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Ministry Upbeat About Malaysia

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Finance Minister II Datuk Seri Amir Hamzah Azizan speaking at the 11th Asean-European Union Business Summit yesterday. BERNAMA PIC

RESUMING IN NOVEMBER

MINISTRY UPBEAT ABOUT MALAYSIA-EU FTA

New opportunities seen in digital trade, green tech transfers and sustainable value chains

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NEGOTIATIONS on the Malaysia-European Union (EU) free trade agreement (FTA) are set to resume in November, with new opportunities expected to open up in digital trade, green-technology transfers and sustainable value chains.

Finance Minister II Datuk Seri Amir Hamzah Azizan said he was confident the long-delayed deal would be concluded soon, given strong trade ties and the EU's position as one of Malaysia's top partners.

"In 2024, the EU was Malaysia's fourth-largest trading partner, with bilateral trade reaching US$46 billion. The EU was also the country's fourth-largest export destination and third-largest source of imports," he said in his opening address at the 11th Asean-EU Business Summit yesterday.

Amir Hamzah said the EU remains a major source of foreign direct investment, particularly in manufacturing, green technology and digital economy.

He said Malaysia is committed to reforms anchored on fiscal resilience, inclusive growth and good governance under the Madani Economy framework and the 13th Malaysia Plan.

The economy grew 4.4 per cent in the first half of 2025, with full-year growth projected at 4.0-4.8 per cent.

Inflation eased to 1.3 per cent year-to-date from 1.8 per cent last year, while unemployment fell to three per cent.

The ringgit has strengthened 5.8 per cent against the US dollar this year, making it one of the region's strongest currencies.

"These achievements are underpinned by structural reforms, rationalised subsidies, an expanded tax framework and disciplined fiscal management," he said.

He also pointed to Malaysia's stable credit ratings, with Moody's Ratings at "A3", S&P Global at "A-" and Fitch Ratings at "BBB+", as well as the country's climb to 23rd in the IMD World Competitiveness Ranking 2025, the best since 2020.

Amir Hamzah said the 2026 Budget will focus on high-growth sectors such as semiconductors, renewable energy (RE), artificial intelligence and sustainable infrastructure.

It will also continue to raise living standards through targeted subsidies, expanded social protection, and reforms in healthcare and education.

On sustainability, he said RE is on track to account for 31 per cent of the national energy mix by 2030 and 70 per cent by 2050.