

WSJ: M'sia one of TPPA's main beneficiaries
MalaysiaKini.com
Jan 7th, 2016

Malaysia will be one of the nations that will benefit the most from the Trans-Pacific Partnership Agreement (TPPA), says Wall Street Journal (WSJ).

"Malaysia's economy would swell by 8% as its exporters acquire an advantage over regional competitors that aren't part of the bloc, including Thailand, the Philippines and Indonesia," read the business publication's article published yesterday.

This is based on its reading of the latest World Bank report on the possible macroeconomic impact of the TPPA for both members and non-member countries.

The World Bank study also predicted that other than swelling the Malaysian economy, the trade pact will boost our exports by a whopping 20 percent.

"Japan, Vietnam and Malaysia are set to get a big economic boost from a sweeping Pacific trade agreement concluded in October, while the US and other North American countries would see much smaller gains from the Trans-Pacific Partnership," opined WSJ.

The publication reported that the TPPA is expected to boost the regional economy, fuelling extra exports up until 2030 once it is in effect, with member countries getting economic boosts of up to 1.1 percent when trade barriers are removed and various market specifics are standardised among them.

"The tariff reductions that we are seeing from the actual agreement are bigger than people, including us, had anticipated," WSJ quoted Peter Petri, professor of international finance at Brandeis University and a co-author of the World Bank study as saying.

The TPPA will see the gradual elimination of trade barriers like tariffs as well as set unified commercial codicils for all matters relating to trade, from dispute settlement to patents and other areas.

Initial negotiations were concluded last year, but it is still awaiting the approval from the legislative assemblies of member states prior to coming into force. The Malaysian Parliament is due to discuss the country's participation in the pact on Jan 26.

The TPPA is facing opposition from critics who fear it will empower big industries from rich countries like the US to dominate smaller markets with their financial muscle and skewed free trade clauses that may victimize the less affluent economies.