



MALAYSIA SIGNS FTA WITH EUROPEAN FREE TRADE ASSOCIATION (EFTA) STATES; NATION'S 18TH FTA TO SUPPORT MARKET DIVERSIFICATION AMIDST CHALLENGING GLOBAL TRADING LANDSCAPE

Malaysia and the EFTA Member States have signed the Economic Partnership Agreement, opening a new chapter for Malaysia's trade, investment and economic relations with **Switzerland, Norway, Iceland and Liechtenstein.**

The Malaysia-European Free Trade Association (EFTA) Economic Partnership Agreement (MEEPA) was signed by YB Senator Tengku Datuk Seri Utama Zafrul Aziz, Minister of Investment, Trade and Industry, Malaysia, and his counterparts H.E. Cecilie Terese Myrseth, Minister of Trade and Industry, Norway; H.E. Daði Már Kristófersson, Minister of Finance and Economic Affairs, Iceland; H.E. Sabine Monauni, Deputy Prime Minister - Ministry of Foreign Affairs, Environment and Culture, Liechtenstein; and H.E. Guy Parmelin, Vice President, Federal Councillor, Switzerland. **Both Malaysia and the EFTA Member States also signed a Memorandum of Understanding (MOU) on Cooperation and Capacity Building, and a Joint Statement on Sustainable Palm Oil.**

Tengku Zafrul said, "As a trading nation, it is **important for Malaysia to maintain its neutral and non-aligned stance, particularly in the face of current geopolitical uncertainties** that complicate the global trading landscape. **Malaysia's unwavering neutrality and non-alignment is also reflected in the signing of MEEPA, which is Malaysia's 18th Free Trade Agreement (FTA) thus far, and is part of our enhanced attempt to diversify our markets amidst global economic uncertainties.** As Malaysia's first FTA with several European countries, **the MEEPA is also expected to pave the way for expedited Malaysia-EU FTA negotiations.** The trade potential to be realised will provide more business opportunities for local companies, including Small and Medium Enterprises, and offer higher-paying jobs for Malaysians – both key in driving our economic transformation agenda."

MEEPA covers, goods, services, investments, intellectual property rights, customs facilitation, competition policy, sanitary and phytosanitary, trade and sustainable development, government procurement and economic cooperation. It is expected to bring new export opportunities and enable Malaysia to continue attracting high technology and knowledge-based investments from those four non-EU Member countries.

Upon entry into force, **the Agreement guarantees long-term duty-free access to more than 90% of Malaysia's exports, including all industrial products, to the four signatory countries**, securing benefits that were previously offered under the temporary unilateral scheme of Generalised System of Preferences (GSP).

In 2024, **Malaysia's trade with the EFTA was valued at RM14.4 billion**. Over 85% of Malaysia's exports to these countries were **industrial products covering E&E, optical and scientific instruments, metal products, plastics and rubber-based products**. Of the four (4) Member States, Switzerland accounted for over 80% of trade amounting to RM12.2 billion followed by Norway at RM2.1 billion.

Cumulatively, Switzerland, Norway and Liechtenstein have **invested RM14.2 billion in Malaysia**, resulting in the creation of over **24,000 job opportunities**. A prime example is Lembaga Koko Malaysia's collaboration with the renowned Swiss-based company Nestlé to develop KitKat Dark Borneo, a premium single-origin chocolate crafted exclusively from Malaysian cocoa beans.

In the area of services, Malaysian professionals encompassing **accountants, auditors, lawyers, physiotherapist, nurses, and teachers** are expected to benefit from **enhanced access and mobility** through transparent rules in the EFTA markets.

The Agreement also has a **robust built-in agenda for cooperation and capacity building programmes**, to further strengthen the development of sectoral capabilities in areas such as **engineering, science, technology and innovation; green mobility and transportation; digitalisation and automation; pharmaceuticals and medical devices**; as well as **human capital development** through training, internships and expert exchange programmes.

During the MEEPA signing, Tengku Datuk Seri Utama Zafrul Aziz also witnessed **the MOU exchange between Universiti Teknologi Petronas and two Norwegian Universities, namely, University of South-Eastern and University of Stavanger.** The initiative seeks to foster academic collaboration and specialised expertise in hydrogen technology, carbon capture and storage, as well as in related fields across the oil, gas, marine and shipping, and renewable energy sectors. The collaborative ventures are expected to contribute towards the sustainable development of a skilled talent pool and long-term growth of industries by enhancing the quality of Malaysia's higher education and translational research.

MINISTRY OF INVESTMENT, TRADE AND INDUSTRY

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