



TPPA 'more good than bad'

The Trans-Pacific Partnership Agreement (TPPA) will provide more benefits than challenges, said Minister of International Trade and Industry, Dato' Sri Mustapa Mohamed .

He said the government had analysed the full impact of the trade agreement and would continue to provide explanations to all levels of society for them to gain a deeper understanding.

“The ministry has conducted various dialogue sessions in which I was involved,” he said in an hour-long talk show over RTM. Mustapa stressed that the government would not make any hasty decisions.

“In any decision, the government would consider the advantages and disadvantages of any policy,” he said, adding that the ministry had two cost-benefit analyses done on the TPPA by PwC Malaysia and the Institute of Strategic and International Studies Malaysia.

“Even though the government recognised there were costs to be borne, the benefits outweigh them,” he said. “It cannot be denied there are several challenges we have to face by participating in the TPPA, but the government recognises that on the whole, Malaysia can stand to benefit,” he said.

He said if the country decides to be a party to the TPPA, there would be a two-year ratification period following the signing. As such, the coming into force of the TPPA is only expected to take place at the earliest by 2018, he said.

The TPPA countries – Australia, the United States, New Zealand, Canada, Mexico, Peru, Chile, Brunei, Singapore, Japan, Vietnam and Malaysia – account for almost 40% of the world's Gross Domestic Product and a third of global trade. – Bernama

Source : BERNAMA, 07 Jan 2016

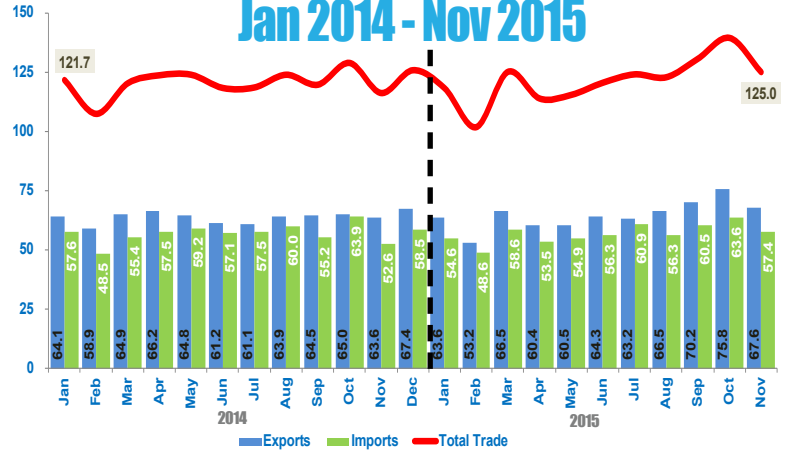
MALAYSIA

Trade Performance

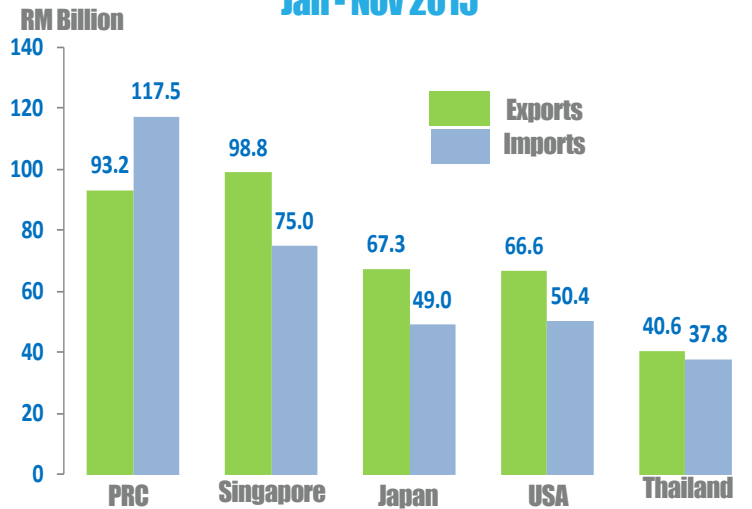
Total Trade Jan - Nov 2015



Trade Performance Jan 2014 - Nov 2015



Top Five Trading Partners Jan - Nov 2015



"DRIVING Transformation, POWERING Growth"

Exports Jan - Nov 2015

RM711.6 billion
↑ **1.9%**

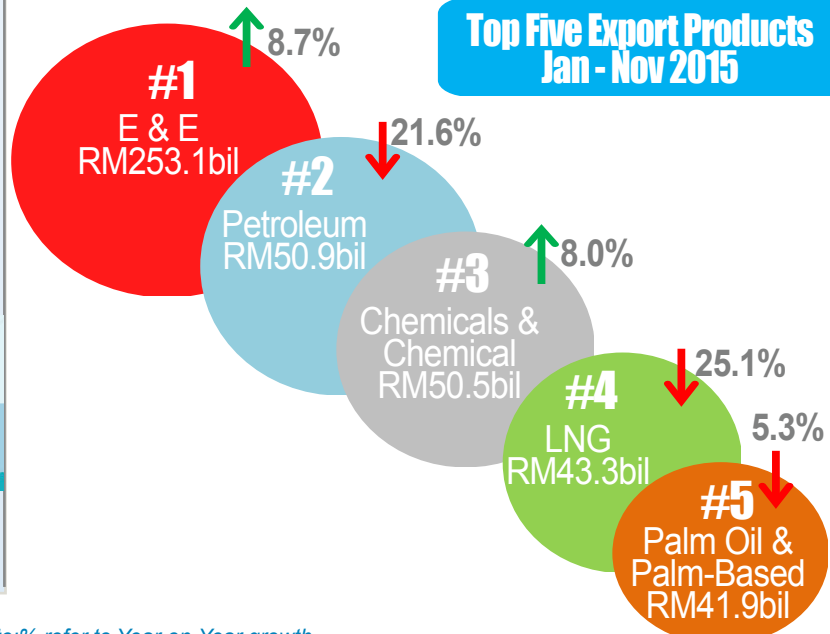


Imports Jan - Nov 2015

RM625.3 billion
↑ **0.1%**



Top Five Export Products Jan - Nov 2015



Note: % refer to Year-on-Year growth
Source : Department of Statistics, Malaysia



Trans Pacific Partnership

TPPA and You

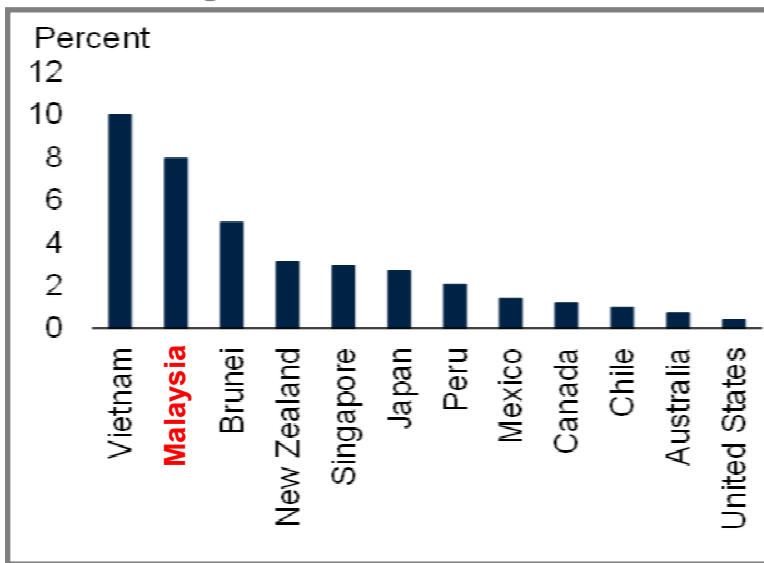
Global Economic Prospects | January 2016

Individual member country impact. The largest gains in GDP are expected in smaller, open member economies, such as Vietnam and Malaysia (10 percent and 8 percent, respectively).¹² Both countries would benefit from lower tariffs and NTMs in large export markets and at home and from stronger positions in regional supply chains through deeper integration (World Bank 2015b).

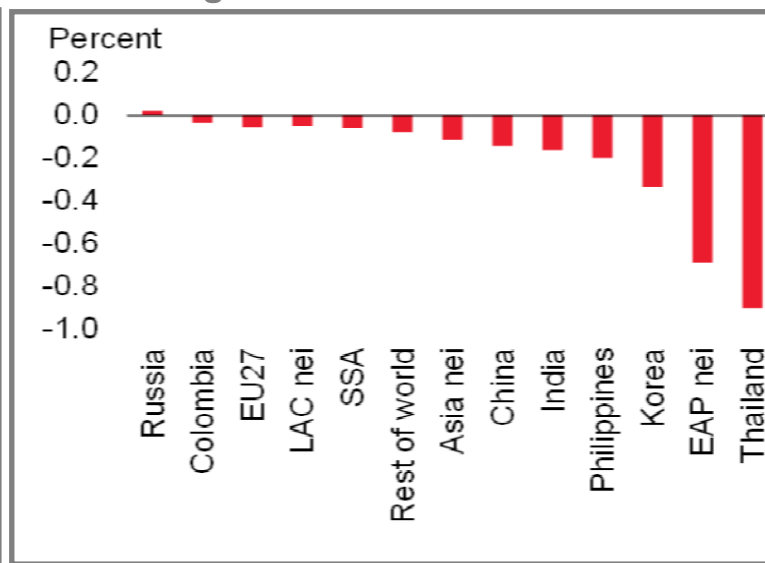
Country Specific Impact of TPP: GDP and Trade by 2030

“Vietnam and Malaysia would be among the TPP member countries benefiting most. As a result of shrinking market access and greater competition in export markets, activity in Korea and Thailand could be set back. Non-member countries like Russia could benefit from greater harmonization of standards in export markets.”

