



MEDIA RELEASE

INITIATION OF BILATERAL FREE TRADE AGREEMENT NEGOTIATIONS BETWEEN MALAYSIA AND REPUBLIC OF KOREA

The Ministry of International Trade and Industry (MITI) is pleased to announce the initiation of Malaysia and Republic of Korea (Malaysia-Korea Free Trade Agreement - MKFTA) which has been agreed by MITI Minister, YB Datuk Darell Leiking and HE Yoo Myung-hee, Trade Minister, Ministry of Trade, Industry and Energy (MOTIE).

The discussion to explore the bilateral trade agreement was initiated when YAB Tun Dr. Mahathir Mohamed, Prime Minister of Malaysia met HE Moon, Jae-in, President of Republic of Korea in March 2019. During the meeting, both leaders recognise the significance of the enhanced economic cooperation and partnership between the two countries for mutual long-term prosperity.

Malaysia and Korea have established diplomatic relations since 1960. Since then, the economic relations have improved in many respects, especially with the full enforcement of ASEAN-Korea Free Trade Agreement (AKFTA) from January 2010. Currently both Malaysia and Korea are also participating in the Regional Comprehensive Economic Partnership (RCEP) negotiations. The bilateral FTA is expected to provide a better platform for both countries to increase trade activities, as well as to facilitate investment. In order to strengthen the economic cooperation elements, both Malaysia and Korea are desirable to explore cooperation which in line with both parties' economic development strategies, such as Malaysia's Look East Policy 2.0 and Korea's New Southern Policy.

In 2018, Korea was Malaysia's 8th largest trading partner with total trade increased by 7.2% amounting to RM72.60 billion (US\$17.98 billion) from 2017. In addition, Korea is Malaysia's 9th largest export destination driven by exports of electrical & electronics products, liquefied natural gas (LNG), petroleum products, manufactured of metal and chemicals and chemical products. Meanwhile, Korea is the 8th largest source of imports with major products such as electrical & electronics products, petroleum products, chemicals and chemical products, machinery, equipment and parts and iron & steel products.

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**Ministry of International Trade & Industry
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MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

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About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020 .

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