



MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY

MEDIA RELEASE

FTA RESUMPTION TO INCREASE TRADE & INVESTMENT BETWEEN MALAYSIA AND REPUBLIC OF KOREA

Malaysia and the Republic of Korea (ROK) today officially announced the resumption of the Malaysia-Korea Free Trade Agreement (MKFTA), which is set to increase bilateral trade and investment between the two countries. The MKFTA is expected to cover areas on digital economy; green economy; supply chain; and bioeconomy.

Malaysia was represented by YB Datuk Seri Utama Tengku Zafrul Aziz, Minister of Investment, Trade, and Industry for Malaysia, while ROK was represented by His Excellency Cheong Inkyo, Minister of Trade of the Republic of Korea.

Currently, both Malaysia and ROK are parties to the ASEAN-Korea Free Trade Agreement and Regional Comprehensive Economic Partnership (RCEP) Agreement. Bilateral trade growth and industry demand between the two countries have been encouraging, and the MKFTA is expected to bolster existing economic ties.

Tengku Zafrul said, “In the last few years, Malaysia-ROK’s bilateral trade has shown an upward trend that we must continue to build on. As Malaysia’s eighth largest trading partner, and a key collaborator to Malaysia’s Look East Policy, the resumption of the FTA between Malaysia and ROK is both timely and strategic. Malaysia-ROK trade relationship has existed for over four decades, and we also hope to leverage on this to help us move our target industries up the global value chain in sectors such as E&E, medical devices, pharmaceuticals, the green economy and chemicals.”

In 2023, total trade with the ROK amounted to RM111.1 billion (USD24.3 billion). Malaysia was ranked the ROK’s 3rd largest trading partner in ASEAN, and 12th

largest globally, with total trade amounting to RM118.4 billion (USD25 billion) in the same period.

Malaysia's major exports to ROK were E&E products, LNG, petroleum products, manufactures of metal and optical & scientific equipment; while Malaysia's major imports from the ROK were petroleum products, E&E products, chemical and chemical products, machinery, equipment and parts, as well as iron and steel products.

In terms of investment, the ROK has been one of Malaysia's top sources of Foreign Direct Investment for the manufacturing sector. As of December 2023, a total of 390 projects worth USD10.7 billion (RM40 billion) have been implemented, generating 48,374 jobs. Most of these investments were in chemical and chemical products, basic metal products, electrical and electronics, petroleum products and food manufacturing products. It is estimated that around 500 Korean companies are operating in Malaysia.

Malaysian investments in Korea amounted USD10.2 million (RM48.2 million) based on quarter three data in 2023. Investments were in manufacturing (electronics, steel, petrochemicals, etc.), construction, IT services, wholesale and retail, logistics, etc.

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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.

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