

## **Chambers: TPPA will hit local businesses**

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**By Aidila Razak**

The Trans-Pacific Partnership Agreement (TPPA) which is being negotiated, will make things difficult for local businesses, said the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).

accim pc on minimum wage 280213 president lim kok cheong 02Its president Lim Kok Cheong (left) said this is because most local businesses are domestic-focused.

"There are pros and cons regarding the TPPA. It will allow us to reach out to a bigger overseas market, as Malaysia only has a population of 30 million," he said.

"But it will integrate the local market (with the international market). Competition will increase and threaten local companies ... If you can invade their market, they will also invade your market."

Echoing Malay trade organisation the Malay Economic Action Council (MTEM), Lim said the TPPA will expose local traders to greater international competition, for which they may not be ready as yet.

However, he said, ACCCIM encourages all its members to improve their skills and it also provides training to help members expand overseas.

A survey of the Malaysian economy in the first half of the year by ACCCIM found that 67 percent of its members feel that free trade agreements are of no benefit to them.

It also found that 35 percent support the TPPA and 13 percent disagree with it, while the majority 52 percent are unaware of it or unfamiliar with it.

The survey further revealed the fear that the TPPA will cause greater restriction of foreign investments, legal suits against the government by big corporations (for example, for intellectual property) and will have a negative impact on small- and medium-scale enterprises (SMEs).

NONEAccording to ACCCIM's socio-economic research committee deputy chairperson Peck Boon Soon (right), it is likely that that most respondents feel trade agreements do not benefit them as they are mostly domestic-focused.

He added that the same can be said for more than 80 percent of 30,000 ACCCIM members.

“An open economy will not benefit them so significantly,” he said.

SMEs, which make up the bulk of ACCCIM members, also make up about 98 percent of Malaysian businesses.

The United Overseas Bank Malaysia estimates that about 45 percent of Malaysian SMEs will expand overseas with Indonesia, China, Singapore, Thailand and India as favoured destinations.

Of these countries, only Singapore is party to the TPPA negotiations.

Indonesia has expressed interest in participating in the talks, which is scheduled to be signed at the end of 2013.

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