



Malaysian-German Chamber
of Commerce and Industry
Deutsch-Malaysische
Industrie- und Handelskammer



Good Morning Craig,

We kick off our first Presesspiegel of 2025 with key developments in Malaysia's trade and economy. The CPTPP trade agreement is set to provide Malaysian products, such as palm oil and plywood, with tariff-free access to the UK market, while the recent signing of the Johor-Singapore SEZ agreement promises to boost bilateral economic ties.

Prime Minister Anwar Ibrahim also met with economist Jeffrey Sachs to discuss FDI, green energy, and Malaysia's role as ASEAN chair. On the local front, KK Mart is facing scrutiny after Jakim found that a "ham and cheese sandwich" sold in-store misused the halal logo. The company has blamed its supplier and plans to take legal action.

Meanwhile, essential goods prices have surged by up to 400% ahead of key festivals, raising concerns among consumers. Finally, experts warn of rising challenges to Malaysia's neutrality amid the US-China tech conflict.

We hope you enjoy our selection of stories this week.

Thank you for reading MGCC's Pressespiegel!

National



KK Mart blames supplier after Jakim says halal logo misused for 'ham and cheese sandwich' sold by convenience chain

KK Mart has reported that its logo was misused by its supplier, Shake and Bake Cafe Sdn Bhd, on a "ham and cheese sandwich" that falsely displayed the halal certification. KK Mart relied on the supplier's halal certification and has lodged a police report, intending to pursue legal action. The Department of Islamic Development (Jakim), in collaboration with the Ministry of Domestic Trade and Cost of Living (KPDN), found that the product lacked proper Malaysian Halal Certification and violated the Trade Descriptions Act 2011. This follows complaints from Umno Youth, who raised concerns over the sandwich's halal status.

Source: [Malay Mail](#)



Najib says RM2.3m cheques issued from own account for PM's social media, speeches to avoid burdening govt

Ex-PM Najib Razak testified in his defence at the 1MDB trial, asserting that the RM2.3 million he paid from his personal bank account in 2013 for social media management and speechwriting services was for official duties as prime minister, not personal gain. He explained that he chose to use his own funds instead of government money to avoid burdening the state. Najib has consistently claimed that the substantial sums in his accounts are donations from Saudi Arabia and not illicit funds, despite allegations that over RM2 billion from 1MDB was funneled into his personal accounts.

Source: [Malay Mail](#)



PM Anwar talks FDI, green energy and Malaysia's role as ASEAN chair with economist Jeffrey Sachs ahead of Dubai meet

Prime Minister Anwar Ibrahim met with renowned economics professor Jeffrey D. Sachs to discuss sustainable development, green energy, and



Essential goods price hike up to 400% ahead of CNY, Thaipusam

The Penang Hindu Association (PHA) has raised concerns over a surge in essential goods prices, with some items increasing by up to 400% ahead of Chinese New Year and Thaipusam. A survey found significant price hikes, such

Malaysia's role as ASEAN Chair. They also explored a more liberal foreign policy to attract investment to Malaysia. Sachs, a global leader in sustainable development and president of the UN Sustainable Development Solutions Network, is recognised for his work addressing issues like poverty, climate change, and financial crises. The meeting took place before Anwar's departure for an official visit to the UAE.

Source: [Malay Mail](#)

as tomatoes rising by RM6.40 (400%) and garlic by RM9.50 (190%). Other items like cardamom, black sesame seeds, and coconut milk also saw sharp increases, putting pressure on the B40 group. Retailers cite rising commodity costs and import duties, while the association questions potential hoarding before the festivities.

Source: [Free Malaysia Today](#)

Economy



Expert warns of rising challenges to Malaysia's neutrality in US-China tech conflict

Professor Dr. Chris Miller, author of *Chip War: The Fight for the World's Most Critical Technology*, discussed the challenges Malaysia faces in maintaining its neutral stance in the US-China tech cold war, particularly in the semiconductor industry. While Malaysia has benefited from its neutrality, attracting investments, the growing geopolitical tensions between China and the US, including trade measures and regulations on critical materials, make it increasingly difficult for Malaysia to stay neutral as both superpowers exert political influence on global supply chains.

Source: [The Edge](#)



After predicting RM3.80 to US dollar, BMI now says Trump's win means more modest showing for ringgit this year

BMI Research forecasts the Malaysian ringgit will strengthen slightly to 4.40 against the US dollar by the end of 2025, down from previous predictions of 3.80, due to factors like a higher US terminal rate and a more hawkish Federal Reserve. Short-term outlooks suggest the ringgit will trade between 4.80 and 4.20 by mid-2025, but long-term factors such as Malaysia's strong economic growth and narrowing interest rate differentials could support its recovery. However, risks such as "Trumpflation" and a hawkish Fed could limit appreciation.

