

EU, M'sia kick off free trade talks
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Malaysia and the European Commission launched the negotiations for the Malaysia-European Union (EU) Free Trade Agreement (MEUFTA) and the Partnership and Cooperation Agreement (PCA) in Brussels on Tuesday, signalling a new era of cooperation between both sides.

Prime Minister Najib Abdul Razak said negotiations would commence in December and expressed the hope that it could be completed in 18 months or not later than two years.

"My mandate to them is to be as creative as possible to find solutions and to be able to complete this within the timeframe," he told a joint media conference with European Commission president Jose Manuel Barroso.

Najib, who earlier held a meeting with Barroso, said he was confident that the two agreements would put the Malaysia-EU relations "on the right trajectory."

He said Malaysia viewed the EU as a valuable partner.

Meanwhile, Barroso said the FTA would give a real boost to trade between the EU and Malaysia and expressed the hope that officials from both sides would be able to achieve concrete results.

The EU accounted for 11.2 percent of Malaysia's global trade and 10.8 percent of Malaysia's total exports.

Realised foreign direct investments (FDIs) from the EU to Malaysia as of Dec 31 last year amounted to US\$13.6 billion, mainly in the manufacturing sector.

As a regional grouping, the EU is Malaysia's largest source of FDI.

The PCA is expected to further strengthen cooperation between Malaysia and the EU in areas including political relations, trade and investment, science and technology, health, energy, transport, agriculture, banking, maritime and other areas through dialogues.

The MEUFTA is expected to progressively enhance market access opportunities for trade in goods and services, liberalise investment regimes in Malaysia and the EU as well as provide for economic cooperation.

The EU on Wednesday signs a free trade deal with South Korea, described as its most ambitious yet, and Japan called for increased momentum in its bid for a similar deal during the two-day Asem summit.

- Agencies