

Free trade deal cannot make deadline, says US

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WASHINGTON: The United States government on Friday all but ruled out the chances of a free trade deal with Malaysia before a crucial deadline expires in two weeks.

Steve Norton, a spokesman for US Trade Representative Susan Schwab, said the Malaysian Cabinet remained locked in debate about crucial provisions of the deal, including government procurement rules.

After the last round of talks last month, Malaysia had informed the US that it needed more time to develop a political consensus in favour of the ambitious pact, he said.

"That process is continuing in the Malaysian Cabinet. But I think it's clear at this point that getting the free trade agreement done under the current TPA (Trade Promotion Authority) is improbable."

The timetable is tightening because President George W. Bush will lose his TPA, which allows deals to be fast-tracked through Congress, on July 1.

The FTA negotiations need to be wrapped up by the end of this month to give Congress the requisite time of three months to consider the deal.

With that deadline just two weeks

away, time has virtually run out, Norton conceded.

"Having said that, we're going to continue meeting and will probably have further discussions in the next few weeks

"You don't want to let negotiations that have been going on for the best part of a year to just disappear."

The two countries have held five rounds of talks but negotiations have bogged down over 58 unresolved issues, and no further rounds have been scheduled between the US and its 10th largest trading partner.

"The government fully understands the thinking and concerns of the people on the matter," Prime Minister Datuk Seri Abdullah Ahmad Badawi had said following an inconclusive Cabinet meeting on March 7.

"I would like to assure that the nation's interest will always be safeguarded and would not be sacrificed in any way."

Minister of International Trade and Industry Datuk Seri Rafidah Aziz insisted after last month's round that the talks would continue, and has said both parties were trying to resolve outstanding obstacles informally. — AFP