



MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY



ENHANCED TRADE PROSPECTS AS MALAYSIA CONCLUDES NEGOTIATIONS ON ECONOMIC PARTNERSHIP WITH THE UAE

YB Senator Tengku Datuk Seri Utama Zafrul Aziz, Malaysia's Minister of Investment, Trade and Industry and His Excellency Dr. Thani bin Ahmed Al Zeyoudi, UAE Minister of State for Foreign Trade, have announced the successful conclusion of negotiations for a Comprehensive Economic Partnership Agreement (CEPA) between Malaysia and the UAE. This agreement is set to eliminate or reduce tariffs, lower trade barriers, foster private-sector collaboration, and create new investment opportunities.

The CEPA underscores the strengthening economic relationship between the two nations, with bilateral non-oil trade surpassing US\$4.9 billion in 2023. In the first half of 2024, non-oil trade reached US\$2.5 billion, reflecting a 7% increase from the same period in 2023. The UAE is Malaysia's second-largest trade partner in the Arab world, constituting 32% of Malaysia's trade with Arab countries, while Malaysia ranks as the UAE's 12th-largest trading partner in Asia and fifth among ASEAN nations. The UAE is a vital market, accounting for 40% of Malaysia's merchandise exports to the Arab World, highlighting Malaysia's strong trade presence in the region.

Tengku Zafrul Aziz said, "As Malaysia's first, historic Free Trade Agreement with a Gulf Cooperation Council (GCC) nation, I am confident the CEPA will enhance trade, boost investments, and deepen the Malaysia-UAE economic ties. We view the UAE as a strategic hub for Malaysian exporters to access markets in the Middle East, North Africa and certain parts of Europe, particularly as Malaysian exports such as electrical and electronics, machineries, jewellery, prepared foodstuff, tropical fruits, palm oil, cocoa and rubber would immediately enjoy zero import duties when this Agreement comes into force."

"The CEPA is also a strategic leverage for UAE-based companies to optimise Malaysia as a gateway into the ASEAN market, which in turn, will provide tremendous opportunities

for our businesses – particularly the SMEs – through integration into regional supply chains, capacity-building and knowledge sharing via the UAE investors. MITI looks forward to working closely with H.E. Dr. Thani and the UAE Ministry for Foreign Trade to ensure the swift ratification and implementation of the CEPA,” continued Tengku Zafrul.

H.E. Dr. Thani said the CEPA reflects the productive ties that have developed between the UAE and Malaysia – and Southeast Asia as a whole. “Malaysia is a long-standing and trusted trade partner that, like the UAE, is seeking to enhance its economic prospects through increased trade and targeted investment. As the fourth largest economy in the Southeast Asia region, and with economic growth in 2024 set to outstrip forecasts, Malaysia offers substantial opportunity for our exporters, industrialists and business leaders, especially in high-growth sectors such as energy, logistics, manufacturing and financial services. I look forward to working together with H.E. Tengku Zafrul Aziz to secure a swift ratification of the CEPA, and to realizing long-lasting benefits for us both – and our respective regions.

The UAE’s CEPA initiative aims to elevate its non-oil foreign trade to USD1 trillion by strengthening relationships with key markets worldwide. This ambitious strategy not only enhances ties within the ASEAN bloc but also positions Malaysia as a key player in this economic landscape, benefiting from existing Comprehensive Economic Partnership Agreements with Indonesia and Cambodia that further stimulate bilateral trade opportunities.

MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (MITI)

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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.



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