MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY

MEDIA STATEMENT

1. Section 301 Tariff related to Excess Capacity is not Final

On 25 November 2026, the United States Trade Representative (USTR) issued its determinations in the Section 301 investigations related to excess capacity on 14 economies, including Malaysia. USTR proposes to consider imposing a tariff of up to 18% - 25% on Malaysia. However, USTR has informed that this is an indicative tariff rate and **the finalised tariff rate will only be issued in the 1st quarter of 2027.** At this point in time, **only the 10% tariff under forced labour, imposed on Malaysia on 24 July 2026, is in effect.**

2. Next Steps

MITI will continue to engage and consult with the United States to ensure that the **total tariff rate for Malaysia under Section 301 does not exceed 19%**, especially since Malaysia was one of the first economies to sign the Agreement on Reciprocal Trade (ART). To provide certainty and assurance to all stakeholders, including businesses and investors, MITI will provide updates on further developments by 1st quarter of 2027.

3. Review of Imports from Third Countries

Malaysia reiterates and maintains that it does not have excess capacity in its manufacturing sectors that distorts or disrupts global markets. Nevertheless, MITI will review goods imported from third countries into Malaysia to ensure that Malaysia does not contribute to the global excess capacity.

MINISTRY OF INVESTMENT, TRADE AND INDUSTRY (MITI)

26 November 2026