



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY

MEDIA RELEASE

MALAYSIA SET TO IMPLEMENT THE WORLD'S LARGEST FREE TRADE AGREEMENT (FTA)

*Regional Comprehensive Economic Partnership (RCEP) Agreement Enters Into
Force For Malaysia Today*

Today, 18 March 2022, the Regional Comprehensive Economic Partnership (RCEP) Agreement enters into force for Malaysia paving the way for our economy to integrate into the world's largest free trade agreement (FTA) with a market covering 15 countries comprising more than 2.2 billion or nearly a third of the global population and world GDP.

Representing a significant milestone in the vibrant growth and revitalisation of economies, anchored on the rules-based multilateral trading system, RCEP enables Malaysia to enjoy the global trade and investment ecosystem, benefiting from the eventual elimination of around 90 per cent of tariff among members.

Other advantages to be gained include further liberalisation of trade encompassing removal of non-tariff barriers, increased trade facilitation, removal of barriers to the services sector as well as enhancement of business environment through regulations relating to intellectual property protection, government procurement practises and e-commerce.

The establishment of RCEP positions the Asia-Pacific region as the new centre of gravity for global commerce, with total trade expected to increase nearly US\$42 billion. Within ASEAN, Malaysia is expected to be the largest beneficiary of the Agreement in terms of gains in exports, with a projected US\$200 million increase.

Complementing the development agenda of the World Trade Organisation (WTO), RCEP would enhance recognition of the role of SMEs, including micro enterprises in contributing to economic growth, employment, and innovation. Noteworthy too is the provision of the special and differential treatment accorded to least-developed members, which would be instrumental in advancing equitable economic development.



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As the world gradually recovers from the economic repercussions of the pandemic, RCEP presents a vital tool to re-invigorate businesses and economic activities through a marked reduction in barriers to trade across the region. Beyond improving the ways of doing business, RCEP would spark the creation of new regional supply chains apart from strengthening existing networks, thereby boosting the growth of domestic businesses as they immerse into the global trading ecosystem.

Business communities, from large to small scale entrepreneurs, are encouraged to take advantage of the vast investment opportunities and greater participation in regional and global value chains presented by this mega-trade agreement.

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18 MARCH 2022**

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.

For further information, kindly contact Trade & Industry Cooperation Section, MITI at +603 8000 8000. MITI will also be organising monthly FTA Pocket Talks, a series of sessions for the private sector to gain knowledge on the benefits of FTAs. Information will be periodically updated at <https://www.miti.gov.my>