

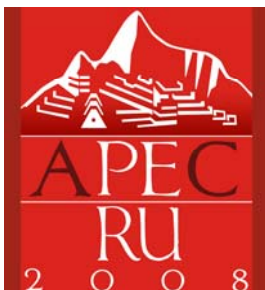


**Asia-Pacific
Economic Cooperation**

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Malaysian Perspectives of Trans-Pacific Regionalism

Purpose: Information
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Malaysian Perspectives of Trans-Pacific Regionalism

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Outline

- Malaysia's trade strategies
- Malaysia's current bilateral and regional FTAs
- Malaysian perspectives on the way forward for Trans-Pacific Regionalism

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Malaysia's Trade Strategies

**Free & open
international
trading
environment**

Multilateral



Regional



Bilateral



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Malaysia's FTA Initiatives – Joining in the fray

Country	Status
Malaysia - Japan	Signed
Malaysia - US	Under Negotiations
Malaysia - Australia	Under Negotiations
Malaysia - New Zealand	Under Negotiations
Malaysia - Pakistan	Signed
Malaysia - India	Under Negotiations
Malaysia - Chile	Under Negotiations
Regional Initiatives	with ASEAN
ASEAN – Korea	Signed
ASEAN - India	Under Negotiations
ASEAN – Japan	Signed
ASEAN – China	Signed
ASEAN – Australia & NZ	Under Negotiations

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Reasons for joining FTAs

- Protracted negotiations under the Doha Round
- Bandwagon effect
- Importance of Japan to the Malaysian economy, especially Japanese investment
- Easier to conclude with other LDCs
- Difficulties in FTA negotiations with developed countries such as the USA, Australia and New Zealand

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Key Issues in FTA negotiations with developed countries

- Liberalization of services
- Government procurement
- Competition policy
- Labor issues
- Environment issues
 - Issues illustrate the differences in interests between developed and developing countries

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Way Forward

- Building of a common or shared vision is essential;
- Differences between countries that wish to form a regional grouping has to be addressed through:
 - Building common standards:
 - Through harmonization; and/or
 - Mutual recognition;
 - Capacity building to bridge gaps in development;
 - May need to have some transfer of resources from more developed to less developed for increasing public goods for the region.

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Way Forward

- Process of building a common or shared vision takes time, see ASEAN experience:
 - Process of consultation;
 - Cooperation;
 - Learning to work together and trust each other.
- Progressive from goods sector to services;
- Building on extra-ASEAN initiatives:
 - ASEAN Plus Three to ASEAN Plus Six to APEC and beyond based on the principle that the bigger the grouping, the larger the benefits and less diversion.

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Thank you