

## FTA talks with EU to kick off next week

THE Malaysia-EU free trade agreement talks, which will kick off in Brussels next week, will include non-trade issues like the environment and sustainable development.

“We will be negotiating on what extent do we deal with issues like government procurement,” said International Trade and Industry Ministry deputy secretary-general Datuk Dr Rebecca Fatima Sta Maria.

She said this when addressing the third Malaysia-Europe Forum — Kuala Lumpur Dialogue 2010 yesterday.

Negotiations, due to take place from December 6 till 9, are targeted for conclusion in 18 months.

Prime Minister Datuk Seri Najib Tun Razak announced the bilateral initiative in Brussels in October, a pact that will remove tariffs on almost all goods, open up more trade in services and boost bilateral investments.

The EU, Malaysia's fourth largest trading partner, has so far launched talks with Singapore and Vietnam.

Human rights and other issues will be discussed by the EU-Malaysia Partnership Cooperation Agreement talks, which will be held in parallel.

The Partnership Cooperation Agreement will talk about areas like taxation, customs, intellectual property rights, and combating terrorism and transnational crime.

On goods, she explained Malaysia already has an agreement with the European Union under the Generalised System of Preferences (GSP). This means Malaysia, as a preferred trading partner, gets lower tariffs on certain products exported to the EU.

Earlier, Trade minister Datuk Seri Mus-tapa Mohamed said developing countries usually have ambitious targets on tariff cuts.

“In this matter, we have to negotiate for the benefit of both sides,” he told a news conference after officiating at a conference on “Driving Innovation For Competitiveness”, organised by Malaysia Productivity Corp in Kuala Lumpur yesterday.

Malaysia hopes to cover the widest area and enhance its services sector's share of the economy by aligning the pact to its New Economic Model.

The EU estimated that the global economic crisis last year wiped out 20 per cent of both the EU and Malaysia's external trade of some RM28.7 billion.

Bilateral trade in goods reached e23 billion in 2009. Although the EU exports grew by 1.2 per cent on average per year between 2005 and 2009, Malaysia has consistently recorded a trade surplus of about e5 billion over the same period. Bilateral trade in services was some e4.5 billion in 2008.