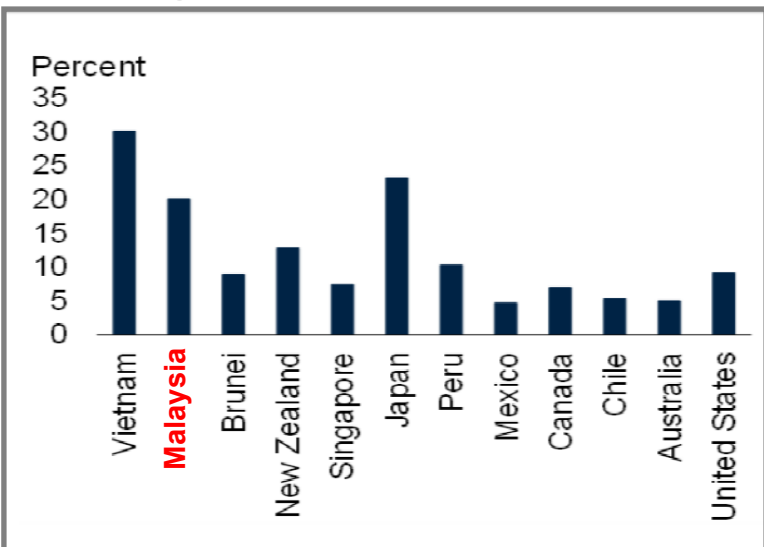
Change in GDP: TPP members



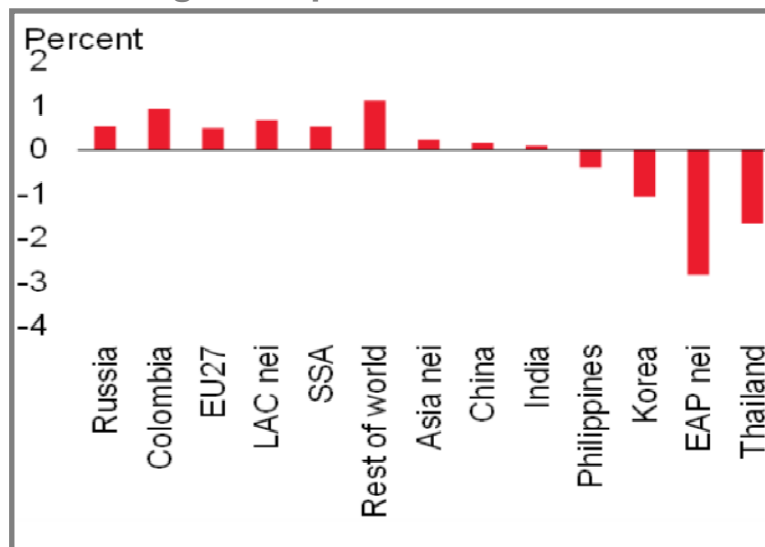
Change in GDP: Non-members



Change in exports: TPP members



Change in exports: Non-members



Note: “LAC nei” includes Argentina, Bolivia, Brazil, Costa Rica, Ecuador, Guatemala, Honduras, Rest of the Caribbean, Nicaragua, Panama, Rest of Central America, Paraguay, El Salvador, Uruguay, Venezuela RB, Rest of North America, Rest of South America. “Asia nei” includes Bangladesh, Kazakhstan, Kyrgyz Republic, Mongolia, Nepal, Pakistan, Rest of South Asia, Rest of Former Soviet Union, Rest of Western Asia, Sri Lanka. “EAP nei” covers: Cambodia, Lao PDR, and Rest of Southeast Asia. “SSA” indicates Sub-Saharan Africa.

Source: <http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2016a/Global-Economic-Prospects-January-2016-Spillovers-amid-weak-growth.pdf> (pg. 227)

MITI MALAYSIA

PERJANJIAN PERKONGSIAN TRANS-PASIFIK (TPPA)

Tarikh: 5 Januari 2016
Tempat: Bangunan Perak Darul Ridzuan


oleh
YB Dato' Sri Mustapa Mohamed
Menteri Perdagangan Antarabangsa dan Industri

#1

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MITI MALAYSIA

Dahulu Dan Sekarang



2. Kad ucapan Hari Raya

- Awal Ramadhan – semua orang beli kad raya.
- Pejabat pos terpaksa beri deadline untuk hantar kad raya.
- Sekarang ucapan hari raya dihantar menerusi telefon bimbit.
- Perniagaan kad raya tak laku.

#6


MITI MALAYSIA

Isi Kandungan

- Perubahan satu realiti
- Perdagangan dan pelaburan penting bagi Malaysia.
- Apa itu perjanjian perdagangan bebas.
- Penglibatan Malaysia dalam Perjanjian Perkongsian Trans-Pasifik (TPPA)
- Persepsi dan Realiti

#2

MITI MALAYSIA



3. Road Tax

- Dahulu perbaharui di Pejabat JPJ
- Sekarang secara online dan di mana-mana sahaja.

#7

MITI MALAYSIA

Perubahan satu Realiti




"The world is changing every day and no one is going to wait for you in the past"
- Jack Ma, Founder & Executive Chairman of Alibaba Group

- Luar bandar ke bandar
- Pertanian dan perindustrian
- Taraf hidup berubah, kesihatan, kemudahan asas

#3

MITI MALAYSIA

Jenis Peniagaan Sudah Berubah



1. ACAR ONLINE

- 1970-an: Acar dibuat secara kecil-kecilan di rumah.
- Kemajuan sistem pengangkutan – acar dijual di bandar, R&R. Dibungkus dengan elok.
- Sekarang acar online dan melalui pos.

#8

MITI MALAYSIA

Hidup Rakyat Diperudahkan

- Dulu ke Mekah – naik kapal laut.
- Sekarang pelbagai pilihan dengan kemudahan.....
- MAS, AirAsia dan Saudia buat penerbangan ke Mekah.
- Penerbangan pertama Tabung Haji ke Mekah 1976

KLIA



Pelabuhan Klang



#4

MITI MALAYSIA

Jenis Perniagaan Sudah Berubah




2. KELANTAN FLYING BREAKFAST (KFB)

- Dahulu – makanan Kelantan hanya di Kelantan.
- Sekarang - layari Facebook dan buat tempahan melalui telefon.
- Sarapan pagi dari Kelantan diterbangkan menggunakan Firefly setiap Ahad

#9

MITI MALAYSIA

Dahulu Dan Sekarang



1. Telefon

- Zaman dahulu – satu kampung mungkin cuma satu rumah yang ada telefon.
- Kemudian pondok-pondok telefon didirikan.
- Sekarang hampir semua orang ada telefon bimbit.
- Boleh berkomunikasi dengan keluarga di luar negara – Facetime, Facebook.

#5

MITI MALAYSIA

Dalam tempoh 20 tahun lalu....

- Semakin ramai rakyat Malaysia bekerja di luar negara
- Semakin banyak syarikat Malaysia melabur di luar negara
- Faedah kepada negara

#10

TPPA and You

Sambungan

Dunia Tanpa Sempadan


Setiap hari kira-kira 100,000 orang dari Johor berulang-alik ke Singapura untuk bekerja.




#11

Peranan Pelabuhan dan Perdagangan

- **Bukan perkara baru:** Para pedagang dari kepulauan nusantara, Asia Barat, India, China dan Eropah melalui dan singgah di pelabuhan Melaka untuk berdagang sejak berkurun lama.
- Dari meniaga dalam komoditi – getah, bijih timah, kini kita berdagang pelbagai barangan – elektrik & elektronik, komponen automotif dsbnya.



#16

Syarikat Malaysia ke luar negara

axiata
advancing asia

- **1992:** ditubuhkan sebagai satu unit Telekom Malaysia.
- **1998:** diasingkan dari Telekom Malaysia dan digabungkan dengan Celcom.
- **2015:** salah satu syarikat telekomunikasi terbesar di Asia; 260 juta pelanggan di 8 buah negara.
- Jumlah pekerja : 25,000 orang.

#12

Pelaburan Asing
Contoh Manfaat Dari Keterbukaan

- membuka peluang pekerjaan kepada penduduk tempatan – kalau dulu sebagai pekerja elektronik – sekarang pelbagai peluang diperingkat teknikal dan pengurusan, bukan sahaja dalam bidang pembuatan tetapi juga dalam sektor perkhidmatan
- Menjadi pemangkin kepada pembangunan sosioekonomi setempat:
 - Contoh: Kulim (Kedah), Bayan Lepas (Pulau Pinang) Jelapang (Perak), Nilai (Negeri Sembilan), Sena (Johor), Bukit Rambai (Melaka) dan Pasir Gudang (Johor).

#17

Syarikat Malaysia ke luar negara

UEM

- **1966:** ditubuhkan dan dikenali sebagai United Engineers (Malaysia) Berhad
- Projek pertama Lebuhraya Utara-Selatan.
- **2015:** kini beroperasi dalam pelbagai bidang dan negara (eg: lebuhraya di India, Indonesia, pembangunan hartanah di Australia)
- Jumlah pekerja: 15,000 orang.


#13

Faedah dan Peluang kepada Masyarakat

- Pekerja kilang memerlukan makanan dan tempat tinggal – rumah sewa dan warung/gerai – penduduk tempatan berpeluang menambahkan pendapatan
- Pemindahan teknologi – rakyat tempatan mendapat pengalaman dan mempelajari teknologi/kaedah baru untuk meningkatkan kemahiran dan produktiviti
- Pendapatan negara bertambah. Hasil negara bertambah

#18

Contoh Keterbukaan



- Dahulu orang Kelantan ke Kedah untuk tanam padi, ke Singapura untuk jadi buruh kontrak.
- Sekarang penduduk di Kelantan 1.7 juta. Di luar 2 juta. Keseluruhan 3.7 juta.
- Ramai bermastautin di Selangor dan negeri-negeri lain.
- Kelantan dapat manfaat dari pelbagai negeri dan Malaysia
- Samalah juga dengan Malaysia yang mengamalkan sikap terbuka dengan negara luar.

#14

Syarikat Malaysia Yang Melabur Di Negara TPP



#19

Pasaraya Besar Tesco di Kota Bharu



- Beroperasi pada tahun 2009
- Pada awalnya kedai-kedai runcit tempatan tidak bersetuju kerana terpaksa bersaing
- Namun hari ini, kesan positif ekonomi jelas:
 - ① Mewujudkan 200 peluang pekerjaan secara langsung.
 - ② Hampir 1,000 peluang pekerjaan secara tidak langsung.
 - ③ Manfaat kepada pengguna

#15

PERJANJIAN PERDAGANGAN BEBAS (FTA) & PERJANJIAN PERKONGSIAN TRANS-PASIFIK (TPPA)

#20

“DRIVING Transformation, POWERING Growth”

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TPPA and You

Sambungan

Perjanjian Perdagangan Bebas (FTA)



- Hakikatnya, Malaysia sebuah negara kecil dengan penduduk 30 juta.
- Tidak mungkin Malaysia dapat mengeluarkan semua barangan dengan murah; kurang kemahiran dan teknologi - maka kita perlu beli dari luar – dan barang yang kita hasilkan dapat dijual di luar negara bagi menjana pendapatan.

#21

TPP – Proses Rundingan



- Berlandaskan **Perlembagaan**, dasar utama negara seperti dasar Bumiputera.
- Mandaat dari **Jemaah Menteri**,
- **Pasukan Perunding** melibatkan MITI dan 15 Kementerian/Agensi, termasuk Pejabat Peguam Negara.

#26

13 FTAs oleh Malaysia



ASEAN

- 1) ASEAN Free Trade Area (1992)
- 2) ASEAN-China (2004)
- 3) ASEAN- Korea (2006)
- 4) ASEAN-Japan (2008)
- 5) ASEAN-India (2009)
- 6) ASEAN-Australia-New Zealand (2009)

DUA HALA

- 1) Jepun (2005)
- 2) Pakistan (2007)
- 3) New Zealand (2009)
- 4) Chile (2010)
- 5) India (2011)
- 6) Australia (2012)
- 7) Turki (1.8.2015)

#22

BEBERAPA KEBIMBANGAN



#27

FTA tradisional vs TPPA



- Tidak ramai membantah 13 FTA yang telah ditandatangani
- TPPA menimbulkan kontroversi kerana liputannya lebih luas
- Liputannya lebih luas kerana mengambil kira perkembangan terkini – contohnya isu buruh dan alam sekitar

#23

Kedaulatan Negara - Hak Bumiputera



- **Persepsi:**
 - ① Kerajaan hilang kuasa untuk menentukan dasar negara termasuk hak Bumiputera dan kuasa Kerajaan-kerajaan Negeri yang dijamin oleh Perlembagaan
- **Realiti:**
 - ① Mendapat layanan istimewa di dalam perolehan Kerajaan, pemberian lesen, keutamaan harga dan bantuan dana tertentu tidak tergugat
 - ② Organisasi tertentu iaitu **PNB, KWSP, KWAP, LTH, LTAT, MARA, TERAJU dan EKUINAS** dikecualikan daripada sebarang disiplin yang dikenakan terhadap Syarikat Milik Kerajaan (SOE) di dalam TPP.

