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RAFIDAH-JAPAN

JAPAN AGREES ON M'SIA'S PROPOSED CEP CONCEPT

By: Mohd Kamel Othman

TOKYO, Feb 16 (Bernama) -- Japan has agreed on the comprehensive Closer Economic Partnership (CEP) concept proposed by Malaysia, which will pave the way for a broad-based Malaysia-Japan Free Trade Agreement (FTA), International Trade and Industry Minister Datuk Seri Rafidah Aziz said.

"We have together agreed that it will now go down to the officials' level," she said after having discussions with Japanese Minister of Economy, Trade and Industry, Takeo Hiranuma, on the sidelines of the Informal Ministerial Meeting on World Trade Organisation (WTO) Issues here Sunday.

The three-day meeting attended by ministers from 22 countries ended today.

"From now onwards it will be done at the officials' level with reference back to the ministers," Rafidah said.

She added that Malaysia is awaiting the Japanese side to come up with their counter suggestion concerning the format.

She said that the CEP would cover areas of technical collaboration, technical transfer and an extension of the Look East Policy.

What has been agreed to by leaders of both countries is now being operationalised at the ministerial level, she said.

The Malaysia-Japan bilateral FTA was announced in December last year when Prime Minister Datuk Seri Dr Mahathir Mohamad met Japanese premier Junichiro Koizumi during his visit to Japan.

However, Rafidah said that it was very important that both parties understand the sectors which are sensitive to each country.

Asked on the sectors that would be opened up, she said: "We said that we have come up with our sectors but I did not propose to him (Hiranuma) exactly, but it would cover market liberalisation in goods and services and looking at the sensitive list as well so that we do not bring unnecessary constraint."

"We talk for example on progressive liberalisation meaning that if we can open up, we open up," she said.

On the time frame, Rafidah said: "If it is much earlier, better still because it would benefit the private sector. We put forward that it is within 10 years and that is of course if we are talking in the Asean context."

She said that Malaysia has also submitted the major elements that should encompass the FTA.

When asked when Japan-bound Malaysian products can enjoy tariff cuts or waiver, Rafidah said it would depend on how fast the officials work.

"For Malaysia we have gone quite far ahead in analysing our position vis a vis Japan. Now is the Japanese side to do that. So, it is how fast the officials work," she added.

Under an early harvest arrangement, out of the total sectors identified under the bilateral FTA, the two trading partners can tick off some products that post the least cost for immediate market liberalisation within a year or so.

Japan has already concluded a bilateral FTA with Singapore and has begun working-level talks with Thailand and the Philippines.

Singapore, a tiny trade-dependent nation of about 4.0 million people, has pursued an array of bilateral free trade deals while assuring fellow ASEAN members the pact will not open a back door into the 10-country bloc.

It has signed a FTA with the four-nation European Free Trade Association in June last year and is in FTA talks with the US, Australia and Canada, after signing its first FTA with New Zealand in 2001.

Japan has agreed with the ASEAN as a group to start formal negotiations to forge a regional free trade area within 10 years.

Asean groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. -- BERNAMA

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