

# 'FTA with US will bring benefits'

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THE government yesterday defended the wisdom of entering into Free Trade Agreement (FTA) negotiations with the United States.

Deputy International Trade and Industry Minister Datuk Ahmad Husni Hanadzlah told the Dewan Rakyat Malaysia would enjoy positive benefits when it inks an agreement with the economic giant.

Replying to a question from **Opposition Leader Lim Kit Siang (DAP-Ipoh Timur)** and several other MPs on the matter, Husni said the move would allow the US market to be opened to Malaysian exports such as garments, chemicals, and rubber, timber, plastic, and agricultural products, optical and scientific instruments, and electrical and electronic goods.

"The current duties for these products vary between 5% and 32%. When the US abolishes duties for these products, Malaysian manufacturers and exporters will have an edge in competitiveness compared with other countries which do not have a FTA with them," he said.

Husni said Malaysia would initially save RM714.6 million in duties when the FTA is enforced, and the savings will grow accordingly with exports.

"Apart from opening up the American

At the **Dewan Rakyat**

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domestic market, Malaysia will also seek technical cooperation with the US," he said.

"With American financial assistance and expertise, we hope to see improvements in standards implementation, customs procedures, intellectual property enforcement and e-commerce.

"We are also confident that the FTA will make Malaysia a choice investment destination for American companies, leading to increased investment flows, specifically in areas such as biotechnology, research and high technology development."

Husni said the two countries had completed two rounds of negotiations so far.

The first round was held between June 12 and 16 in Penang, and the second round took place between July 17 and 21 in Washington DC.

Last year, US-Malaysia bilateral trade reached RM160.9 billion.

Husni said the US is also the largest investor in Malaysia with RM5.2 billion worth of investments.