#28

TPPA Bukan Sekadar Perdagangan



- TPP bukan sekadar perjanjian perdagangan - satu **agenda transformasi ke arah tadbir urus yang telus**.
- Kerajaan perlu tambah baik banyak perkara-
 - ① Pentadbiran yang cekap dan telus.
 - ② Kebajikan Pekerja.
 - ③ Pemeliharaan Alam Sekitar.
 - ④ Pematuhan Standard bagi menjamin kepentingan dan keselamatan pengguna.
 - ⑤ Menangani rasuah dan isu birokrasi.

#24

Kedaulatan Negara – Kuasa Kerajaan Negeri



- **Realiti:**
 - TPP mengekalkan hak dan bidang kuasa Kerajaan Negeri. Pengecualian diberikan bagi:
 - ① Transaksi dan soal berkaitan pemilikan tanah;
 - ② Perolehan Kerajaan di peringkat Kerajaan Negeri dan Pihak Berkuasa Tempatan; dan
 - ③ Badan Berkanun Kerajaan Negeri dan anak-anak syarikatnya.

#29

TPP – Latar Belakang



- **2005:** Bermula dengan **Brunei, Chile, Singapura & New Zealand**.
- **Mac 2010** – **Amerika Syarikat, Australia, Peru & Viet Nam**.
- **Oktober 2010** – **Malaysia: Penyerahan Malaysia: DEMI KEPENTINGAN EKONOMI - 800 juta penduduk dan menyumbang 40% pengeluaran dunia**
- **2012** – **Mexico & Kanada**
- **2013** – **Jepun**

#25

Kedaulatan Negara – Kerajaan Boleh Disaman Oleh Syarikat Asing




- Mekanisme penyelesaian pertikaian diantara pelabur dengan Kerajaan atau *Investor-State Dispute Settlement* (ISDS) digunakan jika Kerajaan langgar perjanjian dengan Pelabur.
- Pelaburan Malaysia di luar negara yang berjumlah kira-kira RM601.6 bilion, melebihi pelaburan asing di negara kita sebanyak RM500.2 bilion (Q3 2015). ISDS juga penting bagi melindungi pelaburan Malaysia di luar negara.
- Walau bagaimanapun, hak kerajaan melindungi kesihatan awam, alam sekitar dan keselamatan terpelihara.

#30

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TPPA and You

Sambungan

Harga Ubat 


- **Persepsi:**
 - Harga ubat akan meningkat apabila TPP dilaksanakan kerana perlindungan paten yang lebih lama.
- **Realiti:**
 - Harga ubat ditentukan oleh banyak faktor.
 - Perlindungan paten sekarang 20 tahun. Dalam TPP pun 20 tahun.
- Orang kata Obama di Malaysia – kata ubat akan naik. Itu fitnah sebuah portal berita.

#31

Industri Ternakan Ayam 

- **Persepsi:**
 - Penghapusan dan pengurangan duti import ke atas ayam dan produk ayam akan memberi kesan negatif kepada penternak tempatan.
- **Realiti:**
 - Malaysia mempunyai industri penternakan ayam yang matang dan mampu bersaing di pasaran tempatan dan luar negara.
 - Malaysia tetap mengekalkan kawalan import produk ayam dan telur ayam melalui pengekalan kuota di dalam TPP bagi melindungi industri dalam negara.

#36

Pensijilan Halal 

- **Persepsi:**
 - Malaysia tidak dapat meneruskan sistem pensijilan dan penggunaan logo halal dan produk tidak halal akan diimport tanpa sekatan.
- **Realiti:**
 - TPP mengiktiraf sistem pensijilan Halal Malaysia.
 - Tidak menghalang Malaysia terus laksana syarat Halal.

#32


Nelayan Dan Industri Perikanan 

- **Persepsi:**
 - TPP dikhuatiri menjejaskan pendapatan nelayan dan industri perikanan dalam negara.
- **Realiti:**
 - Nilai eksport produk berikanan pada tahun 2014 bernilai RM1.96 billion dan kira-kira 72.6% dieksport ke negara-negara TPP.
 - Duti import ke atas semua produk perikanan akan dihapuskan.

#37

Article 7.3 (2): Nothing in this Chapter prevents a Party from adopting or maintaining halal requirements for food and food products in accordance with Islamic law.

#33

Perusahaan Kecil Sederhana (PKS) 


- PKS diutamakan di dalam TPP dan Kerajaan mempunyai pelbagai program bina upaya untuk PKS mengambil peluang.
- Bab khusus PKS meningkatkan peluang penglibatan PKS di dalam Rantaian Bekalan Global dimana setiap negara TPP perlu:
 - ① Menyediakan program khusus pembangunan kapasiti PKS; dan
 - ② Menyediakan pengkalan data untuk dikongsi bersama oleh PKS.

#38

Lambakan Beras Import 


- **Persepsi:**
 - TPP akan menyebabkan berlakunya lambakan beras import daripada Amerika Syarikat dan akan menggugat kehidupan pesawah padi tempatan.
- **Realiti:**
 - Sumber import beras utama masa ini.
 - ① Malaysia import 864,000 tan metrik beras pada tahun 2014 – Vietnam (29%), Thailand (44.1%) dan Pakistan (19.5%).
 - ② Beras daripada Amerika Syarikat bukan pilihan utama pengguna tempatan (kira-kira 0.05% daripada jumlah import 2014).

#34

Faedah Kepada PKS 


- Akses pasaran baru - Mexico, Kanada, Peru dan Amerika Syarikat
- Kos impot bahan mentah lebih rendah - pengurangan duti import menjadikan kos operasi lebih rendah.
- 18% daripada bilangan PKS di Malaysia telah terlibat dalam eksport.

#39

Lambakan Beras Import 

- Malaysia tetap bebas untuk terus mengimport dan mengedar beras seperti sistem pada masa ini.
- **Chapter 2: Article 2.11 – Import and Export Restrictions (footnote 4):** “...This paragraph shall not apply to the importation or distribution of rice and paddy in Malaysia.”
- BERNAS boleh terus melaksanakan tanggungjawab sosial untuk membantu pesawah padi.

#35

PKS Dalam Perolehan Kerajaan 

- Keutamaan syarikat Bumiputera dan PKS di dalam perolehan kerajaan dikekalkan.
- Pembekal PKS Malaysia berpeluang memasuki pasaran perolehan kerajaan luar negeri – produk makanan, berasaskan getah, minyak masak, pakaian, sarung tangan getah, komponen otomotif.

#40

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TPPA and You

Sambungan

PKS Malaysia di Negara TPP

MITI MALAYSIA

#41

Syarikat Pagoda Foods (M) Sdn Bhd

- Beroperasi sejak 1975 dari Sungai Siput, Perak
- Export ke negara Amerika, Kanada, Australia, Perancis, Italy, Brunei, United Kingdom
- Nilai export tahunan - RM 1.23 juta
- 40 pekerja

#46

Syarikat terkemuka berasal dari Perak

MITI MALAYSIA

#42

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Wonderful Creamery Sdn Bhd

MITI MALAYSIA

#47

Old Town White Coffee

Ibu pejabat di Ipoh, Perak

Mempunyai 245 cawangan di Malaysia dan di :

- Singapore (10)
- Indonesia (16)
- China (4)
- Australia (1)

Jumlah Pendapatan Tahun 2014 – RM 382.17 juta

1500 pekerja

#43

Manfaat TPP Kepada Malaysia

- Boleh masuk pasaran empat negara baru – Amerika Syarikat, Kanada, Mexico & Peru.
- Pertambahan pelaburan dan import eksport.
- Mewujudkan peluang pekerjaan tambahan.
- Kemasukan barangan pengguna yang berkualiti pada harga yang berpatutan.

#48

Spritzer Berhad

- Beroperasi dari Taiping, Perak.
- Export ke negara China, Indonesia, Bangladesh, Singapore, New Zealand, Thailand, Phillipine, Hong Kong, Vietnam.
- Pendapatan syarikat tahun 2014 – RM 238 juta
- 386 pekerja

#44

Rumusan... Pendirian Malaysia

- Menyertai TPP secara sukarela - atas kepentingan pembangunan ekonomi negara.
- TPP dirundingkan atas terma Malaysia.
- Memastikan kedaulatan negara, agenda Bumiputera dan kedudukan Islam terpelihara dan kepentingan rakyat tidak terjejas.
- Belum ditandatangani – Akan diputuskan oleh Wakil Rakyat melalui perbahasan di Parlimen pada hujung Januari 2016.

#49

Syarikat Salmi Hj. Tamin Sdn Bhd

- Beroperasi di Kuala Kangsar, Perak
- Export ke negara Saudi Arabia, Japan, Vietnam, Brunei, France, Maldives, Jepun, Thailand & United Kingdom
- Nilai export tahunan - RM 2 juta
- 50 pekerja

#45

Kesimpulan

- Dunia globalisasi bergerak pantas. Perlu penyesuaian.
- Setiap keputusan ada faedah dan implikasi (untung dan rugi)
- Kerajaan melihat secara keseluruhan.
- Lihat secara objektif dan adil - Kerajaan buat yang terbaik untuk rakyat

#50

"DRIVING Transformation, POWERING Growth"

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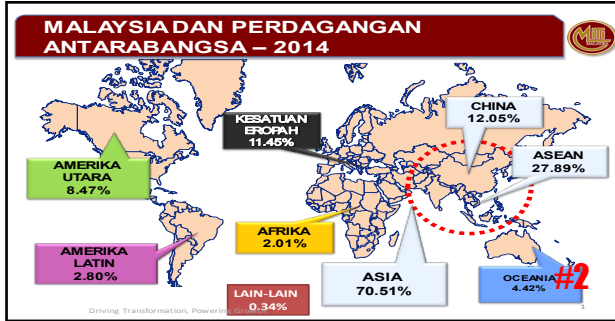
TPPA and You

**TAKLIMAT
PERJANJIAN PERKONGSIAN TRANS-PASIFIK
(TPPA) kepada
Persatuan Pengimport dan Peniaga Kenderaan
Melayu Malaysia (PEKEMA)**

Oleh: Syahril Syazli Ghazali
Bahagian Rundingan Strategik MITI

6 Januari 2016

#1



STATUS PERDAGANGAN PADA TAHUN 2014

➤ Kedudukan Malaysia dalam perdagangan dunia:
Pengeksport – 23 Pengimport – 25

PERDAGANGAN	RM
JUMLAH	RM1.45 trilion
IMPORT	RM683.0 bilion
EKSPORT	RM766.1 bilion

(Sumber: World Shipping Council)

• Lebihan Dagangan RM83.1 bilion (2014) - Lebihan Dagangan secara berturut-turut sejak 1997

#3

**KEBERGANTUNGAN KEPADA
PERDAGANGAN
(NISBAH JUMLAH DAGANGAN: KDNK)**

• Jumlah Dagangan Malaysia (2014): **RM1.45 trilion**

No	Negara	2014
1	Hong Kong	439%
2	Singapura	351%
4	UAE	186%
7	Vietnam	169%
17	Malaysia	150%
140	Indonesia	48%
149	China	41%
243	US	31%

#4

PERJANJIAN PERDAGANGAN BEBAS
(FTA)

#5

APA ITU FTA?

