

All eyes on Miti negotiators
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After Australia, Malaysia moves to more challenging bilateral, regional and multilateral trade agreements.

When negotiations for the Malaysia-Australia Free Trade Agreement (Mafta) concluded on March 30, Australian Trade Minister Dr Craig Emerson rang up his Prime Minister and informed her of the good news.

Julia Gillard's response was "That's fantastic."

This is Emerson's first FTA since he took over the trade portfolio and naturally he was appreciative of Malaysia for making it happened.

"My government is delighted with the agreement. We have a great friend in Malaysia," he said at the ceremony to ink Mafta which will kick off from Jan 1.

The signing of the Mafta is historic and a testament to the good bilateral relations despite it being concluded seven years later.

International Trade and Industry Minister Datuk Seri Mustapa Mohamed was equally pleased on Tuesday although Mafta faced "difficulty in the beginning."

Negotiations began in 2005 and were postponed in 2006 as both sides focused on securing an Asean-Australia-New Zealand trade deal which concluded in 2008.

Mafta restarted in 2009. It was Gillard and Prime Minister Datuk Seri Najib Tun Razak who pushed for it when they met in Canberra in March last year.

But credit must really go to the negotiating teams.

Both Emerson and Mustapa acknowledged the senior officials' role in concluding the negotiations.

Mustapa went a step further when he commended Miti's senior director for Multilateral Policy and Negotiations J.Jayasiri and his team, in his speech at the signing ceremony.

"We have met the leaders' KPI," declared Mustapa.

For chief negotiator Jayasiri, the FTA has been a long-drawn process which included 11 rounds of negotiations.

"Negotiating with the partner is only one step. The step before that is negotiating with the ministries and stakeholders so that the national position is coordinated.

"This process itself is challenging because some ministries may be reluctant to change their stance on certain matters," said Jayasiri after the signing ceremony.

The agreement covers trade in goods and services, investment, economic and technical cooperation and intellectual property rights among others. Malaysia would eliminate

import duties progressively on 99% or 10,295 tariff lines by 2020 while on Australia's part, there would be a 100% elimination of tariffs upon the agreement coming into force.

Mustapa also announced more good news - Australia has offered scholarships to Malaysians.

Although the offer has nothing to do with the Mafta, Mustapa nonetheless described it as unprecedented.

"It reflects the strong education links with Australia," Mustapa said.

During his trips and meetings with Emerson, officials said Mustapa had raised the possibility of Australia offering scholarships to Malaysian students.

"The minister met our students and many have raised this issue. Emerson took the request seriously and talked to several departments and managed to secure the scholarships.

"It is a good gesture, a one-off offer. But the fact that Australia is making the offer is something unexpected," said an official.

The Australian Government would make available a three-year package of short and long-term scholarships, fellowships, awards and exchanges.

Mafta is the sixth bilateral FTA for Malaysia after Japan, Pakistan, New Zealand, Chile and India.

More challenging negotiations are waiting in the wings - bilateral FTAs with Turkey and European Union and at the regional level, negotiations have started between Asean with Japan and India in the services and investment sectors.

The multilateral Trans-Pacific Partnership is also being negotiated involving nine countries - Australia, New Zealand, Vietnam, Singapore, Malaysia, Brunei, Chile, Peru and the United States.

The TPP aims for a "21st century agreement" that will go further than previous pacts in tearing down barriers to trade and raising international standards in areas like workers rights, environmental protection and intellectual property rights rules.

For now Miti negotiators are getting a "short break".

Great expectations and more difficult negotiations await them in the coming months with the looming deadline.

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