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PM: We gave Mustapa mandate on TPP talks

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RESPONSIBILITY:
Agreement can be viewed within a month

ZAFIRA ANWAR
KUALA LUMPUR
zafira@nst.com.my

PRIME Minister Datuk Seri Najib Razak gave International Trade and Industry Minister Datuk Seri Mustapa Mohamed the mandate to safeguard Malaysia's interests in the recently concluded Trans-Pacific Partnership (TPP) negotiations.

Najib, on Twitter yesterday, said he and the cabinet had given Mustapa the mandate and trust to negotiate the TPP terms.

"It is the government's responsibility to ensure the nation's long-term economic interests are safeguarded and, at the same time, domestic interests are not compromised."

Mustapa said the public could expect to view the contents of the TPP within a month. In a Facebook post yesterday, he said apart from making the TPP contents public, the ministry would also announce the completed cost-benefit analysis.

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"On Oct 5 (Monday), 12 trade ministers from Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam reached an agreement in Georgia.

"In a month's time, the contents of the agreement will be made public. The cost-benefit analysis will also be completed and announced."

Mustapa said both items would be tabled at Parliament for debate within two months. The parliamentary sitting begins on Oct 19 and ends on Dec 3.

"Parliament will debate and decide whether it will accept or reject the TPP," he said, adding that even if Parliament agreed, Malaysia had two years to ratify or reject it.

The posting received much feedback from Malaysians.

Mustapa, in his replies, reiterated that the decision on the agreement's ratification was in the hands of members of parliament after the

FACTBOX

PROS OF BEING PART OF TPP

- **The 12 countries** of the TPP will offer an unprecedented market of 793 million, with a combined gross domestic product of US\$27.5 trillion (RM119 trillion)
- **A study by the Petersen Institute** estimates that the world income would rise by US\$295 billion annually on the TPP track, and confirms that Malaysia is second only to Vietnam in terms of benefits to be derived from the TPP
- **Malaysia's export markets** are expected to increase by 11.9 per cent compared with pre-TTP
- **It will boost Malaysia's position** as an attractive location for global production and create more jobs
- **Opens up opportunities** in non-free trade agreement markets, such as the United States, Canada, Mexico and Peru
- **Malaysian exporters** will save between US\$150 million and US\$200 million from the waiver of US merchandise fees (Charges range from US\$28 to US\$485 per shipment)
- **Malaysia will save US\$1.2 billion** from the elimination of import duties by TPP countries
- **As the US government** is a large buyer of goods and services, the TPP will allow Malaysian businesses to access the huge foreign government procurement market and help in creating a level playing field for local companies bidding for foreign government tenders
- **In line with Malaysia's** aspirations to enjoy sustainable growth
- **Malaysia can move faster** towards becoming a high-income nation

CONS OF NOT BEING PART OF TPP

- **Loss of credibility** as an open and liberal foreign direct investment regime
- **Losing out** to Singapore and Vietnam as the preferred investment destination in Asean (Malaysia ranks fourth in the region)
- **Investments** in Malaysia may move to other countries
- **Fewer job opportunities**
- **Malaysian companies**, such as Petronas, Felda and Sime Darby, which have invested abroad, may not enjoy TPP benefits
- **Limited market access**
- **Losing out** to generalised system of preferences (GSP) beneficiary countries, such as Thailand, Indonesia and Vietnam, in terms of duty-free treatment
- **Loss of market share** in the electronics segment
- **50 per cent loss** in glove market shares to Thailand because of the removal of GSP by Turkey
- **No protection**, facilitation and preferential access
- **Accession** at a later stage will be costly
- **No recourse** against unilateral actions

Sources: International Trade and Industry Ministry, Federation of Malaysian Manufacturers and past NST articles

matter was debated.

"MPs will decide whether to accept or reject the deal when it is tabled. They are the ones who make the decision. The TPP is yet to be ratified.

"Nothing is perfect. If the bad outweighs the good, we should reject it, but if the good outweighs the bad, we should consider it before turning it down."

On Monday, Mustapa said

Malaysia had won concessions from parties to the TPP, which took into consideration almost all of the country's concerns and sensitivities, especially regarding government procurements, state-owned enterprises and Bumiputera issues.

He said Malaysia would never be a party to an agreement that violated the Constitution or undermined the government's core policies that benefited the people.