PERJANJIAN PERDAGANGAN BEBAS/FREE TRADE AGREEMENT (FTA)
Satu perjanjian antara dua negara atau lebih di mana negara-negara ahli memberikan layanan yang lebih baik (penghapusan duti import) sesama sendiri berbanding negara bukan ahli.

MALAYSIA – AUSTRALIA FTA

Australia telah memansuhkan 100% tarif import ke atas barangan Malaysia. Perjanjian dilaksanakan bermula 1 Januari 2013.

MALAYSIA – TURKEY FTA

Antaranya Turki akan mengurangkan 0% import sebanyak 30% daripada kadar sedia ada ke atas minyak sawit mentah dan produk sawit Malaysia, bermula 1/8/2015.

Driving Transformation, Powering Growth

FTA YANG TELAH DILAKSANAKAN
OLEH MALAYSIA

ASEAN

- 1) ASEAN Free Trade Area (1992)
- 2) ASEAN-China (2004)
- 3) ASEAN- Korea (2006)
- 4) ASEAN-Japan (2008)
- 5) ASEAN-India (2009)
- 6) ASEAN-Australia-New Zealand (2009)

DUA HALA

- 1) Jepun (2005)
- 2) Pakistan (2007)
- 3) New Zealand (2009)
- 4) Chile (2010)
- 5) India (2011)
- 6) Australia (2012)
- 7) Turki (1.8.2015)

Driving Transformation, Powering Growth

#7

TRANS PACIFIC PARTNERSHIP AGREEMENT
(TPPA)

#8

LATAR BELAKANG TPP

Bermula tahun 2005 dengan **Brunei, Chile, Singapura & New Zealand.**

Mac 2010 – **Amerika Syarikat, Australia, Peru & Viet Nam.**

Oktober 2010 - **Malaysia**

2012 – **Mexico & Kanada**

2013 – **Jepun**

Penyertaan Malaysia: DEMI KEPENTINGAN EKONOMI - 800 juta penduduk dan menyumbang 40% pengeluaran dunia

Driving Transformation, Powering Growth

#9

12 NEGARA TPP

Singapura

Malaysia

Brunei D.S.

Viet Nam

Australia

Jepun

N. Zealand

Chile

PERJANJIAN PERKONGSIAN TRANS-PASIFIK
(TPPA)

Mexico

Peru

Amerika Syarikat

Kanada

#10

Driving Transformation, Powering Growth

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TPPA and You

Sambungan



Bab-bab (Chapters) Perjanjian TPP

Standard Legal Chapters	Traditional Trade Issues	New Issues
1 – Initial Provisions	2 – Market Access for Goods	17 – Competition (SOE)
27 – Administrative & Institutional Provisions	3 – ROOs	19 – Labour
28 – Dispute Settlement	4 – Textiles and Apparel	20 – Environment
29 – Exceptions and General Provisions	5 – Customs Administration	23 – Development
30 – Final Provision	6 – Trade Remedies	24 – SMEs
	7 – Sanitary and Phytosanitary	25 – Regulatory Coherence
	8 – Technical Barriers to Trade	26 – Transparency and Anti-Corruption
	9 – Investment	
	10 – Cross Border Services	
	11 – Financial Services	
	12 – Temporary Entry	
	13 – Telecommunications	
	14 – E-Commerce	
	15 – Government Procurement	
	16 – Competition Policy	
	18 – Intellectual Property Rights	
	21 – Cooperation and Capacity Building	
	22 – Competitiveness / Business Facilitation	

#12

Driving Transformation, Powering Growth

Isu perdagangan semakin kompleks...

FTA Tradisional	Bidang Baru
<ul style="list-style-type: none"> Akses Pasaran Pelaburan Perkhidmatan. Kerjasama Ekonomi Kerjasama Kastam Peraturan Tempasal & Teknikal Perdagangan 	<ul style="list-style-type: none"> Hak Harta Intelek Alam Sekitar Buruh Syarikat Milik Kerajaan Perolehan Kerajaan

TPP menjadi kontroversi kerana skop yang luas.

#13

Driving Transformation, Powering Growth



TPPA – BEBERAPA KEBIMBANGAN UTAMA

#15

Driving Transformation, Powering Growth

AGENDA BUMIPUTERA

Dasar Bumiputera diiktiraf dalam TPPA.

- Fleksibiliti: *'Carve Out'* dan tempoh transisi
- 'Carve out'* dalam TPP untuk Bumiputera di dalam Bab Pelaburan dan Bab Perkhidmatan bagi pemberian lesen dan geran
- 30% dikhaskan/diperuntukkan untuk kontraktor Bumiputera (Sektor Pembinaan).
- Pembekal dan pengeluar Bumiputera akan terus menikmati **keutamaan harga** bagi barangan dan perkhidmatan.

#16

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SYARIKAT HAK MILIK KERAJAAN

- Syarikat Hak Milik Kerajaan (SOEs).
 - Konsep SOE dalam TPP: Operasi SOE perlu komersil dan telus.
 - Pengecualian bagi KWSP, KWAP, LTAT, MARA, TERAJU, EKUINAS, PNB dan LTH.
 - Keutamaan kepada Bumiputera (termasuk PKS) sehingga 40% peruntukan pembelian tahunan.
 - Akta Kemajuan Petroleum (1974) mengekalkan kuasa YAB Perdana Menteri ke atas regulasi dalam sektor minyak dan gas – membolehkan Petronas terus membantu agenda pembangunan negara.

#17

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HAK KERAJAAN NEGERI

- TPP tidak menjejaskan hak dan bidang kuasa Kerajaan Negeri:
- Contoh pengecualian (tidak tertakluk kepada komitmen TPP) bagi Malaysia:
 - Transaksi dan soal berkaitan pemilikan tanah;
 - Perolehan Kerajaan di peringkat Kerajaan Negeri dan Pihak Berkuasa Tempatan; dan
 - Badan Berkanun Kerajaan Negeri dan anak-anak syarikatnya.

#18

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HARGA UBAT-UBATAN

- Harga ubat mahal disebabkan lanjutan perlindungan paten di bawah TPP?
 - Sebagai anggota WTO, pada masa ini Malaysia memberi perlindungan paten selama 20 tahun - kekal di bawah Perjanjian TPP
 - Lanjutan perlindungan paten hanya akan diberikan sekiranya berlaku kelewatan kelulusan paten tanpa sebab-sebab menasabah
 - Berdasarkan rekod semasa proses kelulusan di Malaysia adalah cekap

#19

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Investor-State Dispute Settlement (ISDS)

- ISDS akan menjejaskan kedaulatan negara?
 - ISDS bukan sesuatu yang baru kepada Malaysia. Sehingga kini, negara telah menandatangani 74 perjanjian pelaburan dua hala dan 8 FTA yang mengandungi mekanisme ISDS.
 - ISDS penting bagi melindungi pelaburan Malaysia di luar negara.
 - Hak kerajaan melindungi kesihatan awam, alam sekitar dan keselamatan terpelihara.

#20

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TPPA and You

Sambungan

Akses Pasaran

- TPP memberi peluang kepada Malaysia untuk memuktamadkan pakej perjanjian perdagangan bebas (FTA) bagi akses pasaran dengan empat rakan dagang iaitu: **Amerika Syarikat, Kanada Mexico dan Peru.**
- Layanan pengurangan dan pengurangan duti import di negara-negara tersebut akan meningkatkan daya saing (*competitive pricing*) kepada barangan eksport keluaran tempatan berbanding pesaing serantau.
- TPP juga memberi akses pasaran yang lebih baik bagi barangan eksport Malaysia ke **Jepun** – khususnya bagi produk kayu serta hasil pertanian dan perikanan.

#21

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Akses Pasaran

- Malaysia juga akan melakukan pengurangan dan penghapusan duti import, hasilnya **barangan pengguna dan bahan mentah/barangan separa siap** yang diimport untuk kegunaan industri **menjadi lebih murah.**
- Pada masa ini, sebanyak 65% daripada baris tarif bagi Malaysia telah diberi penghapusan duti diperingkat *most-favoured nation (MFN)*.
- Pesaing utama bagi barangan yang dikeluarkan oleh syarikat-syarikat tempatan, khususnya PKS sebahagian besar adalah daripada negara-negara ASEAN dan China – hasil pertanian dan makanan yang diproses, produk automotif, elektrik & elektronik (E&E) dan barangan pengguna.

#22

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Eksport Utama Malaysia Ke Negara FTA Baru

Product		Current Import Duty	Immediate elimination (EIF) (% of tariff lines)	Export value in 2014 (US\$ mil)
Electrical & Electronic Products	US	3-5%	99.8	11,138.0
	Canada	5-11%	100	308.2
	Mexico	5-15%	88.5	1,148.7
	Peru	9%	64.3	39.0
Rubber Products	US	2.4-14%	97.2	1,238.2
	Canada	5-15.5%	92.5	84.6
	Peru	9%	92.3	8.5
	Mexico	5-15%	80.9	33.6
Palm Oil	Canada	11%	100	17.9
	Mexico	4%	75.4	2.2
	Peru	9%	100	1.5
Transport Equipment	US	5%	83.5	292.9
	Mexico	5-15%	79.7	20.5
Wood Products <i>*Japan excluded some of wood products including plywood in previous FTAs</i>	Canada	2.5-9.5%	100%	84.9
	US	3.2-10.7%	100%	709.1
	Japan*	6-10%	50% reduction of import duty at EIF	1,100.0

#23

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22

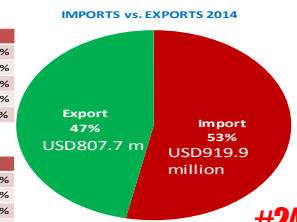
Canada

Top Malaysia's Imports

No.	Product	%
1.	Chemical & products	36.5%
2.	E&E products	13.5%
3.	Other Agricultures	12.3%
4.	Crude Petroleum	10.5%
5.	Machinery & parts	6.8%

Top Malaysia's Exports

No.	Product	%
1.	E&E Products	38.2%
2.	Wood Products	10.5%
3.	Rubber Products	10.5%
4.	Chemicals & products	6.1%
5.	Manufactures of Metal	5.1%



#24

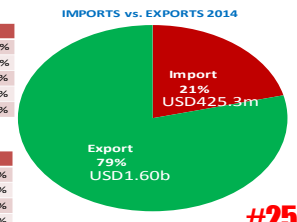
Mexico

Top Malaysia's Imports

No.	Product	%
1.	E&E Products	51.4%
2.	Transport Equipment	13.3%
3.	Petroleum Products	9.7%
4.	Machinery & Parts	4.2%
5.	Chemicals & Products	3.7%

Top Malaysia's Exports

No.	Product	%
1.	E&E Products	72.0%
2.	Processed Food	4.3%
3.	Manufactures of Metal	3.7%
4.	Chemicals & Products	2.8%
5.	Machinery & Parts	2.1%



