

Newspaper clippings

Date	11 September 2019
Publication	The Malaysian Reserve
Page / Section	9 / News
Compiled by	Farhah Aziz
Headline	Malaysia and Turkey target RM20b in annual trade by 2025

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Leaders of both countries have engaged in discussions to boost trade in defence

by ALIFAH ZAINUDDIN

MALAYSIA and Turkey are targeting US\$5 billion (RM20.87 billion) of annual trade by 2025, as the two nations seek to deepen economic ties in various sectors.

Leaders of the two countries have already engaged in discussions to boost trade in defence, an area which has seen rapid growth for over a decade in Turkey, following Prime Minister Tun Dr Mahathir Mohamad's visit to Ankara earlier in July.

In his recent official visit, Dr Mahathir said Turkey is willing to grant Malaysia access to its defence technology and high-tech capabilities after a visit to the Turkish Aerospace Industries in Ankara.

Turkish Ambassador to Malaysia Dr Merve Kavakci yesterday said both Dr Mahathir and Turkish President Recep Tayyip Erdogan are expected to meet again on the sidelines of the United Nations General Assembly in New York later this month to discuss potential deals, but did not reveal specifics.

"When we talk about collaboration in any sector, we are looking at creating a win-win situation from production of technology to transfer of



(From left) ASLI CEO Melissa Ong, Kavakci and the Presidency of the Republic of Turkey Investment Office Asean representative Ahmad Emre Buyukkilic at the 'Trade Talk with Republic of Turkey' at Sunway University yesterday

technology and know-how, creating jobs and moving towards self-reliance and sovereign development," Kavakci told reporters after the Asian Strategy

and Leadership Institute's "Trade Talk with Republic of Turkey" session at Sunway University, Selangor.

Malaysia has long sought to boost its

defence capabilities, but cost has been one of the main hindrances. Turkey is one of the world's biggest exporters of defence equipment and is among only

four countries in the world with the capacity to develop fifth-generation fighter jets — the other countries being the US, China and Russia.

To replace Malaysia's military equipment, most of which have been in service for over 35 years, Defence Minister Mohamad Sabu mooted the notion of using palm oil to help pay for new purchases.

"That is something we are working on. We are aware of the oversupply of palm oil and, as I have mentioned, Malaysia is already supplying 95% of palm oil needs in Turkey, but we are looking at other means of barter trade — not just palm oil, but other commodities as well," Kavakci said.

Malaysia and Indonesia, the world's two largest palm oil producers, are embroiled in a dispute with the European Union over a plan to phase out the commodity from renewable fuels used by the bloc by 2030. The two countries supply about 85% of global palm oil.

Turkey is among the top 10 export destinations for Malaysian palm oil, with total exports at 631,887 tonnes in 2018 against 679,667 tonnes in 2017.

In 2018, the total trade between Malaysia and Turkey stood at US\$2.38 billion, driven mainly by Malaysian exports of vegetable oils, aluminium, electrical machinery and rubber to Turkey. To compare, Malaysia's total trade volume in 2018 was US\$455 billion.