

FTA requires more study first, says Malaysia

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BANDAR SERI BEGAWAN: Malaysia has welcomed the Asean-China Free Trade Area (FTA) but feels that a study needs to be carried out to look at other areas before completely accepting the concept.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said the study would look at the entire spectrum of Asean and China economic relations.

"There are so many things to be done before the final FTA.

"But now that China is in the World Trade Organisation, it is more meaningful to have bilateral arrangements," she said on arrival here for the Asean summit and Asean+3 (Japan, China and South Korea) meeting beginning today.

At the last year's Asean-China summit in Singapore, Chinese Prime Minister Zhu

Rongji had raised the likelihood of FTA to strengthen trade and investment links.

If the FTA is realised, it will be the largest in the world with a combined market of nearly two billion people.

The leaders will discuss the matter when they meet here.

If the idea is endorsed, Asean and China would have to look at the scope and modalities of the FTA to expedite the process.

Meanwhile Prime Minister Datuk Seri Dr Mahathir Mohamad is expected to announce an assistance of US\$1.3mil (RM4.9mil) over the next three years for the poorer Asean members, namely Cambodia, Laos, Myanmar and Vietnam.

Malaysia has over the years been providing assistance to the four countries in its effort to bridge the gap between the member countries.