BERNAMA PIC

Tengku Abdul Aziz said the ministry and the EU commissioner for trade and economic security Maros Sefcovic welcomed the resumption of negotiations.

"These negotiations have begun at a historic moment.

"In the current, ever-changing geopolitical landscape, it is crucial to build new partnerships, foster cooperation, and explore new opportunities, and that is exactly what we are doing through these negotiations," read the statement.

In March last year, Anwar, dur-

ing his visit to Berlin, Germany, said he had discussed with German vice-chancellor Robert Habeck the possibility of restarting discussions on MEUFTA.

In August the same year, outgoing EU Ambassador to Malaysia Michalis Rokas expressed confidence that the decision to restart negotiations on MEUFTA was imminent, and predicted that it would take "at the maximum, a couple of months".

Negotiations on the MEUFTA were formally launched on Oct 5,

2010, with eight rounds of negotiations between December 2010 and September 2012.

However, the negotiations reached an impasse in 2012 as both sides had exhausted their negotiating options at that time.

Malaysia had then expressed reservations over palm oil, procurement policies, subsidies and EU's sustainability clauses.

It was subsequently agreed that negotiations will resume when a fresh mandate and/or flexibilities become available to both sides.