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## Malaysia commits over US\$240 bil in purchases and investments to narrow trade surplus with US - trade minister

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KUALA LUMPUR (Aug 4): Malaysia has agreed to buy and invest over US\$240 billion (RM1.02 trillion) with the US to help reduce the trade gap between the two countries.

Minister of Investment, Trade and Industry Tengku Datuk Seri Zafrul Abdul Aziz told Parliament on Monday, in a special ministerial statement, that the commercial considerations helped secure a lower 19% US tariff, down from 25%.

### Key deals include:

- US\$150 billion in purchases by multinational companies in Malaysia's semiconductor, aerospace, and data centre sectors over five years
- US\$70 billion in Malaysian investments in the US over 10 years
- US\$19 billion Boeing aircraft purchase by Malaysia Aviation Group (MAG) for fleet renewal
- US\$3.4 billion per year in liquefied natural gas purchases (LNG) by Petronas
- US\$42.6 million per year in coal purchases by Tenaga Nasional Bhd (KL:TENAGA)
- US\$119 million in telecommunications product purchases by Telekom Malaysia Bhd (KL:TM)

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Zafrul stressed that the Boeing aircraft acquisition was "not a sudden decision made under tariff pressure" but part of MAG's long-term plan to replace the ageing B737-800 aircraft and meet rising travel demand.

The senator added that the procurement also benefits Malaysia's aerospace ecosystem, with local suppliers such as Boeing Composites Malaysia and SME Aerospace integrated into the global supply chain.

Petronas in June and July signed two 20-year agreements to purchase one million tonnes per annum of LNG each from Venture Global Inc and Commonwealth LNG, totalling two million tonnes per annum from Louisiana.

Tenaga Nasional delivers coal to power up 12,200 megawatt of power plant capacity in Malaysia, which makes up about 60% of the generation mix in Peninsular Malaysia. The utility group has opened up a pre-qualification exercise in March for coal supply, and currently procures the fossil fuel mainly from Indonesia, apart from Russia, South Africa and Australia.

Zafrul reiterated that while Malaysia offered significant trade and investment commitments, it did not compromise on national interests, maintaining Bumiputera equity requirements in strategic sectors and rejecting full liberalisation of sensitive industries.

The minister said details of these commitments will be formally codified in the upcoming reciprocal trade agreement, which both governments are expected to sign soon.



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