#25

Peru

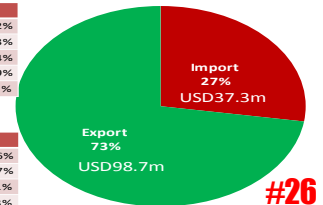
Top Malaysia's Imports

No.	Product	%
1.	Manufactures of Metal	29.2%
2.	Metalliferous ores & metal scrap	20.3%
3.	Other agricultures	17.4%
4.	Crude Fertilizers & Minerals	14.9%
5.	Chemicals & products	8.5%

Top Malaysia's Exports

No.	Product	%
1.	E&E Products	39.6%
2.	Rubber Products	12.7%
3.	Textiles, Clothing & Footwear	9.1%
4.	Wood Products	6.3%
5.	Chemicals & products	6.3%

IMPORTS vs. EXPORTS 2014



#26

USA

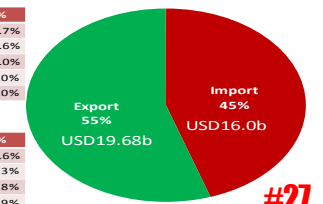
Top Malaysia's Imports

No.	Product	%
1.	E&E Products	43.7%
2.	Machinery & parts	10.6%
3.	Transport equipment	10.0%
4.	Chemicals & products	9.0%
5.	Optical & Scientific equipment	6.0%

Top Malaysia's Exports

No.	Product	%
1.	E&E Products	56.6%
2.	Rubber Products	6.3%
3.	Optical & Scientific Equipment	5.8%
4.	Palm Oil	3.9%
5.	Chemicals & products	3.7%

IMPORTS vs. EXPORTS 2014



#27

TPP dan Industri Automotif

- Sektor automotif adalah strategik dan penting bagi beberapa negara TPP – Amerika Syarikat, Kanada, Mexico, Jepun dan Malaysia
- Malaysia menggunakan pendekatan *cautious approach* dengan mengambil kira kepentingan industri domestik – **pengeluar dan pengimport**
- Pendirian Malaysia dalam TPP – **guided by current policy (NAP)**

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Penghapusan Duti Import

Negara	Kadar Duti Im port Sedia Ada (%)	Pem ansuhan Duti Im port Serta Merit Dalam Selepas TPP
		No. of Tariff Lines (%)
Kanada	0-13	83.6
Mexico	0-50	79.7
Peru	0-9	95.4
Ame rika Syarikat	0-25	83.5
Malaysia*	0-50	29.1

- **Malaysia: Duti import bagi CBU akan dihapuskan dalam masa 5-12 tahun**

#29

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Sumber Import Utama (CBU)

NEGARA	JENAMA
Jepun	Nissan, Infiniti, Lexus, Toyota, Honda, Suzuki, Mazda, Mitsubishi
United Kingdom	Land/Range Rover, Jaguar, Aston Martin, Bentley, Rolls-Royce, Mini
Jerman	Volkswagen, Mercedes Benz, Porsche, BMW, Ford, Mini
Thailand	Toyota, Honda, Suzuki, Mazda, Mitsubishi, Chevrolet, Ford, Isuzu
Itali	Lamborghini, Maserati, Ferrari
Perancis	Peugeot, Citroen
Korea Selatan	KIA, Hyundai, Chevrolet, Ssangyong
US	Jeep
Mexico	Volkswagen

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TPPA and You

Sambungan

Peraturan Tempasal (*Rules of Origin*) Dalam TPP Memberi Kelebihan Kepada Malaysia

- ROO TPP memberi kelebihan kepada industri automotif tempatan, khususnya pengeluar komponen dan alat ganti automotif untuk menyertai rantaian global
- Contoh: Pengeluar kereta di Jepun perlu mengimport komponen dan alat ganti dari negara ahli TPP untuk mendapat *preferred import duty* di pasaran Amerika Syarikat, Mexico dan negara-negara TPP lain

#31

30

RUMUSAN..

- TPP menyediakan **peluang** dan **cabaran** termasuk kepada industri automotif
- Pasaran Malaysia dan ASEAN – sudah sedia terbuka – duti import CBU dari Jepun dihapuskan mulai 2016 (MJEPA)
- Syarikat-syarikat Malaysia perlu meningkatkan daya saing dengan meningkatkan kecekapan serta menerokai bidang baru – mengambil kesempatan daripada *trend* liberalisasi pasaran di peringkat serantau dan global seperti TPP dan RCEP

#32

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JIKA MALAYSIA MENYERTAII TPP

- Layanan lebih baik import dan eksport daripada rakan dagang dalam rantau TPP:
 - **Pasaran tanpa duti import** di empat negara di mana Malaysia masih belum mempunyai FTA: **Kanada, Mexico, Peru dan Amerika Syarikat**
 - Memberi kelebihan kepada syarikat-syarikat Malaysia berbanding pesaing serantau

#33

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JIKA MALAYSIA MENYERTAII TPP

- Mengukuhkan kedudukan Malaysia sebagai destinasi pelaburan/perdagangan
 - **Peningkatan pelaburan/perdagangan** → pertambahan peluang pekerjaan dan pembangunan ekonomi setempat
 - **Barangan import lebih murah untuk pengguna** → *contoh:* farmaseutikal, pakaian, aksesori kenderaan dan produk elektronik yang diimport daripada Amerika Syarikat dan Canada

#34

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JIKA MALAYSIA TIDAK MENYERTAII TPP

- Kurang menarik sebagai destinasi pelaburan – **kurang peluang pekerjaan baru dan kesempatan untuk menerima pemindahan teknologi**
- **Pesaing serantau yang menyertai TPP akan mendapat kelebihan**
- Syarikat-syarikat (tempatan dan luar negara) di Malaysia yang mengeksport ke negara TPP mungkin berpindah operasi ke luar negara.

#35

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JIKA MALAYSIA TIDAK MENYERTAII TPP

- **Malaysia tidak dapat pengecualian dan fleksibiliti** untuk mempertahankan kepentingan negara yang **telah berjaya dirundingkan** – dasar Bumiputera (*carve out & transition period*), keperluan pensijilan halal dan sistem pengimportan/pengedaran beras.
- Penyertaan di kemudian hari - **terpaksa menerima segala kandungan perjanjian** yang telah ditetapkan.

#36

Driving Transformation, Powering Growth

KESIMPULAN... PENDIRIAN MALAYSIA

- Menyertai TPP secara **sukarela** - atas **kepentingan pembangunan ekonomi negara**.
- TPP dirundingkan mengikut **mandat daripada Kabinet atas terma Malaysia**.
- Memastikan **kedaulatan negara, agenda Bumiputera dan kedudukan Islam** terpelihara dan **kepentingan rakyat** tidak terjejas.
- **Belum ditandatangani** - Teks penuh TPP akan

#37



Please visit www.miti.gov.my for the legal texts of the TPPA, a summary of the Agreement, FAQs and other useful materials OR e-mail to alltpp@miti.gov.my for further clarification.

THANK YOU

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MIDA MAMPU MITI SME BANK MIPC MAI #38

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Number and Value of Preferential Certificates of Origin (PCOs)

Number of Certificates (Provisional data)

	15 Nov 2015	22 Nov 2015	29 Nov 2015	6 Dec 2015	13 Dec 2015	20 Dec 2015	27 Dec 2015	31 Dec 2015
AANZFTA	859	1,013	870	683	863	518	516	812
AIFTA	477	652	593	656	732	649	411	672
AJCEP	165	185	175	169	178	205	72	247
ATIGA	3,461	4,675	4,591	4,552	4,782	3,995	2,891	3,873
ACFTA	1,218	1,319	1,611	1,659	1,673	1,541	989	1,555
AKFTA	642	878	875	935	770	772	573	691
MICECA	213	316	252	302	280	239	224	277
MNZFTA	10	2	9	8	18	1	2	3
MCFTA	30	58	69	34	60	39	16	44
MAFTA	287	529	466	424	449	281	294	326
MJEPA	720	860	873	875	674	647	528	913
MPCEPA	130	116	119	122	197	169	106	145
GSP	77	169	81	93	166	104	94	103
MTFTA	124	162	208	222	174	163	120	187

Notes: The preference giving countries under the GSP scheme are Liechtenstein, the Russian Federation, Japan, Switzerland, Belarus, Kazakhstan and Norway.



AANZFTA: ASEAN-Australia-New Zealand Free Trade Agreement (Implemented since 1 January 2010)



ATIGA: ASEAN Trade in Goods Agreement (Implemented since 1 May 2010)



AJCEP: ASEAN-Japan Comprehensive Economic Partnership (Implemented since 1 February 2009)



ACFTA: ASEAN-China Free Trade Agreement (Implemented since 1 July 2003)



AKFTA: ASEAN-Korea Free Trade Agreement (Implemented since 1 July 2006)



AIFTA: ASEAN-India Free Trade Agreement (Implemented since 1 January 2010)



MPCEPA: Malaysia-Pakistan Closer Economic Partnership Agreement (Implemented since 1 January 2008)



MJEPA: Malaysia-Japan Economic Partnership Agreement (Implemented since 13 July 2006)



MICECA: Malaysia-India Comprehensive Economic Cooperation Agreement (Implemented since 1 July 2011)



MNZFTA: Malaysia-New Zealand Free Trade Agreement (Implemented since 1 August 2010)



MCFTA: Malaysia-Chile Free Trade Agreement (Implemented since 25 February 2012)