Source: [Malay Mail](#)



Signing of Johor-Singapore SEZ agreement to boost economy

The Joint Agreement on the Johor-Singapore Special Economic Zone (JS-SEZ) was signed on 7 January 2025, outlining key areas of cooperation, including pro-business policies and incentives across 11 priority sectors. The agreement proposes three new Flagship Zone Areas (FZAs) and aims to promote 50 projects in the first five years, expanding to 100 projects in ten years. It adopts a phased expansion approach to pilot innovative policies and will be ratified by Q3 2025. The initiative is expected to enhance competitiveness amidst global challenges. Johor Chief Minister Onn Hafiz Ghazi said the initiative is set to revolutionise the state's economic landscape by attracting global investment.

Source: UOB, [The Star](#)

Industry



CPTPP to secure tariff-free access to UK market for M'sian products, says envoy



SRS Consortium awarded contract for first segment of Penang's LRT project

Malaysian products, particularly palm oil, are set to benefit from tariff-free access to the UK following the UK's formal entry into the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in December 2024. Malaysian High Commissioner Zakri Jaafar explained that the CPTPP will eliminate tariffs on products from member countries, including Malaysia, making it easier for palm oil and other goods like plywood to enter the UK market. Malaysia ratified the agreement in October 2024, and with the UK now part of the bloc, both countries will enjoy similar trade benefits without the need for a separate free trade agreement.

Source: [Free Malaysia Today](#)

SRS Consortium Sdn Bhd, a joint venture between Gamuda Bhd, Loh Phoy Yen Holdings, and Ideal Property Development, has been awarded the contract for the civil and structural works of Penang's first Mutiara Light Rail Transit (LRT) Line, which is set to be completed by December 2031. The 29.5km LRT, costing over RM10 billion, is owned by government-linked Mass Rapid Transit Corporation (MRT Corp). This project is a significant milestone for Penang's infrastructure development, with Gamuda, a key partner in the consortium, leveraging its extensive experience in rail construction, including the MRT Kajang and Putrajaya lines.

Source: [The Vibes](#)

ESG



Bright outlook for renewable energy sector

The renewable energy (RE) sector is expected to continue growing in 2025, driven by significant projects such as the 2,000MW LSS5 solar initiative, the Cress programme, and the FiT 2.0 scheme. Hong Leong Investment Bank (HLIB) maintains an "overweight" outlook for the sector, forecasting strong earnings growth for companies like Solarvest Holdings and Samaiden Group, thanks to a solid order book and a positive earnings cycle. HLIB also highlights the oversupply of solar modules, which may influence future

capacity and technological advancements. Key projects like the LSS5 and FiT 2.0 offer substantial opportunities for contractors, and the energy transition efforts are progressing well with tangible results.

Source: [The Star](#)



Good to know

Pongal, a major Tamil harvest festival, began yesterday on 14 January and will last four days to mark the start of the Thai month and the Sun's northward movement. Traditionally celebrated in Tamil Nadu, the festival includes rituals like the Bhogi festival, where old items are burned in a bonfire, and Maatu Pongal, which honours cows and bulls for their role in agriculture. In Malaysia, the celebration focuses mainly on Surya Pongal, where rice is cooked with milk and jaggery, and the sweet rice (sarkarai pongal) is offered to the Sun God. The Melaka Chetti community adds their own customs, like the Parchu Bhogi feast to honour ancestors. While Maatu Pongal is observed in some temples, especially those with cowsheds, the festival is a time of family gatherings and prayers for prosperity.

(Pic and source: Malay Mail)

Nachrichtenhäppchen

The Edge: How the EU Corporate Sustainability Due Diligence Directive will impact Malaysian businesses

The Sun: Guardians turned predators

Channel News Asia: As Malaysia restarts national service programme, can it avoid its 'on-again, off-again' history?

The Straits Times: Strong ties, cooperation in many areas as Singapore and Malaysia mark 60 years of diplomatic links

The Malaysian Reserve: Penang is one of Lonely Planet's seven best places to visit in Southeast Asia

Deutsche Welle: Malaysia, Singapore deepen ties with new economic zone

News Straits Times: Southeast Asia data centre market to reach US\$14.41b by 2029

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