

Anwar: Tariff relief discussions ongoing

KUALA LUMPUR: It's early days yet, but there is a possibility of reducing the 24% tariff that the United States has imposed on Malaysian goods, says Prime Minister Datuk Seri Anwar Ibrahim.

Malaysia is among 18 countries that have been able to enter into discussions with the United States on the reciprocal tariffs announced by US President Donald Trump in early April.

"Even though we are at an early state of negotiations, I want to emphasise that the US government has agreed to negotiate further with Malaysia, and if we succeed, there is a possibility that the United States will reduce the reciprocal tariffs imposed on Malaysia," he said during the Special Dewan Rakyat sitting held to discuss US tariffs yesterday.

"However, it bears repeating that this process remains at an early stage, with no agreement finalised by either party," he added.

Anwar then said that there will be no compromise on the country's core policies, including protecting bumiputra rights and the needs of local vendors and strategic sectors in any trade talks with other countries.

"We will not give in to undue pressure. We choose to negotiate in a principled manner to safeguard the livelihoods of the rakyat, future investments, and the country's economic sovereignty."

While the United States is a major investor in Malaysia, Malaysia too has significant investments in the United States - to the tune of RM34.4bil.

These investments span the energy, chemical, food, logistics, and high technology sectors.

"In addition, investments linked to the Malaysian government in the US bond and capital markets amount to RM182.7bil.

"These bilateral investment

commitments are mutually beneficial and prove that Malaysia is not merely a trading partner but also an active contributor to US economic growth," he added.

The United States accounted for 11% of Malaysia's total trade, with trade between the two countries in 2024 amounting to RM325bil.

Malaysian exports to the country stood at RM199bil, accounting for 13% of total exports.

Imports from the United States were valued at RM126bil, representing 9% of total imports.

Malaysia recorded a trade surplus of RM72bil with the United States.

"In terms of investments, the United States is the biggest foreign investor in Malaysia. Since 1980 until last year, a total of 974 manufacturing projects involving US investors worth RM166bil were established, creating over 200,000 jobs for Malaysians."

Anwar then dismissed claims by the United States that Malaysia imposes a 47% tariff on US imports, saying that this calculation does not reflect reality or proper economic theory.

He said the 2025 National Trade Estimate Report on Foreign Trade Barriers, published by the President of the United States on March 31, shows the tariff rate is actually 5.6%, not 47% as claimed.

Nevertheless, Anwar acknowledged that the reciprocal tariffs could impact Malaysian exports and affect GDP growth, as the United States is a major trading partner.

"The government's position is that any trade challenges must be handled pragmatically, centred around national interest, while maintaining good relations with trade partners," he said.

He added that negotiations with the United States are bound by a non-disclosure agreement in line with international standards, especially as they involve strate-



Economy matters: Anwar and Tengku Zafrul attending the special Dewan Rakyat sitting held to discuss US tariffs. — Bernama

gic and sensitive issues.

"If there are policy proposals requiring approval, they will go through a review process in the Cabinet and, if needed, will be brought before Parliament," he said.

Anwar said Malaysia is diversifying markets by strengthening trade ties with new partners, enhancing existing relations, and exploring options with BRICS and the Gulf Cooperation Council.

BRICS is a grouping that began with Brazil, Russia, India, China, and South Africa, and has since expanded to total 10 countries. The GCC comprises six Middle

Eastern nations.

Anwar added that some efforts have borne fruit, with Malaysia's exports to Asean growing by 4.2% year-on-year, and 2.6% with the European Union.

Exports to non-traditional markets such as Egypt, Pakistan, and Cambodia have also grown significantly at 53.6%, 29%, and 30.1% respectively.