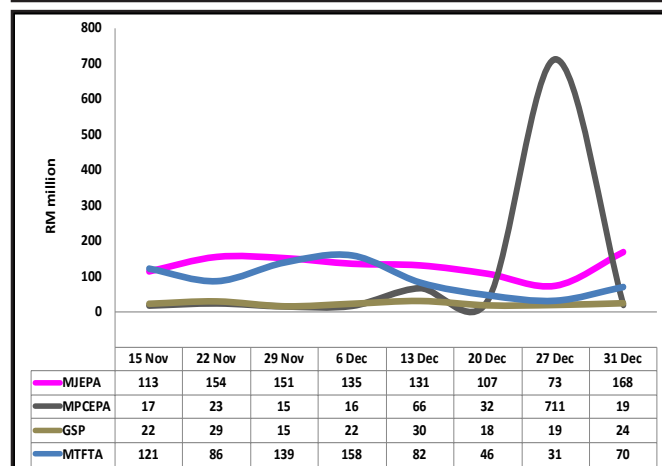
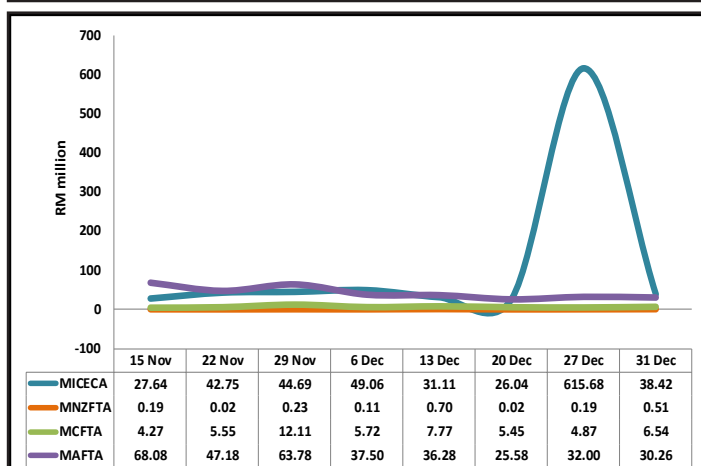
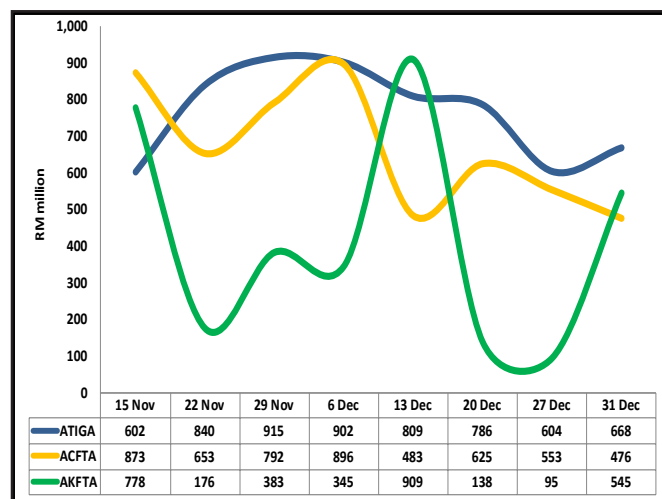
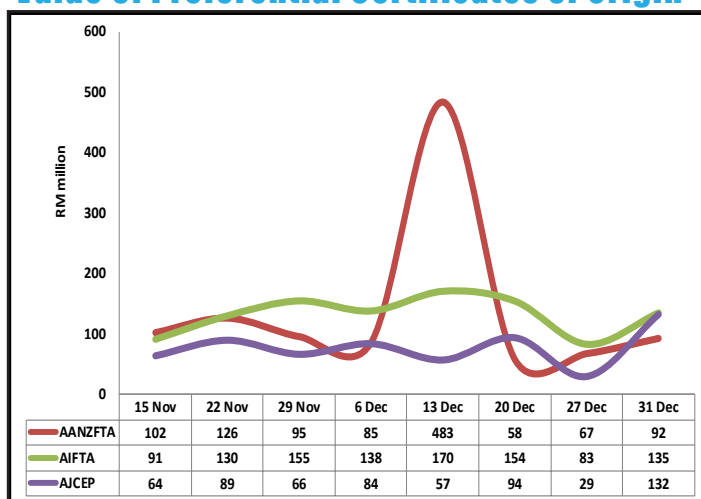


MAFTA: Malaysia-Australia Free Trade Agreement (Implemented since 1 January 2013)



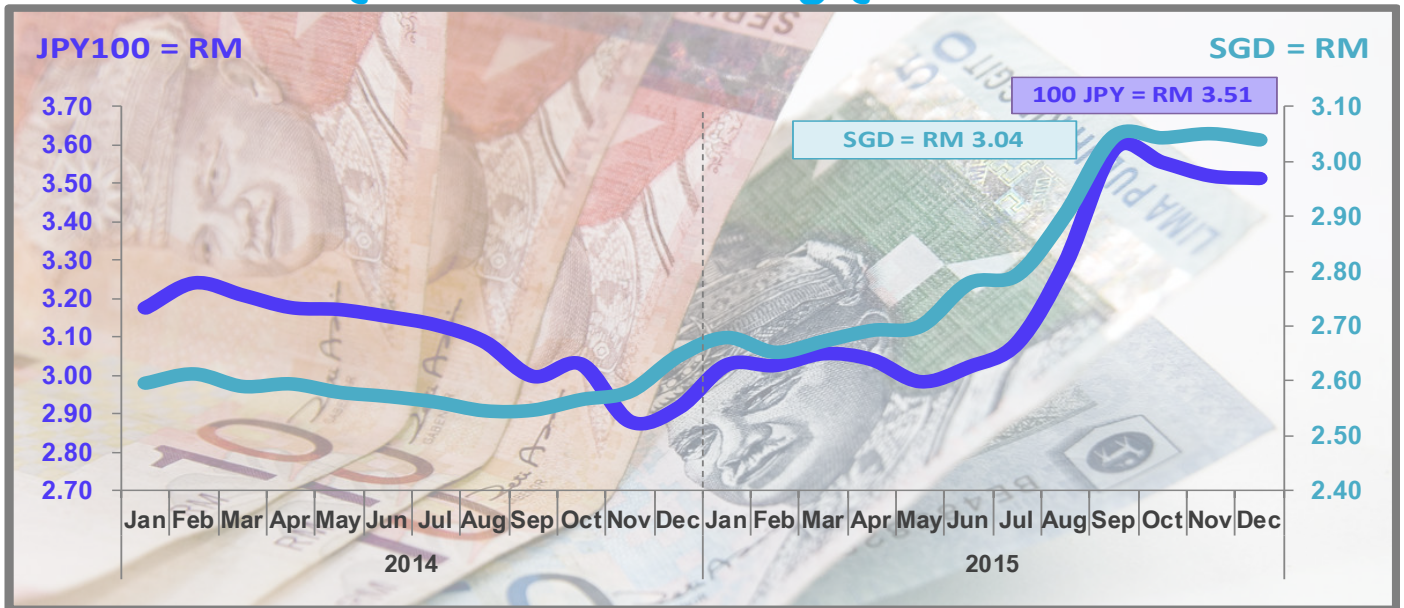
MTFTA: Malaysia-Turkey Free Trade Agreement (Implemented since 1 August 2015)

Value of Preferential Certificates of Origin



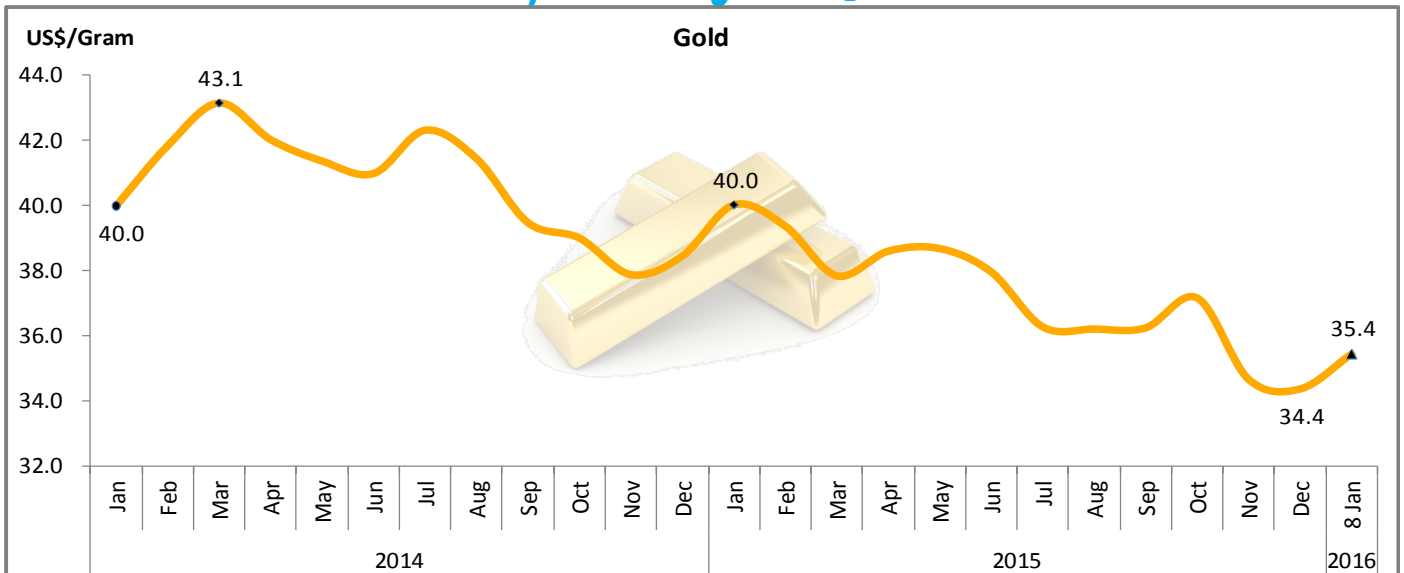
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Malaysian Ringgit Exchange Rate with Japanese Yen and Singapore Dollar



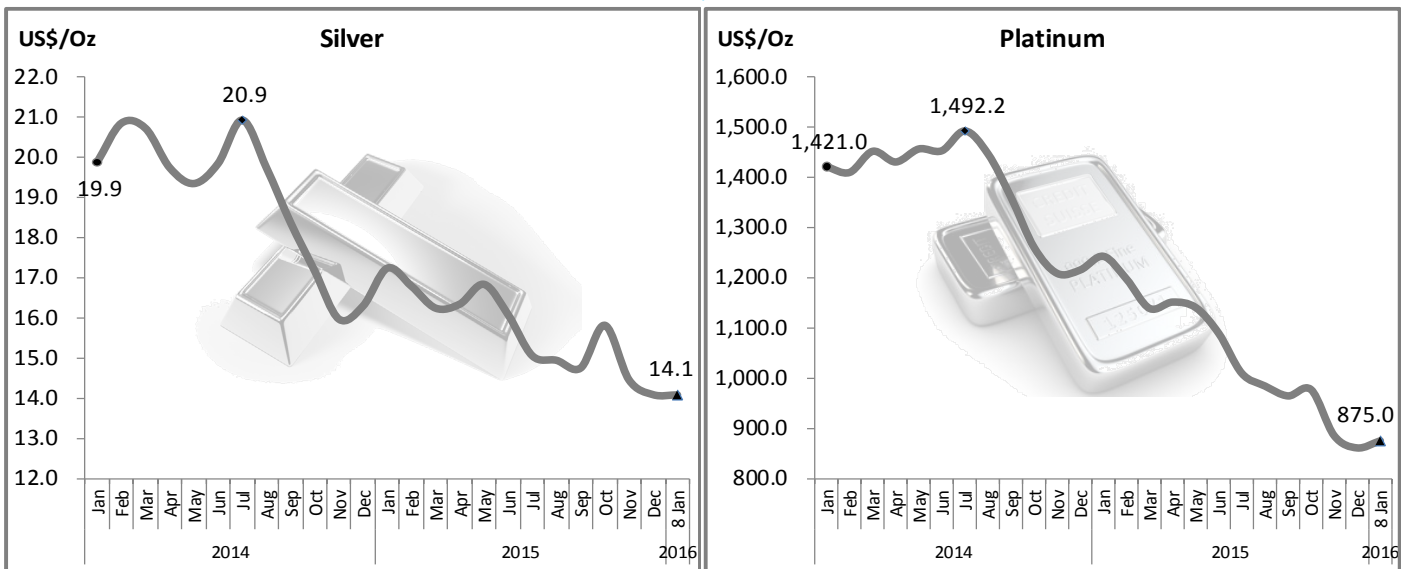
Source : Bank Negara, Malaysia

Gold Prices, January 2014 - 8 Jan 2016



Source: <http://www.worldbank.org/en/research/commodity-markets>

Silver and Platinum Prices, January 2014 - 8 Jan 2016



Source: <http://www.worldbank.org/en/research/commodity-markets>

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Commodity Prices



Commodity	Crude Petroleum (Brent) (per bbl)	Crude Palm Oil (per MT)	Sugar (per lbs.)	Rubber SMR 20 (per MT)	Cocoa SMC 2 (per MT)	Coal (per MT)	Scrap Iron HMS (per MT)
8 Jan 2016 (US\$)	33.6	566.9	14.5	1,076.0	1,797.2	47.8	200 (high) 170 (low)
% change*	↓ 10.0	↓ 1.0	↓ 5.1	↓ 5.1	↓ 10.6	↑ 0.5	unchanged unchanged
2015 ⁱ	36.9 - 66.8	616.9	13.2	1,364.3	2,077.0	49.9	239.6
2014 ⁱ	59.5 - 114.8	823.3	16.6	1,718.3	2,615.8	59.8	370.0

