

Trade talks with US must not affect other ties, says PM

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KEPALA BATAS: Malaysia will not allow a free trade pact with the United States to determine its ties with other countries, the Prime Minister said yesterday.

Datuk Seri Abdullah Ahmad Badawi said relations with Iran were not on the table in the government's negotiations for a free trade agreement with Washington.

Responding to a letter sent by US congressman Tom Lantos urging the Bush administration to suspend trade talks in protest over a gas deal between Malaysia's SKS Group and the National Iranian Oil Company, Abdullah said: "As a sovereign country we surely have the right and freedom to make our own stand for our own interests."

Lantos, who chairs the US House of Representatives foreign affairs committee, described as "abhorrent" the 25-year RM57.6 billion deal signed last month to develop offshore gas fields in southeastern Iran.

In his letter, Lantos said the Iran Sanctions Act "behooves all of us charged with implementing US foreign policy to take actions to further press Iran to cease its development of nuclear weapons".

Abdullah said Malaysia had from the beginning stressed that the FTA negotiations should be confined to trade issues alone.

"The understanding has always been that other issues like politics should not be dragged into the trade negotiations," he said.

Asked if the talks, which are now entering a crucial fifth round, would be affected, he said, "The thing now is that people not involved in the negotiations are making comments. We will wait and see."

In Kuala Lumpur, Deputy Prime Minister Datuk Seri Najib Razak said Malaysia would not compromise on its sovereignty.

"We want the FTA but its conditions must ensure protection of our country's interests," he said.

Describing Lantos's comments as "uncalled for", the Ministry of International Trade and Industry said in a statement that "the FTA negotiations cannot be held hostage to any political demand, and cannot be conducted under such threats".

"Malaysia is also ready to suspend negotiations if the situation warrants it," the ministry said.