

# M'sia to play key role to restart EU-Asean FTA talks

**KUALA LUMPUR:** Malaysia will play a leading role in moving the stalled European Union-Asean FTA negotiations along, Prime Minister Datuk Seri Najib Abdul Razak said yesterday.

Najib said he expects the catalyst might well come from the potential for the FTA to rebuild the wealth that has been lost during the most recent economic crisis.

As a founding member of Asean, he said that Malaysia has a vested interest in the EU-Asean FTA, which, despite the best efforts of all parties involved, has not yet come to fruition.

"I note that the talks for this FTA have stalled, due in part to the inherent difficulties involved in such a complex undertaking, some of which are issues related to cultural differences and others to gaps in governances, transparency and negotiation style," he said at the official launch of the Malaysia Europe Forum.

"The EU-Asean FTA will serve as a gateway for our two communities to benefit from rich cultural, political, institutional and economic opportunities

that we might provide to one another," he said.

In 2007, Asean recorded a total of US\$62 billion (RM210.8 billion) in foreign direct investment (FDI) flows. This is the highest to date, despite a contracting global economy. The EU as a major dialogue partner was the single largest source of FDI at US\$14.3 billion (RM48.6 billion).

Najib said there have been concerns over the human rights issue in one of Asean member nations, Myanmar.

He said the EU has expressed concern that dealing with Asean would be tantamount to condoning the actions of those Asean members which do not subscribe fully to democratic principles.

"I understand that the United Kingdom has made its stand clear that Myanmar should not benefit from the EU-Asean FTA.

"The position Asean has taken is that this should not be an impediment to completion of the FTA as both parties stand to benefit under the theory that greater trade opens the door to

political reform.

"My administration is fully committed to help get the issues to the table and I hope there will be sufficient motivation from both the EU and Asean teams to resume discussions as soon as possible," he said.

Last year, EU was Malaysia's fourth largest trading partner after Singapore, the United States and Japan.

Total EU-Malaysia trade last year amounted to US\$41 billion (RM139.4 billion).

"There is obvious benefit to improving relationships between our two regions for the benefit of businesses, both large and small.

"But in order to do so, we need to enhance our understanding of one another of how we operate, how we perceive the world and how we do business," he said. — Bernama