

PRESS STATEMENT
FOR IMMEDIATE RELEASE

MPMA Urges Doubling Down on Free Trade with the United States

Petaling Jaya, 9 July 2025 — The Malaysian Plastics Manufacturers Association (MPMA) expresses deep concern over the United States' recent decision to increase tariffs on Malaysian exports from 24% to 25%, effective 1 August 2025. This increase places added strain on Malaysia's plastics sector, which is heavily export-oriented and facing growing pressure from regional competitors with more favourable trade terms.

To strengthen Malaysia's negotiating position, there is an urgent need to proactively reduce existing trade barriers and import tariff with the United States in order to secure more favourable trade terms, particularly in comparison to Vietnam. One of the key steps for the Government is to consider offering tariff concessions on American plastic resins.

MPMA acknowledges the Malaysian Government's active engagement with US counterparts to address the issue. The Ministry of Investment, Trade and Industry (MITI) has confirmed that negotiations are ongoing. MPMA strongly supports these efforts and urges the Government to prioritise securing a fairer and more sustainable tariff outcome.

Malaysia's relatively modest trade surplus with the US recorded at US\$24.8 billion in 2024, compared to Vietnam's US\$123.5 billion, reinforces the case for a recalibrated, rules-based approach that supports mutually beneficial trade.

On the other note, MPMA also urges continued facilitation of B3011-designated clean and homogeneous recycled feedstocks, which are vital for manufacturers working to meet strict international recycled content requirements, often 25% or more as demanded by global brand owners. With limited domestic supply, restricting these imports would compromise the industry's ability to stay competitive and meet sustainability targets.

Separately, MPMA highlights growing concern within the industry over technical challenges tied to the expanded Sales and Services Tax (SST). Resin stockists, key suppliers to small and medium-sized manufacturers are currently required to absorb the 5% SST on behalf of their SME customers. This practice has led to significant cash flow strain and threatens to reduce the cost competitiveness of SMEs across the plastics value chain.

MPMA remains committed to working closely with Government stakeholders to address these challenges and advance practical, balanced solutions. A stable and supportive business environment is critical to strengthening Malaysia's industrial base, safeguarding export growth, and positioning the country as a competitive and trusted player in the global economy.

Issued by:

MALAYSIAN PLASTICS MANUFACTURERS ASSOCIATION (MPMA)

www.mpma.org.my

Contact:

Mr Mohd Fariz, Manager

T: +603-7876 3027

E: fariz@mpma.org.my

mpma.org.my

37, 1st Floor, Jalan 20/14, Paramount Garden
46300 Petaling Jaya, Selangor Darul Ehsan
MALAYSIA

T 603 7876 3027