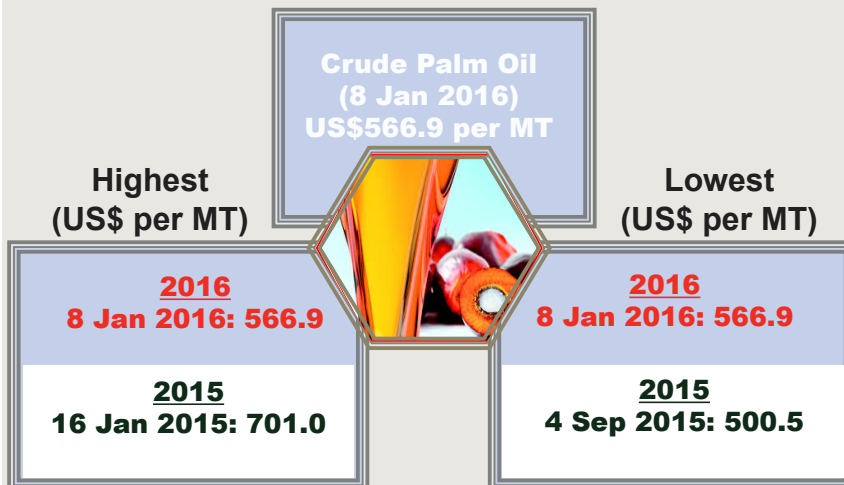
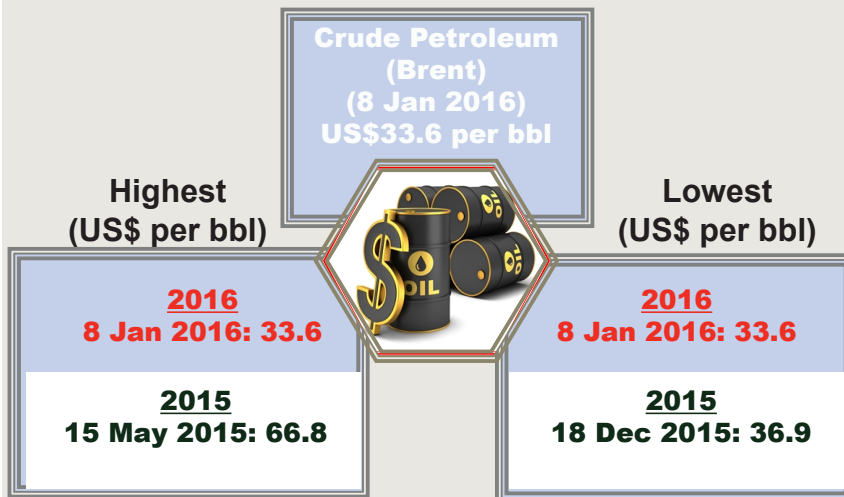
Notes: All figures have been rounded to the nearest decimal point

* Refer to % change from the previous week's price

ⁱ Average price in the year except otherwise indicated

n.a Not available

Highest and Lowest Prices, 2015/2016

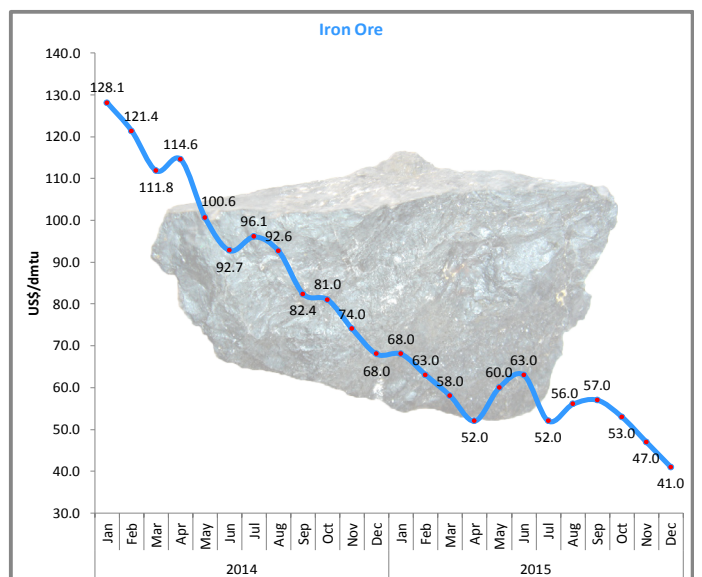
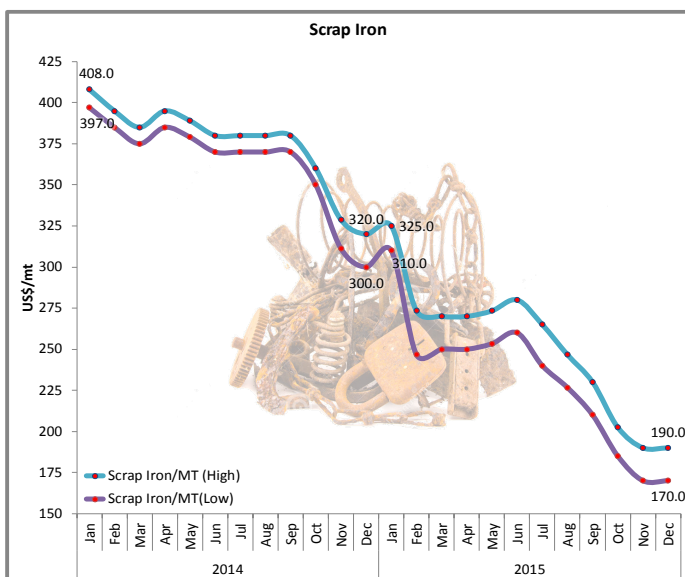
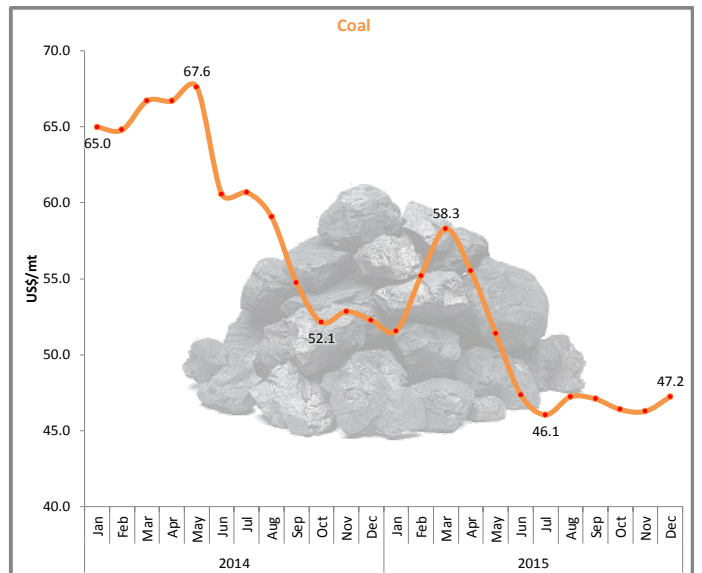
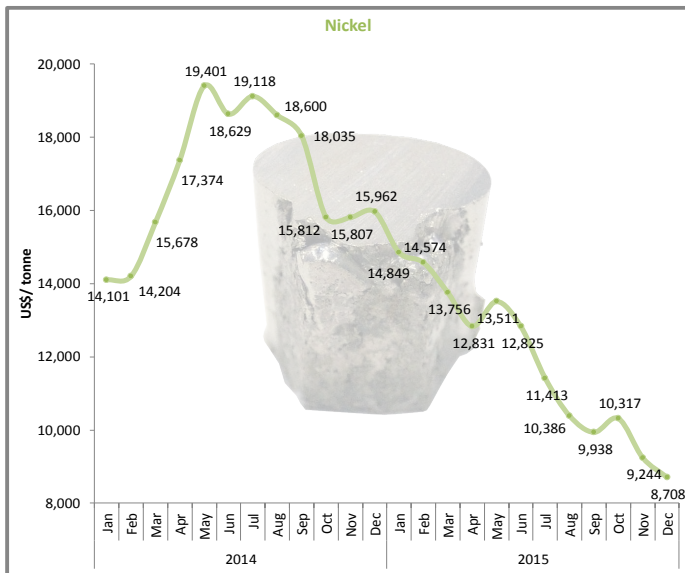
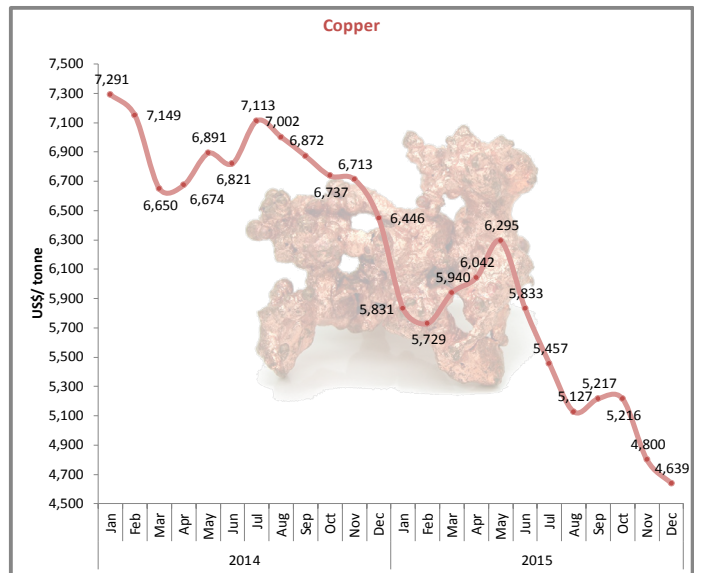
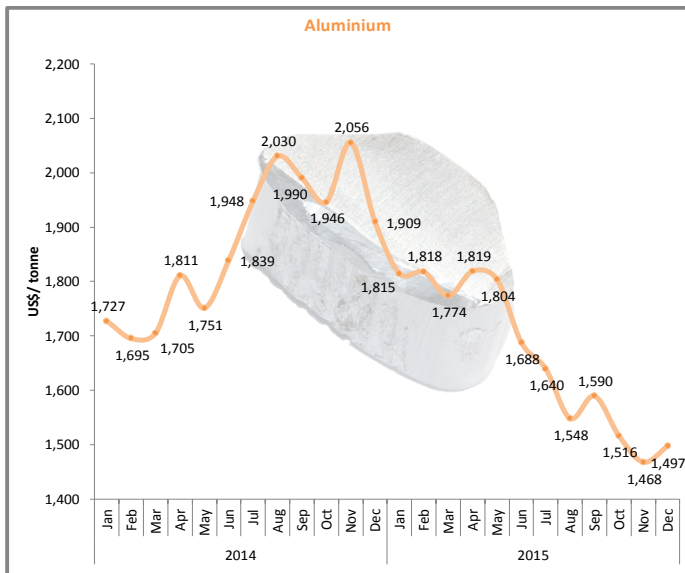


Average Domestic Prices, 31 Dec 2015



Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group.

