

Trade deal will fail without US fast-track authority: Rafidah

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A TRADE deal between the US and Malaysia, its tenth largest trading partner, will fail without fast-track status that will bypass Congressional scrutiny, says Minister of International Trade and Industry Datuk Seri Rafidah Aziz.

Malaysia and the US are in negotiations for a pact that officials say could double trade by 2010. Talks, which began last year, have stumbled.

A deal was supposed to be concluded by the end of last month, before President George W. Bush's "fast-track" authority, or Trade Promotion Authority, expired, to avoid a hostile Congress.

Rafidah said yesterday there was no point in concluding one right now even if both sides managed to skirt around all outstanding issues.

"Let's be practical about it. First of all, he (Bush) has to get fast-track authority," Rafidah said on the sidelines of the Asia-Pacific Economic Cooperation meeting in Cairns, Australia.

"Otherwise it cannot be implemented. We can sign it, but it cannot be enforced" because of Congress.

Susan Schwab, Bush's top trade negotiator who is also in Cairns, said a renewal of the President's authority was needed urgently.

A Trade Promotion Authority will allow Bush to send the agreement to Con-



US trade representative Susan Schwab (front left) and Rafidah in the midst of discussion at the Asia-Pacific Economic Cooperation Trade Ministers' meeting in Cairns yesterday. — Bloomberg picture

gress for a straight vote. Without one, Congress can propose amendments, ask for more protectionist measures, delay the approval process or ask Malaysia for more access to its markets.

"Our trading partners and competitors are already negotiating and closing trade deals around the world," Schwab said in a statement on June 29. "The President — indeed every president — should have Trade Promotion Authority to ensure that the US can best advance our

country's trade interests."

Rafidah said negotiations are ongoing, but only via "e-mail and telephone" at the moment.

"We've never stopped," she said in Cairns yesterday. "The fact that we are not going back and forth is only because there are just some issues left on the table."

US negotiators have sought a more open and transparent policy in the award of Malaysian government contracts. Malaysia is also Southeast Asia's largest

car market, but is currently protected in favour of local manufacturers.

Malaysia has complained about access to certain sectors in the US market.

"The only thing we've said is that any request does not impinge on our domestic policy," Rafidah said.

Schwab said last year that a free-trade pact with Malaysia was one of her department's priorities. Two-way trade was valued at US\$44 billion (RM152 billion) in 2005. — Bloomberg