

Malaysia stressing on three areas in FTA talks with US

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KUALA LUMPUR, April 2 (Bernama) -- Malaysia has been stressing on three important areas that will benefit the country in its ongoing Free Trade Agreement (FTA) talks with the United States.

Market access for local products, investment and capacity building to raise the country's competitiveness are the three areas, said Deputy Minister of International Trade and Industry Datuk Ahmad Husni Mohd Hanadzlah.

"In terms of market access, for every single product that we export to the US, we face competition from hundred other products.

"If our competitor gets a lower import duty it means they get the market access and we don't," he said in reply to a question from Datuk Mohd Alwi Che Ahmad (BN-Ketereh) at the Dewan Rakyat here Monday.

Ahmad Husni said an FTA will also increase foreign investments which in turn will fulfill the country's plans under its Third Master Capital Plan which has placed the country's investment requirement at RM1.6 trillion.

"Based on our experience, 50 percent of our investments are domestic and another 50 percent comes from outside and through this negotiation process we expect to receive even more investments," he said.

Ahmad Husni also refuted Mohd Alwi's claims that the ministry is still failing to give a satisfactory explanation on the FTA issue.

"We have taken the efforts to explain to the people and last week, the minister (Datuk Seri Rafidah Aziz) herself had explained during an hour-long television programme, apart from the seminars that have been conducted from time to time," he said.

The ongoing FTA negotiation between the US and Malaysia has raised several concerns particularly that on the rights of the Bumiputeras and the country's agriculture products.

It was reported yesterday that the deadline the US was seeking for the conclusion of the negotiations could not be met. The US had hoped to conclude the FTA negotiations by end June in order to get the approval of the Congress members before a new mandate is required.

In his reply to an earlier question from Fong Kui Lun (DAP-Bukit Bintang), Ahmad Husni said that Malaysia has so far signed a FTA with Japan and an Early Harvest Programme with Pakistan.

Besides the US, it is also in FTA talks with Australia, Pakistan and New Zealand, while at the regional level, Malaysia, through the Association of South East Asian Nations (Asean), has signed a FTA with China for the goods and services sector and another FTA with Korea for the goods sector.

He said Malaysia was in FTA talks with the selected countries based on their trade link with the country or the fact that they are the main sources of Foreign Direct Investments in the country.

Ahmad Husni said that the FTA with Japan was implemented last July and following that, Malaysia's exports to the country had gone up to RM27.7 billion as at the end of 2006 compared with RM25.5 billion the year before.

"Investments received in 2006 meanwhile amounted to RM4.4 billion compared with RM3.6 billion the previous year. This was a growth of 20.2 percent," he added.