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### 'Tariffs will prompt regional trade boom'

By NELSON BENJAMIN  
and VENESA DEVI  
metro@thestar.com.my

THE US Government's decision to impose a hefty 24% tariff on Malaysia may lead to growth and development of other regional groups or growth corridors, says a local business chamber.

These corridors includes the Johor Singapore Special Economic Zone (JS-SEZ), said Johor Indonesia Business Chamber (JIBC) president Samuel Tan.

JS-SEZ, he said, would be in a position to attract more investments in trading and manufacturing, as countries or businesses avoided the US.

"I also believe regional groups such as Asean, BRICS and the European Community will flourish as they start increasing bilateral trade among themselves.

"Countries with big populations such as China, India and Indonesia will also rely on their local market to continue their growth," he said in an interview.

Tan, who is also Olive Tree Property Consultants chief executive officer, said it was an opportune time for Johor and Indonesia to boost their trade to at least 10%, as the present figure was too low.

"At the moment, Johor's exports to Indonesia are 6.99% while imports stand at 4.81%," he said, adding that both Malaysia and Indonesia should find ways to reduce their tariffs to boost trade.

On the announced US tariff, he said the chamber had not expected it to be a double-digit rate, adding that it would have an adverse effect on the world's

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## Johor business chamber says JS-SEZ poised to attract investments as industries avoid the US



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supply chain.

"I am sure the US is going to experience high inflation."

He added that he expected an increase of protectionism which would not be good for global trade.

According to Tan, the reciprocal trade by the US would recalibrate the entire system and the world would need to adapt to the new landscape.

Meanwhile, Johor Baru Petty Traders and Small Business Owners Association secretary Mohammad Salezan Mohd Salleh said it was too early to determine what impact the tariff would have.

"The tariff announcement came as a shock to many and it would take some time for businesses, as well as countries, to assess its impact.

"We will likely see some positive and negative consequences, but for now, our best bets are regional groups such as BRICS and Asean," he said.

Salezan said his association was actively raising awareness among members to ensure they stayed up to date with the global economic developments.

"The tariff will affect local businesses in one way or another, and it is very important for them to stay alert so they can make better business decisions," he added.

Johor Indian Chamber of Commerce and Industry secretary-general Datuk K. Krishnan said the US tariff might slow Malaysia's economic growth.

"Investors who previously had an interest in investing here may now reconsider.

"As such, I believe it will slow things down, at least for now, as businesses try to figure out the right steps to take amid the uncertainties," he opined.

Yesterday, Prime Minister Datuk Seri Anwar Ibrahim confirmed that Malaysia was among the majority of countries granted a 90-day pause on tariffs by the US government.