



United States
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FACT SHEET

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U.S.-Malaysia Free Trade Agreement: Opportunities for Agriculture

The elimination of trade barriers between the United States and Malaysia will provide important new export opportunities for U.S. farmers, ranchers and processors.

- Malaysia's 24 million consumers and growing food processing industry have spurred a demand for agricultural imports. In 2004, Malaysia imported \$5.6 billion in agricultural products from world suppliers, an increase of nearly 40 percent over 2003 levels. In 2004, the United States was the sixth largest supplier of agricultural products to Malaysia.
- Malaysia was the fourth largest market within the Asean countries for U.S. agricultural products in 2005. The United States supplied Malaysia with \$390 million in 2005.
- With middle and upper income consumers comprising over 60 percent of its total population, U.S. exports of consumer-oriented high value products have grown by 115 percent since 2000. In 2005, the United States exported
 - o Fresh fruits, vegetables and tree nuts valued over \$126 million, including grapes (\$62.8 million), apples (\$25.3 million), fresh citrus (\$15.5 million), almonds (\$6.5 million), raisins (\$2.1 million), dried plums (\$2.4 million) and celery (\$1.0 million).
 - o Processed horticultural products valued over \$25 million, including frozen fries (\$11.9 million), juice mixtures (\$3.4 million), potato chips (\$1.7 million), and prepared cherries (\$1.0 million).
 - o Other foods, including pet food (\$3.9 million), chocolate (\$2.9 million), sauces (\$1.4 million).
- U.S. exports of bulk and intermediate goods also supplied Malaysia's demand for bulk products and inputs used by its manufacturing sector. In 2005, the United States exported
 - o Grain and oilseed products such as wheat (\$26.6 million), soybeans (\$22.7 million), distillers grains (\$5.6 million), and corn gluten meal (\$19.4 million).
 - o Cotton, valued at \$4.6 million
 - o Inputs into the processed food sector, such as protein concentrates and peptones (\$11.5 million), whey (\$2.4 million), bakery preparations (\$1.2 million), and other food preparations (\$32.9 million).

- Malaysia's tariffs on many bulk and intermediate products are low. Certain products, especially processed products that are competitive with local Malaysian manufactures, face higher duties. In addition, restrictive and often non-transparent regulator and licensing procedures inhibit imports of many agricultural products.
- An FTA will give U.S. exporters expanded access by removing restrictions due to Malaysia's import policies as well as providing a competitive advantage over other suppliers.

Product	Applied Tariff
Yogurt	25%
Processed Cheese	10%
Kiwifruit	25%
Rice	40%
Confectionery	15%
Chocolate and Cocoa Products	10-25%
Canned Fruit Mixtures	10-20%
Pineapple Juice	30%
Soups and Broths	20%
Baby Food	20%
Protein Concentrates	20%
Yeasts and Other Food Preparations	20-25%
Sauces, including Ketchup, Tomato Sauce, and Soy Sauce	20%
Mineral Waters and Other Nonalcoholic Beverages	20%