

KL KEEN TO RESTART TALKS

PM hopes scoping exercise between technical experts of both sides will have positive outcome



NAJMUDDIN
NAJIB

BERLIN

MALAYSIA has begun exploring the possibility of restarting discussions on the Malaysia-European Union Free Trade Agreement (MEUFTA), which have stalled since 2012.

MEUFTA was among the issues discussed between Prime Minister Datuk Seri Anwar Ibrahim and German Vice-Chancellor Robert Habeck, who is also Germany's federal minister for economic affairs and climate action.

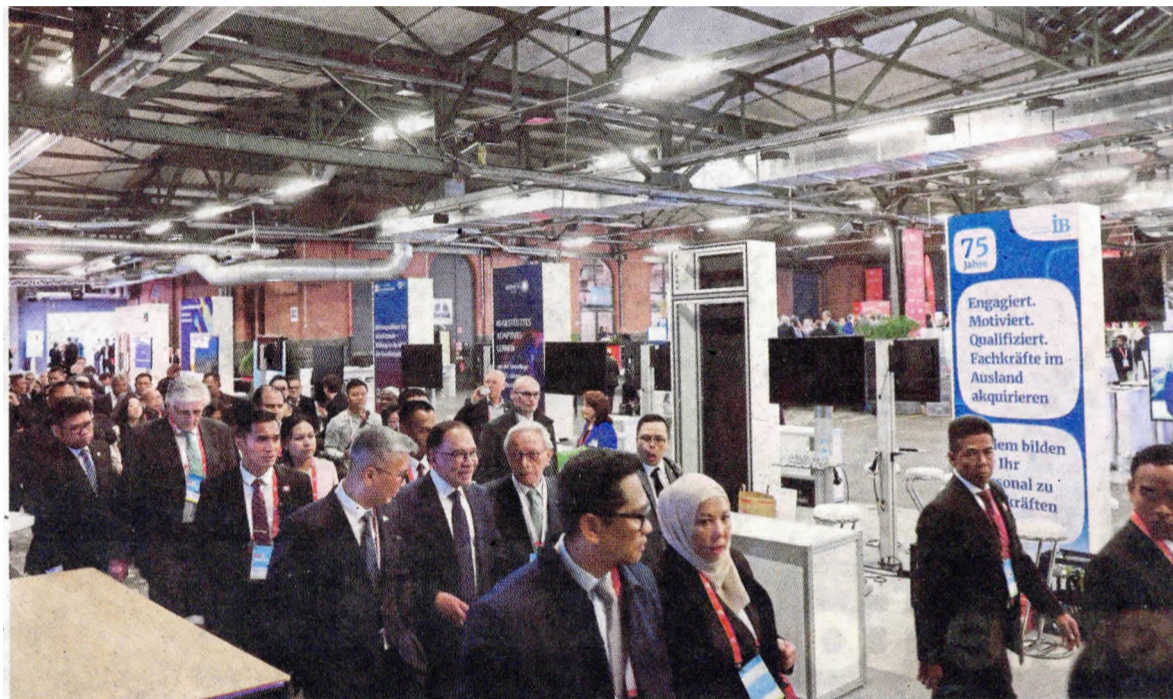
Their meeting was held on the sidelines of the annual SME Future Day exhibition — also known as the Mittelstand — at Station Berlin here.

Anwar said they were hoping for a positive outcome of the scoping exercise between technical experts of both sides.

"We hope to move forward on MEUFTA soon and for both sides to start discussions," he said.

Negotiations on MEUFTA were formally launched on Oct 5, 2010, with eight rounds taking place between December 2010 and September 2012.

However, the negotiations



The Malaysian delegation led by Prime Minister Datuk Seri Anwar Ibrahim visiting the annual SME Future Day exhibition — also known as the Mittelstand — at Station Berlin yesterday. BERNAMA PIC

reached an impasse in 2012 as both sides had negotiating options at the time.

It was subsequently agreed that negotiations will resume when a fresh mandate and/or flexibilities become available to both sides.

Germany is Malaysia's largest trading partner within the European Union, with a trade value of almost US\$14 billion.

Anwar is on a six-day visit to Germany, his first since becoming prime minister.

He had engagements with various companies and captains of industry from all over Germany, which have already resulted in new investments pledges amounting to €868 million.

Meanwhile, Anwar, in his talk with Habeck, also expressed concern that EU policies on climate change including its Deforestation Regulation may serve as a form of non-tariff trade measure.

The prime minister urged Ger-

many to adopt a more inclusive and fair approach.

On March 6, Plantation and Commodities Minister Datuk Seri Johari Abdul Ghani said the World Trade Organisation (WTO) panel had issued its final report and concluded that the European Delegated Act that restricted palm oil biofuels was discriminatory towards the country's palm oil biofuel.

The dispute dates to 2018, when the EU issued regulations on the minimum amount of renewable fuels that member countries must use in their transport sectors.

The EU stipulated that the use of biofuels, for which forests had been cleared for planting, could not be used to achieve this target. This primarily concerned oil palm crops.

Malaysia, which has a major palm oil industry, then claimed that the measures were violating fair trade practices and launched a suit against the EU with the World Trade Organisation (WTO) in 2021.

Anwar said he also expressed to Habeck Malaysia's interest in joining the Climate Club, a 38-member inter-governmental forum for exchange on industry decarbonisation.

Malaysia, he said, also welcomed Germany's support in capacity-building, technology transfer and financial assistance.

On capacity-building and skills enhancement, Anwar proposed a collaboration to boost micro, small- and medium-scale enterprises (MSME) via joint training,

workshops and mentorship programmes.

Anwar also issued an open invitation to European investors, saying Malaysia was strategically positioned to become a hub for German and European businesses to tap into the greater Asean and China markets.

He promoted the country as a destination with skilled labour force, modern infrastructure, clear regulatory environment and huge growth potential.

"We are a dynamic economy fit for the 21st century, and the perfect partner for German businesses.

"Malaysia also provides Germany with a strategic gateway into the wider Asean market, set to emerge as the world's fifth-largest economy by 2030.

"The region is primed for exponential growth," he said in his keynote address at SME Future Day.

Anwar, who is also finance minister, said Malaysia and Asean at large hold the advantage of enjoying close ties with not only the United States, but also China.

"Rarely do you have a region working as one force like Asean, which is not only peaceful but also the fastest growing in the world, with the advantage of strong relations with the US, China, Japan and South Korea."

German and European businesses, said Anwar, can benefit immensely from setting up base in Malaysia, which would enable them to easily tap into these markets.