



MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY



MEDIA STATEMENT



MALAYSIA SIGNS JOINT STATEMENT ON THE CONCLUSION OF MALAYSIA- REPUBLIC OF KOREA FREE TRADE AGREEMENT - STRENGTHENING STRATEGIC PARTNERSHIP TO ADDRESS THE PRESSING CHALLENGES MOVING FORWARD

Malaysia and Republic of Korea (ROK) have signed a **Joint Statement** announcing **conclusion** of the **Malaysia-Republic of Korea Free Trade Agreement (MKFTA)** negotiations.

The Joint Statement was signed by YB Senator Tengku Datuk Seri Utama Zafrul Aziz, Minister of Investment, Trade and Industry, Malaysia, and his counterpart H.E. Yeo Han-koo, Minister for Trade, Ministry of Trade, Industry and Resources, Republic of Korea at the sidelines of the 47th ASEAN Summit that was held in Kuala Lumpur.

The MKFTA covers goods, services, investments, customs facilitation, sanitary phytosanitary, digital trade, green economy, bioeconomy and economic cooperation. The **Chapter on Economic Cooperation and Capacity Building** remains **paramount** and will be a **key focus for Malaysia** in this FTA.

Upon entry into force, **the Agreement guarantees long-term duty-free access to various products of strategic export interest** for Malaysia, covering the **food and agricultural sectors, herbal products and extracts, commodity products** including **palm and cocoa products, chemical and petrochemical products, and tropical timber and plywood.**

In addition to the Agreement, both countries also successfully concluded a **Memorandum of Understanding (MOU) on Strategic Cooperation on Supply Chains**, recognising the importance of deepening cooperation on economic security including cooperation in areas such as supply chain resilience.

The Minister of Investment, Trade & Industry, Tengku Datuk Seri Utama Zafrul Aziz, said “Malaysia perceives the **bilateral Free Trade Agreement** with the Republic of Korea (ROK) as

timely, given the magnitude of our existing bilateral trade relations. We see **numerous opportunities to forge closer collaboration** with Korea in the fields of **industrial development; trade; and investment**. I am pleased to share that we will also be exploring other sectors such as **green economy; digital; and bio-economy**, which would also **elevate the value** of our FTA to different stakeholders. We are also hopeful that the MKFTA will be **beneficial** to both countries' **SMEs and businesses**.

The conclusion of the MKFTA marks **Malaysia's 19th Free Trade Agreement (FTA)** to date. It amplifies Malaysia's **enhanced attempt to diversify its markets** amidst **global economic uncertainties**, as well as reinforce our **unwavering commitment** to the **rules-based multilateral trading system**, with the World Trade Organisation (WTO) at its core. **Republic of Korea** remains one of Malaysia's **top ten trading partners**. This FTA will further strengthen Malaysia's bilateral strategic partnership through closer trade and investment cooperation to **establish a dynamic, mutually beneficial partnership** between the two countries.

In **2024**, the ROK stood as the **8th largest trading partner** for Malaysia with total trade amounting to **USD24.01 billion (RM109.68 billion)**. Malaysia's major exports to the ROK in 2024 were electronics and electrical products, liquefied natural gas (LNG), petroleum products, manufactures of metal, and optical and scientific equipment; while Malaysia's major imports from the ROK in 2024 were petroleum products, electronics and electrical products, chemicals & chemical Products, machinery, equipment & part and iron & steel products.

Cumulatively, since 1980, ROK have **invested RM61.9 billion in Malaysia**, resulting in the creation of over **83,000 job opportunities**. In the area of **services, Malaysian professionals** encompassing accountants, auditors, lawyers, engineers are expected to benefit from **enhanced access and mobility** to the **ROK market**.

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

training, internships and expert exchange programmes. Korea has demonstrated competitive advantage in many different segments and is a **global powerhouse in digital innovation**. Malaysia is keen to learn from the policies and best practices executed by Korea on this front, and hopes some areas of cooperation will be established in the future.

MINISTRY OF INVESTMENT, TRADE AND INDUSTRY

27 October 2025

About MITI: MITI is the primary driver in positioning Malaysia as a preferred destination for quality investment and enhancing the nation's global trade competitiveness. Its objectives and roles are geared towards ensuring robust economic development and helping Malaysia achieve its goal of becoming a high-income and developed nation.

 603-80008000  www.miti.gov.my  webmiti@miti.gov.my



THIS IS WHERE GLOBAL STARTS