

We'll lose out without US trade deal
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Malaysia will fail to woo crucial investment from the United States and bolster exports to its biggest trading partner without a bilateral free trade deal, Trade Minister Rafidah Aziz warned today.

"I like to emphasise that without a free trade agreement (FTA) with the United States, it is estimated that Malaysia will lose out in increasing exports to the country," said Rafidah.

Rafidah has been pushing hard for a conclusion of the trade talks, now bogged down amid strong opposition from within the ruling government and local activists.

The two countries look set to miss a vital deadline by the end of March to cut out a deal, which would give the US Congress its requisite three months to consider and pass the FTA.

Washington has been trying to complete the FTA before July 1, when President George W Bush loses his Trade Promotion Authority which allows trade deals to be fast-tracked.

Rafidah said Malaysia will "lose its opportunity to attract more investments from the US" and from other countries that plan to use Malaysia as a production and export market to penetrate the US market.

"This agreement will increase US investments into Malaysia. It will also open up new markets for Malaysian goods," she said in a statement to Malaysian lawmakers.

Unresolved issues

The US government last week all but ruled out the chances of a deal with Malaysia before the deadline.

Deputy Prime Minister Najib Abdul Razak said Sunday that Malaysia will not set a timeframe to conclude a free trade deal with the United States.

No formal talks have been scheduled between the US and its 10th-largest trading partner after a fifth round of talks ended in February leaving 58 unresolved issues.

Among sore points for US trade negotiators are Malaysia's controversial positive discrimination policies for its majority-ethnic Malay community.

The policies give preferential treatment to Malay-run companies in the awarding of government contracts.

Malaysian farmers, activists and opposition parties have been demanding a halt to the talks, arguing a FTA would damage livelihoods.