



**MEDIA RELEASE**

**MALAYSIA-TURKEY FREE TRADE AGREEMENT**

1. The Malaysia-Turkey Free Trade Agreement (MTFTA) will come into effect on 1 August 2015, International Trade and Industry Minister Dato' Sri Mustapa Mohamed announced today.
2. "Turkey, with a population of 74 million people, holds vast market potential. I urge the Malaysian business community to take full advantage of the opportunities offered under this FTA, which can also help strengthen bilateral trade and economic linkages on a long-term basis," Dato' Sri Mustapa said.
3. With the entry into force of this Agreement, exporters from Malaysia and Turkey will be able to enjoy preferential access for their products in each other's countries. "Both Malaysia and Turkey will eliminate and bind duties on 70% of the tariff lines, upon entry into force of the Agreement. After a period of eight years, duties will be reduced/eliminated for almost 86% of tariff lines" the Minister added.
4. In 2014, total trade between Malaysia and Turkey amounted to USD\$969million. Malaysia's exports to Turkey totaled USD\$752million, while imports amounted to USD\$217million. Key exports to Turkey comprise textiles & clothing, chemicals & chemical products, palm oil, manufactures of metal, rubber products, electrical and electronic products. Imports from Turkey include textiles & clothing, machinery appliances & parts, iron & steel products, chemicals & chemical products, other agriculture produce, electrical and electronic products.

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5. "Malaysian exports that will benefit from immediate duty-free treatment in Turkey include selected textiles and apparel, E&E products, chemicals, iron and steel products, machineries, wood products, leather products and all rubber products," Dato' Sri Mustapa said in urging Malaysian businesses in these sectors to ramp up their exports to Turkey.

6. On other strategic products, including iron and steel, both countries will phase-out import duties in stages within an eight year period, starting from the day the agreement enters into force. Turkey will also eliminate all existing additional duties (ranging from 20%-30%) on textiles, apparel and footwear, which currently affect more than a thousand tariff lines.

7. For palm oil and palm products, Turkey has offered a one-off duty reduction of 30% from the current MFN rate (0-46.8%). "Reduction of duties on these products essentially mean that Malaysian palm oil and palm products are placed at a competitive advantage in the Turkish market, over similar products originating from other countries," Dato' Sri Mustapa pointed out.

8. The Accord comes into effect after almost four years of intense negotiations between the two countries that began in May 2010. It was agreed that the talks would initially focus on goods, with the Agreement later expanded to cover investment and services. In January 2014, both sides closed the deal, having arrived at a mutually beneficial package.

9. Prime Minister Dato' Sri Mohd Najib bin Tun Abdul Razak's official visit to Turkey in April 2014 paved the way for the signing of the Agreement on April 17, 2014, Dato' Sri Mustapa said, adding that the FTA with Turkey is the 13th such FTA entered into by Malaysia. Currently, Malaysia has implemented 6 regional FTAs and 6 bilateral FTAs that cover other ASEAN Member States, China, Japan, India, Australia, New Zealand, Pakistan and Chile.

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10. During the signing of MTFTA in April 2014, the Prime Ministers of Malaysia and Turkey set a target of USD\$5billion in total trade by 2020. The implementation of the Malaysia-Turkey Free Trade Agreement is expected to facilitate the achievement of this target.

The full text of the Malaysia-Turkey Free Trade Agreement, with schedules of commitments on goods, is available on MITI's website at [www.miti.gov.my](http://www.miti.gov.my).

**YB Dato' Sri Mustapa Mohamed**  
**Minister of International Trade and Industry (MITI)**  
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