

Back to negotiating table for Malaysia, US

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WASHINGTON: Malaysia and the United States missed their Saturday deadline to submit a bilateral free trade agreement (FTA) to the US Congress that would have secured fast-track approval from Capitol Hill.

US Ambassador to Malaysia Christopher LaFleur said here on Friday that "although the two countries won't make the deadline, what's important is not the timing but the substance of the agreement".

The goal of the two countries was "to reach a high-quality FTA

that would benefit both countries," he said when addressing the Malaysian-American Society at the American University here.

The Bush administration is keen to take advantage of the presidential "fast-track" or trade promotion authority (TPA) which runs out in June.

Under the current TPA statute, an FTA would have to be submitted 90 days prior to June-end to ensure either an "up or down" voting without amendments to the trade agreement by Congress.

LaFleur said discussions were

ongoing between the administration and Congress about what to do about trade agreements in the works.

The US and South Korea are also negotiating an FTA and the deadline has been extended by 48 hours.

Meanwhile, US-Malaysia trade talks which stalled in Sabah will be revived here mid-month.

The office of the US Trade Representative noted that Malaysian officials had asked for time to seek a cabinet consensus on how to proceed with outstanding issues

— "resolution of that process is a necessary step before negotiations can continue".

The perceived threats to Bumiputera rights and Malaysian farm products were among the issues of concern.

LaFleur said media reports that the trade agreement would result in a flood of American rice in the Malaysian market were "complete fiction" because American rice would probably cost more.

"The challenge would probably come from Thailand or Vietnam rather than the US." — Bernama