



Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) Already Benefiting Malaysian Exporters

Kuala Lumpur, January 18, 2023. The Federation of Malaysian Manufacturers (FMM) strongly believes that Malaysia, being the 9th country implementing the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) on November 29, 2022, benefits in terms of better market access for our exports as it offers deeper tariff concessions especially to the to three new markets namely Canada, Mexico and Peru as Malaysia has no FTAs with these countries. This is particularly important as under the CPTPP, Canada removes duties on 96.6% of its tariff lines; Mexico offers duty-free treatment on 80% of its tariff lines; and Peru eliminates duties on 86.2% of its tariff lines on January 1, 2023. FMM is pleased to note that there has been growing interest by companies when it comes to the application for CPTPP. As a matter of fact, a number of businesses have applied to the Ministry of International Trade and Industry (MITI) and the Royal Malaysian Customs Department to avail themselves of the tariff concessions under the CPTPP. These applications now number in the hundreds and many of these applications are for exports to the three new markets.

We believe the high take-up rate by Malaysian exporters in a matter of weeks since the implementation of the CPTPP reaffirms the findings of the Cost and Benefit Analysis (CBA) published by MITI on July 25, 2022 which states that Malaysia has strong export capabilities in sectors such as Electrical and Electronic, Palm Oil, Chemicals, Optical and Scientific Equipment and Plastics, all of which will benefit from the market opening in Canada, Mexico and Peru.

Together with the Regional Comprehensive Economic Partnership (RCEP) which was implemented on March 18, 2022, Malaysia's implementation of the CPTPP will improve Malaysia's competitiveness and attractiveness as an investment destination for global companies to use Malaysia as a gateway to both trade blocs.

Tan Sri Dato' Soh Thian Lai
President, Federation of Malaysian Manufacturers

FMM Advocates Transparency, Integrity and No Corruption

About FMM

The Federation of Malaysian Manufacturers (FMM) has been the voice of the Malaysian manufacturing sector since 1968. Representing over 11,500 member companies (3,500 direct and 8,000 indirect) from the manufacturing supply chain, FMM is actively engaged with government and its key agencies at Federal, State and local levels. FMM is also well-linked with international organisations, Malaysian businesses and civil society. Apart from benefitting from FMM's advocacy, FMM members enjoy value-add services, including training, business networking and trade opportunities as well as regular information updates.

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