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ECONOMIC INTEGRATION

NAJIB: BRING DOWN ASEAN TRADE TARIFFS

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Non-tariff barriers, measures must be removed, says PM

MANILA

ECONOMIC integration within Asean must be further enhanced if the region is to realise its potential as a significant world market, Prime Minister Datuk Seri Najib Razak said.

In his keynote address at the Prosperity for All Summit organised by the Asean Business Advisory Council here yesterday, the prime minister said: "We have to bring down trade tariffs.

"WTO (World Trade Organisation) figures show average tariffs in Asean were about four per cent in 2015. Efforts to bring them down to zero must be pursued vigorously."

Najib said for Asean to achieve an economic size of US\$9.2 trillion (RM39.9 trillion) by 2050, there had to be a 20 per cent reduction in fixed trade costs.

"Non-tariff barriers and measures, or NTBs and NTMs, must be reduced and removed.



LOKMAN MANSOR

"This is a stubborn, worldwide problem, but it is in Asean's interests to lead the way in this endeavour."

Addressing about 1,000 participants from public and private sectors in the region, the prime minister said between 2000 and 2015, NTBs and NTMs in Asean actually rose from 1,634 measures to 5,975.

"This has to be checked and re-versed. NTBs and NTMs have to be reduced by 50 per cent.

"There is no other alternative if we wish to seize that prize. Huge, coordinated efforts are required to deal with this problem."

The prime minister said economic growth led to prosperity, which could be shared by all. But, nothing could be shared

without economic success.

Relating Malaysia's own experience, Najib said its gross national income increased by nearly 50 per cent since the start of the Economic Transformation Programme (ETP) in 2010. By last year, the ETP had created 1.8 million new jobs and reduced poverty to 0.6 per cent.

"Our focus is to ensure that growth is sustainable and inclusive. No Malaysian should be left behind, regardless of ethnicity, faith and community."

Najib said in an age of extremism and radicalisation, those who lost hope in society were more prone to the calls of terrorist groups, who could exploit their vulnerability and lure them by offering a false sense of purpose and achievement.

"A lesson from the rise of extremist populism in Europe is that a neglected underclass, those who felt left behind by prosperity, economic growth and the benefits of globalisation, can overturn elections and political systems."

Najib said Malaysia had put in place programmes to encourage training, female participation in and leadership of the workforce, and entrepreneurship among different communities.

He said there was a need to expand e-commerce in Asean, particularly among

micro, small- and medium-sized enterprises.

"On retail sales alone, the average percentage of e-commerce transactions in Asean countries is just over one per cent of the total, compared with over 10 per cent in developed economies.

"This underlines the potential for growth in e-commerce. Initiatives such as AJIN (the Asean Japan Innovation Network) and the Digital Free Trade Zone that Jack Ma of Alibaba and I recently announced in Kuala Lumpur, should encourage all in Asean to build this sector of our economies."

Najib said another challenge that Asean faced was the need to raise awareness of the region and to make it feel real, relevant and tangible to all citizens.

"We are one of the most successful regional associations in the world. While some have criticised us for moving too slowly, we have avoided the downside of moving too fast.

"For our community to be real, it must be something that is part of our people's lives.

"It must be something that touches their hearts. Asean must be seen as a source of cohesion, solidarity, support, unity, friendship and strength."