



MINISTRY OF INVESTMENT,
TRADE AND INDUSTRY

KEYNOTE SPEECH BY

**YB TUAN SIM TZE TZIN
DEPUTY MINISTER OF INVESTMENT, TRADE AND
INDUSTRY**

AT THE

**POST-ANNOUNCEMENT OF
MALAYSIA'S TRADE PERFORMANCE 2025:
SHAPING NEW OPPORTUNITIES**

27 JANUARY 2026 (TUESDAY), 2.30 PM

MATRADE HALL, LEVEL 3, MENARA MATRADE

YB Dato' Seri Reezal Merican Naina Merican

Chairman of MATRADE

YBrs. Encik Abu Bakar Yusof

CEO of MATRADE

MATRADE's Board of Directors,

Heads of Government Agencies,

Your Excellencies Ambassadors and High Commissioners,

Representatives from Chambers of Commerce and Trade Associations,

Distinguished guests,

Members of the media,

Ladies and gentleman.

Good Afternoon and Salam Malaysia MADANI.

1. I am pleased to be here this afternoon to deliver a Keynote Speech on behalf of the Minister, who unfortunately could not make it to the event due to an exigency. I understand that the post-announcement of Malaysia's 2025 Trade Performance will highlight the nation's achievements announced last week. I will also take this opportunity to share the outlook for this year, the government's strategies moving forward and how we can collectively shape and seize new trade opportunities.

Merchandise Trade 2025

Ladies and gentleman,

2. As pointed out by YB Dato' Seri Reezal, Chairman of MATRADE, 2025 was indeed an eventful year for Malaysia's economy. Despite the trade challenges that threatened our exports, among others, the US reciprocal tariff, trade reached highest ever recorded value of RM3.06 trillion with exports amounting RM1.61 trillion and imports RM1.45 trillion, resulting in a surplus of RM151.80 billion.
3. Higher exports were largely contributed by electrical & electronic (E&E) products, particularly higher demand for electronic integrated circuits, reflecting the acceleration of global technology adoption, including Artificial Intelligence (AI).
4. The manufacturing sector remained the main driver of export growth, supported by strong demand for palm oil-based products, as well as continued expansion in machinery, equipment and parts. Meanwhile,

in the commodity sector, palm oil continues to be the nation's key export.

5. Malaysia's active participation in global supply chains, namely in the area of technology has led to healthy and higher imports mainly capital goods to support increased manufacturing activities.

Strategies to Increase Trade

Ladies and gentlemen,

6. To ensure sustainable growth, Malaysia must diversify its trade partnerships. Broadening trade relations beyond traditional markets and forging stronger ties with emerging economies will reduce reliance on any single region, mitigating potential risks. Diversification will also open new trade channels, enabling Malaysia to tap into rapidly expanding markets and enhancing its global competitiveness.
7. One of the key strategies to further increase exports is close engagement with emerging markets. These are non-traditional partners whose economies have grown exponentially in recent years, including regions such as Africa, the Middle East and Latin America. Last year, MITI and its agencies participated in several of YAB Prime Minister's official visits including to Ethiopia, South Africa and Kenya, UK, Switzerland, Brazil, the United Arab Emirates, Russia and China. These bilateral engagements are strategically undertaken to further strengthen trade relations and expand market presence.
8. In addition, MITI through MATRADE, will continue to aggressively promote exports worldwide. We are also pursuing more bilateral

trade agreements. Last year, we have concluded the negotiations on free trade agreement with South Korea on which covers goods, services, investments, customs facilitation, sanitary and phytosanitary, digital trade, green economy, bioeconomy and economic cooperation. We look forward to signing the Malaysia - Korea FTA by mid of this year.

9. While focusing on exports, we must not disregard the role of imports, as they are integral to the growth and competitiveness of our domestic economy. The importation of high-value and specialised products not produced locally is especially vital in supporting downstream industries and driving industrial advancement. This includes advanced machinery, specialised equipment, high-end components, and critical raw materials that are not produced locally or cannot be supplied at the required scale or quality. These imports enable local industries to move up the value chain, improve productivity, and produce higher-value goods for export. Malaysia can enhance competitiveness while maintaining a robust and sustainable trade balance.

ASEAN Chairmanship 2025

Ladies and gentlemen,

10. In navigating the fast-evolving environment, ensuring the resilience and growth of our trade remains a national priority. Nevertheless, the global trade is often shaped by political situation in major economies. The policy priorities of the US throughout 2025 has realigned global trade agreements and disrupt established supply chains, altering the dynamics of global trade flows.

