

MALAYSIA, U.S. INK DEALS ON TRADE, TIES

Washington keeps levy on Malaysian goods at 19pc and grants exemptions to 1,711 tariff lines

KUALA LUMPUR

MALAYSIA and the United States yesterday signed a wide-ranging reciprocal trade agreement aimed at strengthening bilateral economic ties, expanding market access and bolstering supply chain resilience.

In a joint statement published on the White House website, both sides said the agreement builds on the US-Malaysia Trade and Investment Framework Agreement, signed in 2004, and is a major step forward in bilateral relations.

Under the new deal, Malaysia will grant significant preferential market access for American exports, covering industrial goods such as chemicals, machinery, electrical equipment, metals and passenger vehicles, as well as agricultural products including dairy, poultry, beverages, rice and fuel ethanol.

In return, the US will maintain a 19 per cent tariff on Malaysian goods, as stipulated under Executive Order 14257, while applying exemptions on 1,711 tariff lines listed under a special category for aligned partners.

Malaysia has also committed to addressing non-tariff barriers that have affected US exports in several sectors. This includes recognising US safety and emissions standards on American-made vehicles, easing import licences for steel and alloy products, and simplifying halal certification requirements for items such as cosmetics, pharmaceuticals and medical devices.

The White House stated that Malaysia would streamline approvals for American food and agricultural products by recognising certificates issued by US regulators and adopting international best practices for animal disease control.



Prime Minister Datuk Seri Anwar Ibrahim greeting United States President Donald Trump at the Kuala Lumpur International Airport yesterday. PIC COURTESY OF PRIME MINISTER'S OFFICE

Malaysia has further pledged to enforce its environmental laws, tackle illegal logging and wildlife trade, and strengthen efforts to combat forced and child labour in high-risk sectors.

Malaysia also agreed not to impose discriminatory digital services taxes on US companies, to allow the secure transfer of data across borders, and to support a global moratorium on customs duties for electronic transmissions.

Both governments finalised commitments to strengthen intellectual property protection, enhance customs and trade procedures, and promote fair competition among state-owned enterprises.

Malaysia has agreed not to ban or restrict exports of critical minerals or rare earth elements to the US. It will also collaborate with US firms to develop these industries and ensure that no restrictions are imposed on the sale of rare earth magnets to American companies.

The statement highlighted major deals between Malaysian and US companies.

Among them is the procurement of 30 passenger aircraft, with an option for 30 more; the purchase of semiconductors, aerospace components and data centre equipment worth about

US\$150 billion; and the supply of up to five million tonnes of liquefied natural gas annually, valued at US\$3.4 billion.

Other deals cover coal and telecommunications products and services worth US\$204 million, and capital investments in the US totalling US\$70 billion.

To ensure a fair financial relationship, the US Department of the Treasury and Bank Negara are finalising a mutual understanding on currency policy.

"In the coming weeks, the US and Malaysia will undertake domestic formalities in advance of the agreement entering into force," the statement added.

Prime Minister Datuk Seri Anwar Ibrahim and United States President Donald Trump yesterday signed an agreement to elevate bilateral relations to a Comprehensive Strategic Partnership (CSP).

The Foreign Ministry said the move reflected the growing strategic and multifaceted cooperation between Putrajaya and Washington.

"The elevation of the partnership marks a historic advancement in relations between the two countries, built upon a foundation of diplomatic engagement forged since 1957 and formalised as a Comprehensive Partnership in 2014."

Page 1 pix: (top) Prime Minister Datuk Seri Anwar Ibrahim and United States President Donald Trump holding up trade deal documents during a bilateral meeting in Kuala Lumpur yesterday, (below): Anwar posing with Asean and world leaders during the opening ceremony of the 47th Asean Summit and Related Summits.