

'M'sia stands to lose without FTA'

Rela officers accused pg 11

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KUALA LUMPUR: Malaysia will fail to woo crucial investment from the United States and bolster exports to its biggest trading partner without a bilateral free trade deal, International Trade and Industry Minister Datuk Seri Rafidah Aziz warned yesterday.

"I like to emphasise that without a free trade agreement (FTA) with the United States, it is estimated that Malaysia will lose out in increasing exports to the country," she said.

Rafidah has been pushing hard for a conclusion of the trade talks, now bogged down amid strong opposition from within the ruling government and local activists.

The two countries look set to miss a vital deadline by the end of March to cut a deal, which would give the US Congress its requisite three months to consider and pass the FTA.

At the Dewan Rakyat

Washington has been trying to complete the FTA before July 1, when President George W. Bush loses his Trade Promotion Authority which allows trade deals to be fast-tracked.

Rafidah said Malaysia will "lose its opportunity to attract more investments from the US" and from other countries that plan to use Malaysia as a production and export market to penetrate the US market.

"This agreement will increase US investments to Malaysia. It will also open up new markets for Malaysian goods," she said in a written reply.

The US government last week all but ruled out the chances of a deal with Malaysia before the deadline.

Deputy Prime Minister Datuk Seri Najib Abdul Razak said on Sunday Malaysia will not set a timeframe to conclude a free trade deal with the US.

No formal talks have been scheduled between the US and its 10th largest trading partner after a fifth round of talks ended in February, leaving 58 unresolved issues.

Among the sore points for US trade negotiators are Malaysia's controversial positive discrimination policies for its majority-ethnic Malay community.

The policies give preferential treatment to Malay-run companies in the awarding of government contracts. Malaysian farmers, activists and opposition parties have been demanding a halt to the talks, arguing a FTA would damage livelihoods. - AFP