

Malaysia-EU FTA could impact negatively on SMEs
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Although the free trade agreement (FTA) negotiations between the European Union (EU) and the United States could expand the country's economy, certain of its provisions may impact negatively on Malaysia's domestic policies.

"The FTA is a comprehensive and ambitious agreement... it involves trade, services, investments, including intellectual property rights, as well as government procurement," said opposition parliamentarian Charles Santiago (DAP-Klang).

Liberalising government procurements, said Santiago, could result in a major impact on the country's social and development policies.

He said this in the context of the Malaysia-EU FTA which starts its first round of discussion on Dec 6 and 7 in Brussels, Belgium.

Separate negotiations are scheduled from Dec 6 to 10 in New Zealand with the US and eight other nations -Australia, the host nation, Brunei, Singapore, Vietnam, Chile and Peru - through the Trans-Pacific Partnership FTA (TPP).

"The closed FTA meetings involving Malaysia would put government procurement at risk.

gst 110310 charles santiago"Most SMEs (small and medium enterprises) get their business from the government. If this is taken away, and if foreign businesses compete here, local businesses will be affected. This will be a big shift for them," he said.

Santiago, (right) who is also an economist, pointed out during a press conference at the parliament lobby yesterday that SMEs account for 95 percent of Malaysia's businesses.

He explained that government procurement was a way to tighten the gap between the rich and the poor.

Once shut, now door set to open

When the FTA discussions with the EU took off five years ago, the government had rejected the proposal to open up government procurement to foreign companies.

Another concern raised by Santiago was the clause under the Malaysia-EU FTA agreement that allows private companies to sue the Malaysian government.

"Never in trade agreement history has the government been taken to court by a private company. It has always been government to government.

"If a foreign private company feels that the Malaysian government will impact on their profits, they can take it to the international court.

"In Thailand and the Philippines, you have parliamentary scrutiny, or a parliamentary select committee that looks at the terms of the FTA, gives advice to the government, and invites experts to give advice.

"In Malaysia, Parliament is completely sidestepped and has no role to play over the FTA.

"The FTA must rightfully be discussed in Parliament, but there is no mention here. Nobody knows what is going on," he said.

Parliament just a rubber stamp

In October, Santiago had raised the matter in the Dewan Rakyat. However, Deputy International Trade and Industry Minister Jacob Dungau Sagan snubbed the request for a debate on the Malaysia-EU FTA .

"This will be a shame, because we cannot have a public debate and discussion on issues of sovereignty, SMEs or public health based on leaked documents," he added.

mohd nazri abdul aziz interview 220206 talkingHe stressed that the government through Minister in the Prime Minister's Department Mohd Nazri Abdul Aziz (left), who is also chairman of the Malaysia-EU caucus, must establish a parliamentary select committee to discuss the document before it is finalised.

"Furthermore, these meetings should be held in public and involve testimonies of experts, civil society groups, academics and special interest groups in order to shed light on these agreements," Santiago said.

"Once it (FTA) is agreed upon, the government will change Malaysian laws, because they must be consistent with the conclusion of the negotiations," he said, adding that Parliament will have to alter laws in line with the terms of the agreement.

"Parliament will have no role in influencing these laws... it will be reduced to a rubber stamp," he said.

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