

# Govt rolls out RM2.5S aid to mitigate impact of US tariffs

> Funding initiative among measures to cushion economy, strengthen trade ties and expand into new markets, says Anwar

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**PETALING JAYA:** Malaysia has introduced a series of strategic initiatives to shield its economy - particularly its small and medium-sized enterprises (SMEs) - from the impact of the sudden import tariff hike imposed by the United States on April 2, said Prime Minister Datuk Seri Anwar Ibrahim.

Addressing a special Dewan Rakyat sitting yesterday, Anwar said the government has agreed to increase its guarantee under the Business Financing Guarantee Scheme by RM1 billion. The move is aimed at helping SME exporters secure loans from commercial banks in response to the new tariffs.

In addition, an extra RM500 million in soft loan funding will be channelled through development financial institutions to support affected SME entrepreneurs, he said.

"This will be closely monitored, especially in coordination with the SMEs involved."

Anwar said the funding initiatives are part of six broader measures crafted to preserve Malaysia's economic stability and safeguard national interests in the short and medium term.

To help Malaysian companies access new markets, he said an additional RM50 million will be allocated to the Malaysia External Trade Development Corporation (Matrade). The funds, he added, will support SME participation in international trade exhibitions, business matchmaking and other export-driven activities.

Anwar, who is also finance minister, said trade-related policy coordination will be enhanced through the National Geo Economic Action Centre.

The centre will monitor key economic indicators such as manufacturing orders, export volumes, retail sales, employment trends and credit access.

"This integrated approach is intended to create a dynamic, data-driven policy

platform that enables timely and targeted interventions."

As part of efforts to maintain strong bilateral ties amid the tariff standoff, he said the government has proceeded with strategic imports and purchases from the US. Notably, Malaysia Aviation Group has formalised an order of 30 Boeing aircraft, with an option for 30 more, he said.

Trade and investment processes will also be streamlined in priority sectors such as agriculture, finance and digital technology.

Anwar cited the government's cloud framework initiative, which includes participation from tech giants like Google, Amazon and Microsoft, as part of efforts to digitally transform the public sector.

To attract high-value investments, he said Malaysia is crafting investment-friendly policies that enhance intellectual property rights protection, particularly in high-tech

industries like semiconductors and electronic chip manufacturing.

He also said in response to rising global trade tensions, the government is ramping up cross-border development projects, including the Asean Power Grid.

Closer to home, economic activities in border areas will be intensified through initiatives like the Johor-Singapore Special Economic Zone, which will benefit from special incentives, he added.

To support these efforts, RM1 billion will be allocated to upgrade border infrastructure between Sarawak, Sabah and Kalimantan in Indonesia to facilitate smoother two-way trade.

Anwar said Malaysia recently exported certified sustainable palm oil to the United Kingdom tariff-free under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

Additionally, negotiations for the Malaysia-European Free Trade Association partnership agreement were concluded in April, with the agreement expected to be signed next month.

Anwar said the government will also fast-track development projects and investment approvals as part of the Madani Economy reform agenda.



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