

EU hopes to start FTA talks early October
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The European Union (EU) hopes to start Free Trade Agreement (FTA) talks with Malaysia on the sidelines of the Asia-Europe Meeting (Asem) in early October.

"We hope to officially launch the negotiations during Prime Minister Najib Abdul Razak's visit to Brussels in conjunction with Asem hosted by Belgium," said EU ambassador and head of delegation to Malaysia Vincent Piket.

Najib is to attend the two-day Asem Heads of State and Government Summit in Brussels beginning Oct 4.

"We've been exploring together if the conditions are conducive to begin the FTA talks and conclude it on a successful note. At this stage, the signals are encouraging," he told Bernama.

Piket said it was timely for Malaysia to start the FTA negotiations to complement the country to achieve the New Economic Model (NEM) goals.

"I see the FTA is very much part of the NEM and its emphasis on promoting a business-friendly economy and increasing private sector share in the gross domestic product.

"All these are to attract trade, quality investment, capital, skills and know-how and the FTA with the EU will certainly contribute to this objective," he said, adding that trade and investment were crucial to global recovery and economic growth.

With the current deadlock in the World Trade Organisation (WTO) Doha Round, Piket said Malaysia and the 27-member EU should expand bilateral trade.

Malaysia is EU's second largest trading partner in Asean after Singapore, clearly ahead of much larger countries like Indonesia, Thailand, the Philippines and Vietnam.

Piket said the economic crisis wiped out about 20 per cent of the EU's and Malaysia's external trade last year.

Should the FTA agreement with Malaysia was a success, he said Malaysia would gain preferential access to the EU, currently the world's largest market.

With half a billion consumers in EU-member countries, Piket said it would be an attractive destination for Malaysian exports.

He said the FTA would pave the way for a long term and stable Malaysia-EU trade ties.

The EU is the world's fourth largest trading partner and second largest source of foreign direct investment, he said.

Stressing that Malaysia was a vital trading partner to the EU, Piket said some 2,000 European companies are currently operating in Malaysia.

- Bernama