

US agrees to 19% reciprocal tariff on Malaysian goods

> With duties on selected products reduced to zero, agreement grants exporters from both countries unprecedented access to each other's markets

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KUALA LUMPUR: The United States (US) has agreed to maintain a 19% reciprocal tariff on Malaysian-origin goods while reducing duties on selected products to zero, under a landmark trade pact set to deepen economic ties between the two nations.

The announcement, made in a joint statement by the White House and Putrajaya, marks a major milestone in bilateral cooperation, and is expected to boost trade, investment and market access across key sectors.

"This agreement will grant exporters from both countries unprecedented access to each other's markets and enhance investment opportunities across key sectors.

Formalised under a new Agreement on Reciprocal Trade, the accord builds on the US-Malaysia Trade and Investment Framework Agreement signed in 2004 outlining comprehensive commitments covering industrial goods, agriculture, digital trade, labour and environmental protection.

The statement said Malaysia would offer preferential market access for US industrial goods such as chemicals, machinery, metals and passenger vehicles as well as agricultural exports including dairy, horticultural produce, poultry, rice and ethanol fuel.

Malaysia has also agreed to address non-tariff barriers by streamlining import licensing for steel and alloy products, simplifying *halal* certification for cosmetics, pharmaceuticals and medical devices, and recognising US vehicle safety and emissions standards.

For agricultural imports, Malaysia will adopt US certification for food and livestock, facilitate entry through simplified registration and recognise US regionalisation standards for animal disease control.

Environmental and labour protections form another key pillar of the deal.

"Malaysia has committed to enhancing environmental enforcement, combating illegal logging, unregulated fishing and wildlife trafficking."

The statement added that the country has



also pledged to strengthen labour rights enforcement, including measures against forced and child labour in high-risk industries.

Malaysia has also agreed to promote fair and open digital trade, guarantee cross-border data flows, refrain from imposing discriminatory digital service taxes and remove restrictions on US programming.

Both countries reaffirmed commitments to safeguarding intellectual property, improving regulatory transparency and enhancing cooperation in supply chain resilience, investment security and export controls.

Malaysia pledged not to impose export bans or quotas on critical minerals or rare earth elements while facilitating US investments in these sectors through long-term operating licences.

The agreement coincides with several major commercial deals between US and Malaysian firms, including aircraft procurement, semiconductor and aerospace component purchases worth US\$150 billion (RM633 billion) as well as long-term energy and telecommunications contracts valued in the billions.

Additionally, the US Department of the Treasury and Bank Negara Malaysia are finalising a mutual understanding on currency policy to "support a stable and fair economic partnership".