

MALAYSIA, EU FREE TRADE AGREEMENT

NO TIME FRAME SET TO WRAP UP FTA

Both parties have agreed, however, to accelerate talks, says Anwar

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MALAYSIA and the European Union have not set any time frame to conclude negotia-

tions for the Malaysia-EU Free Trade Agreement (MEUFTA).

Prime Minister Datuk Seri Anwar Ibrahim, however, said both parties had agreed to accelerate the negotiations.

Anwar, who is also finance minister, said previous talks between Malaysia and EU could not be concluded due to a few factors.

“We were not ready to accept its unreasonable conditions,” he told the Malaysian media at the end of his two-day visit to Belgium.

He left for Switzerland to attend the World Economic Forum. Negotiations for MEUFTA began in 2010, but stalled in 2012 following Malaysia’s reservations over the EU’s palm oil procurement policies, subsidies and sustainability clauses. One of the reasons for the breakdown was discrimination over palm oil, particularly claims on open burning and labour practices.

Anwar said Malaysia is in a better position now to negotiate with the EU due to its political stability and economic strength.

Furthermore, he said, Malaysia’s forestation programme had allowed the country to preserve



Prime Minister Datuk Seri Anwar Ibrahim with European Council president Antonio Costa in Brussels on Monday. BERNAMA PIC

about 54.58 per cent, or 18.05 million hectares, of its forests.

During the prime minister’s engagement with European Council president Antonio Costa, both sides agreed to expedite discussion on the European Investment Bank Framework Agreement.

According to reports, the EU pledged €10 billion in connectivity investments to Asean.

In a statement from the Prime Minister’s Office (PMO) yesterday, the prime minister and European Commission president Ursula von der Leyen announced the resumption of negotiations for MEUFTA, marking a significant milestone in strengthening Malaysia’s economic ties with one of the world’s largest trading blocs.

The PMO said the resumption of talks underscored Malaysia’s commitment to fostering deeper economic ties with the EU, a major trade and investment partner.

“This milestone also reflects

the enduring strength of partnership between both parties and their shared commitment to fostering economic prosperity.”

It said MEUFTA was expected to unlock immense benefits across multiple sectors in Malaysia, while strengthening the global supply chain in critical sectors.

“It is 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, among others.”

In 2023, the EU was Malaysia’s fourth largest trading partner, with trade reaching RM206.79 billion. For the period of 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 created 153,000 jobs through 1,323 projects valued at RM227.9 billion. **Bernama**