11. Within ASEAN, Malaysia stands to gain substantial benefits from its current position as a manufacturing and supply chain hub that makes it well-placed to capitalise from trade diversions and increased foreign investments. During Malaysia's Chairmanship last year, efforts were focused on positioning ASEAN as a hub for investment, trade and industry, while strengthening regional integration and cooperation with global partners.
12. Nevertheless, Malaysia's neutral foreign policy stance help strengthens its trade relationships with all trading nations. We believe that this neutrality will help mitigate the impacts of global trade uncertainties. We will continue giving our utmost cooperation and commitment to ASEAN's Priority Economic Deliverables (PED) during the Philippines' Chairmanship this year.

RMK13 (the Thirteenth Malaysia Plan)

Ladies and gentlemen,

13. The Thirteenth Malaysia Plan with the theme of "Melakar Semula Pembangunan" or literally meaning 'Redefining Development', marks a critical shift in Malaysia's socioeconomic development narrative. In response to global uncertainties and domestic socioeconomic challenges, the Thirteenth Plan reflects Malaysia's commitment to restructure socioeconomic development based on the Ekonomi MADANI framework. The Framework involves 'Raising the Ceiling' by propelling the economic growth of the nation, one of the three thrusts, to accelerate the transition to a value creation-based economy in a sustainable environment. This signals Malaysia's determination to build resilience amid global fragmentation, while improving

Malaysia's readiness in the face of various challenges at both the global and domestic levels.

14. In line with the aspirations of RMK13, MITI and MATRADE will continue uplifting Malaysia's trade through strategically planned promotion activities and export development programmes that benefit the business communities and the rakyat as a whole.

Malaysia's Trade Outlook for 2026

Ladies and gentlemen,

15. We shall not be complacent now that we have breached the record of past years' achievements, as 2026 will be another year of challenges, be it geopolitical or technological disruptions. We should continuously strive to achieve whatever targets set upon us, amid changes in the economic megatrends. I believe that MATRADE has reviewed and strengthened its strategies to address these challenges and to sustain our trade momentum, not only for this year, but for the years ahead.
16. Malaysia's competitiveness will be further strengthened through digital economy including cross border e-Commerce. Technologies and digital platforms provide Malaysian businesses with access to new opportunities in e-Commerce, digital services and cross-border data flows. This digital transformation not only expands market reach but also improves operational efficiency and fosters innovation, positioning Malaysia as a forward-thinking hub in the region.

Ladies and gentlemen,

17. To remain competitive in the current trade environment, we must emphasise industrial and skills upgrading, as well as competitiveness across all industries in order to assert greater influence in the global economy. Among the strategies are to raise the quality and productivity of human capital and industrial competitiveness while addressing issues along the ecosystem such as low wages, over-dependence on unskilled foreign labour and income inequalities and regional disparities.
18. In 2026, Malaysia's economy is projected to expand between 4% and 4.5%, supported by resilient domestic demand and a steady external sector. Growth will be anchored among others by private consumption and robust tourism activities in conjunction with Visit Malaysia 2026 (VM2026). The services and manufacturing sectors will remain key drivers of growth, complemented by sustained construction and agriculture sectors¹.
19. Together, through strategic collaborations between the government, industries and other stakeholders, we will ensure Malaysia's trade performance this year will continue to be a vibrant one. Let us move ahead with determination and embrace the future with optimism.
20. In line with the theme of this afternoon's event, MITI together with MATRADE are looking forward to capitalising the performance

¹MOF's Economic Outlook 2026

achieved in 2025 to shape new opportunities in 2026 and the years to come.

Closing

Ladies and gentlemen,

21. Allow me to record my utmost appreciation to our trading partners represented here by members of the diplomatic corps, including foreign business councils and chambers of commerce on your trust and continuous support in doing business with Malaysia.
22. I would like to take this opportunity to commend our business communities including the SMEs on your contribution in making Malaysia's trade reached the highest value ever recorded.
23. Congratulations again to the leadership of MATRADE for striving hard to achieve this outstanding performance. I am optimistic that 2026 will be another good year despite the trade winds that we anticipate.
24. Last but not least, I would like to wish our Chinese friends a Happy Chinese New Year, Xīn Nián Kuài Lè and 'Gong Xi Fa Cai'. And to all Muslim, Selamat Menyambut bulan Ramadan. May this year bring abundant and endless opportunities, growth and prosperity.

Thank you.

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