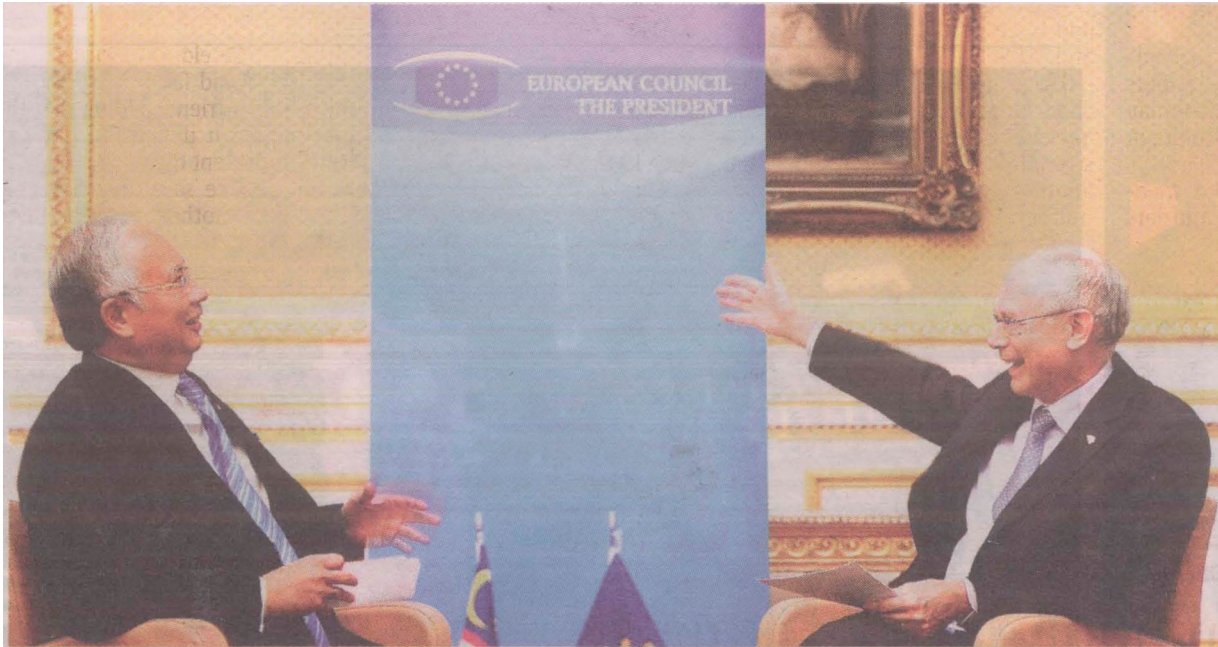


THE STAR

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Europe trade boost

Malaysia in talks with EU to expand bilateral ties



Light moment: Najib is amused as European Council president Herman van Rompuy cracks a joke during their meeting at the Asia-Europe Summit at the Foyal Palace in Brussels on Monday. - Bernama

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BRUSSELS: Malaysia and the European Union have launched two major bilateral initiatives aimed at boosting trade as well as enhancing political dialogue and economic cooperation.

Prime Minister Datuk Seri Najib Razak and European Commission president Jose Manuel Barroso launched the EU-Malaysia Free Trade Area (FTA) negotiations yesterday on the sidelines of the eighth Asia-Europe Summit here.

Malaysia is the second Asean country after Singapore to open FTA negotiations with the EU. Vietnam has agreed to follow suit soon.

The EU is Malaysia's fourth largest trading partner behind Singapore, China and the United States.

Malaysia is the EU's second individual trade partner in Asean behind Singapore. Bilateral trade reached €23bil in 2009.

According to a statement from the EU office in Kuala Lumpur, once the FTA is concluded, Malaysian companies and industries will get preferential access to the EU with its half a billion consumers.

Najib and Barroso also launched the EU-Malaysia Partnership and Cooperation Agreement (PCA) negotiations.

The PCA provides opportunities to expand the EU's engagement in areas of mutual interest such as taxation and customs; intellectual property rights as well as combating terrorism and trans-national crime.

The agreement will further strengthen EU-Malaysia policy dialogue on environment, green technology and climate change.

Separately, at a media roundtable attended

by international news organisations based here, Najib said the key to solving Islamophobia was to find a long-term solution to the Palestinian issue.

He added that the fate of the Palestinian people "strikes a chord around the Muslim world".

"Some people feel that if there is no hope left, then what is there to live for," he said, adding that once the Palestinian problems were resolved, terrorism would subside.

Islam was among the subjects raised during the roundtable and Najib was asked how Malaysia would address perceptions towards the religion among the European community.

The Prime Minister said it would be good if the European community could engage in dialogue with moderate Islamic countries like Malaysia.