Commodity Price Trends



"DRIVING Transformation, POWERING Growth"

Sources: Ministry of International Trade and Industry Malaysia, Malaysian Palm Oil Board, Malaysian Rubber Board, Malaysian Cocoa Board, Malaysian Pepper Board, Malaysian Iron and Steel Industry Federation, Bloomberg and Czarnikow Group, World Bank.

MUSHROOMING BUSINESS

Cik Rusila Yusof's mushroom business was almost over before it even began.

In its first year back in 2007, almost all the grey oyster mushrooms she cultivated were damaged or destroyed due to her lack of expertise and experience. With her RM20,000 capital going down the drain, Cik Rusila contemplated throwing in the towel. It was a good thing that she did not because Fatisha Agro Farm has now grown into an integrated mushroom business, which includes the farm, a factory manufacturing mushroom-based products, and a mushroom-themed eatery called Fatisha Mushroom Kopitiam.



The business evolved gradually over the years, starting as a small farm in Kampung Sungai Ramal Dalam, Selangor before moving to Kampung Pengkalan Pandan Luar in Kemaman, Terengganu where the larger land area allowed Cik Rusila to upscale her operations. However, the real turning point in her business came when she won a RM500,000 grant in the Rural Business Challenge competition organised by the Economy Empower Division of the Ministry of Rural and Regional Development.

Her success in the competition prompted another move, this time to Bandar Al Muktafi Billah Shah in Dungun Terengganu where Cik Rusila continued to expand her operations. "Winning the competition has had a huge impact on my business as it has provided me with the working capital I needed to pay wages, as well as to purchase new machinery and equipment," she says. The grant was also used to set up a full-scale facility, which includes a mushroom house and an office. In addition, Fatisha has a mushroom product processing facility that produces items such as mushroom samosas and popias, mushroom chilli sauce and black pepper mushroom sauce, as well as mushroom flavoured flour for frying. The company also manufactures and supplies mushroom farming equipment including mushroom media-mixers and mushroom bagging machines, among others.

Its operational growth and diversification have resulted in a three-fold increase in Fatisha's monthly revenue from RM20,000 a month to about RM50,000 a month. Cik Rusila is delighted that Fatisha's good fortune has enabled her to contribute to the community through creation of employment and business opportunities. In its early years, the company only had three employees but its staff has now grown to 22. It has also produced 10 entrepreneurs to date through its Kiosk Fatisha Cendawan Corner (KFCC) and Kiosk Fatisha Hot & Blenz (KFHB) programmes. With the success of her business, Cik Rusila is now widely regarded as an expert in all mushroom related products. She has solidified this reputation by authoring a book on making money from mushrooms and a guide on how to start a grey oyster mushroom farm project using Effective Microorganisms (EM) technology. Furthermore, the former part-time lecturer with Universiti Pertahanan Nasional Malaysia (UPNM) now puts her teaching skills to use at local colleges and polytechnics where she imparts her expertise and knowledge on mushroom cultivation.

However, the story of how she was able to turn things around after a very disastrous start is probably the most valuable lesson to be learnt from Cik Rusila. "I do not believe in giving up and am always ready to face any challenges. That's how you ensure the longevity of your business," she ended with an optimist note

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**Taklimat kepada Ahli Dewan Negara dan Dewan Rakyat mengenai TPPA
 11 Januari 2016**



**Taklimat mengenai TPPA Di KSL Hotel & Resort, Johor Bahru, Johor
 10 Januari 2016**



**Taklimat mengenai TPPA Di Pulau Pinang
 10 Januari 2016**



**Taklimat mengenai TPPA bersama Wakil SME
 08 Januari 2016**



“DRIVING Transformation, POWERING Growth.”

**Taklimat mengenai TPPA di Trengganu
 08 Januari 2016**



**Taklimat mengenai TPPA kepada Ahli Parlimen
 07 Januari 2016**



**Taklimat mengenai TPPA Di Universiti Kebangsaan Malaysia
 06 Januari 2016**



**Taklimat mengenai TPPA Di Perak
 05 Januari 2016**



"DRIVING Transformation, POWERING Growth"

RESPONSES TOWARDS THE ARTICLE ON TPPA PUBLISHED BY YABHG. TUN DR. MAHATHIR MOHAMAD

- We wish to respond to an article on the Trans-Pacific Partnership Agreement (TPPA) published by YABhg. Tun Dr. Mahathir Mohamad on his personal blog dated 31 December 2015.
- A number of issues were raised by our former Prime Minister in his article and we would like to address them accordingly as follows:
 - On the decision that will be made by the Government to go ahead and sign the TPPA regardless of the opposition voiced against it
 - As in any decision making process, the Government weighs in the pro-cons of a policy before making a decision, and the same goes for TPPA. Various engagement sessions were held by the government with the relevant stakeholders to highlight the issues during negotiations as well as explaining the outcome of the TPPA after the conclusion of the negotiations.
 - The strong feelings expressed by Bumiputera stakeholders during the engagement that we had have emboldened us in protecting our core policies including the Bumiputera agenda throughout the multiple rounds of negotiation. Similarly, the concerns raised by various parties have also guided our approach during the negotiations – which had eventually resulted in a much watered down Investor-State Dispute Settlement (ISDS) mechanism, among other things.
 - Additionally, two Cost-and-Benefit Analyses (CBAs) were done by PwC Malaysia and the Institute of Strategic and International Studies (ISIS) Malaysia respectively on our participation in the TPPA. While the Government recognises that there are costs to be incurred, the benefits outweigh those costs. There will be some challenges to be addressed if we were to join the TPPA but the Government is of the view that overall Malaysia stands to benefit from our participation in the TPPA.
 - Unlike other Free Trade Agreements (FTAs), an exception was made to the TPPA as the Government will bring it for a special parliamentary sitting scheduled at the end of January. The decision on Malaysia's participation will only be made after it has been deliberated and voted in the Parliament. Malaysia is the only country that is seeking for parliamentary approval before the signing of the TPPA where there is no requirement to do so under domestic law.
 - Moreover, if we decide to be a party of the TPPA, there will also be a two-year ratification period following the signing. As such, the entry into force of the TPPA is only expected to take place earliest at early 2018.
 - On the withdrawal from TPPA will result in bankruptcy for the Malaysian Government since we could be sued by the investors via ISDS as a result of the loss in their future profit.
 - Withdrawal from the TPPA is allowed under Article 30.6 as follows:
 - i. Any Party may withdraw from this Agreement by providing written notice of withdrawal to the Depositary. A withdrawing Party shall simultaneously notify the other Parties of its withdrawal through the contact points.
 - ii. A withdrawal shall take effect six months after a Party provides written notice to the Depositary, unless the Parties agree on a different period. If a Party withdraws, this Agreement shall remain in force for the remaining Parties.”
 - Since withdrawal under the TPPA is allowed, withdrawal as such is an exercise of our rights and not a breach of the agreement.
- Foreign investors can bring the Government to ISDS for a breach of any obligation under the Investment Chapter of TPPA. However, if Malaysia signs the TPPA, but then decides to withdraw, the protection under the Investment Chapter would be inapplicable to foreign investors. Therefore, the mere act of withdrawal will not result in Malaysia being sued by a foreign company.
- Malaysia's withdrawal in effect would release it of its obligation to accord protection to investments under TPPA. For example, if Malaysia withdraws from TPPA, no company which is already established in Malaysia can take the Government to dispute under ISDS unless if there was an actual breach during the times when we were still a party (again, withdrawal in itself is NOT a breach) and cannot bring an ISDS action (which is no longer available anyway with the withdrawal) solely because it suffers loss of profit.
- It is not true that mere act of withdrawal from the TPPA would bankrupt the Government. The Government can be sued for breach of the Investment Chapter of the TPPA, and if the breach is proven, compensation may have to be paid. However, withdrawal from TPPA does not constitute a breach of TPPA.
- On Malaysia's rapid growth in the past without entering treaties such as the TPPA
- Malaysia had achieved a strong economic growth over the period 1988-1997 prior to the East Asian financial crisis, averaging 9% annually. The robust growth recorded over this period was mainly supported by our involvement in the global trade and the strong performance of our export-oriented manufacturing and services sectors. The average annual contribution of goods and services exports to GDP across this period was 81.3%.
- Indeed, Malaysia was once the 17th largest trading nation but we should also bear in mind that the external environment at that time was less challenging – there was not much competition for our commodities and we were accorded with preferential treatment under the Generalised System of Preferences (GSP) by the United States. The United States' GSP provides preferential duty-free treatment for over 3,500 products from a wide range of designated beneficiary countries, including many least-developed beneficiary developing countries.
- Today, the landscape has changed significantly. Malaysia has graduated from the GSP and more of our competitors are having preferential market access. For instance, Singapore has recently signed an FTA with the European Union which removes nearly all tariffs between the country and Europe. Therefore, if we do not integrate ourselves into a regional trade framework such as the TPPA, our current ranking as the 24th largest trading nation may drop further. Our early participation in the TPPA will allow us to establish first-mover advantage ahead of other non-TPP countries. In the event we are not part of the TPPA and Vietnam is, we think companies located in Malaysia will suffer a loss in competitive advantage.
- Our participation in the TPPA will not constrain us from participating in other regional trade arrangements. We will continue to promote free trade policies and economic growth with a balanced approach which will provide us the flexibility to safeguard sensitive areas, such as our Bumiputera policies.

RESPONSE TOWARDS CLAIMS MADE BY THE ASSOCIATION OF WATER AND ENERGY RESEARCH MALAYSIA (AWER) IN THE ARTICLE DATED 28 DECEMBER 2015 PUBLISHED IN THE SUN

We wish to respond to the article "Environment issues and the TPPA" contributed by AWER that was published in The Sun dated 28 December 2015.

In the article, AWER has raised its concerns on several environmental issues and we would like to address them accordingly as follows:

Will the upgrading of existing environmental laws be considered as a trade barrier if it prohibits a particular product from being sold in Malaysia? (Eg: Will an upgrade of the Minimum Energy Performance Standards (MEPS) be viewed as trade barrier for products that do not meet the new requirement?)

The objectives of the Environment chapter in TPPA are to ensure trade and environment policies are mutually supportive, encourage high levels of environmental protection, ensure effective enforcement of all environmental laws, and to ensure trade activities do not jeopardize environmental protection.

Article 20.3 (2) stipulates that "The Parties recognise the sovereign right of each Party to establish its own levels of domestic environmental protection and its own environmental priorities, and to establish, adopt or modify its environmental laws and policies accordingly".

The Government retains the right to impose measures to protect the environment, including new measures that will enhance environmental protection, as long as these measures are non-discriminatory and apply to both foreign and domestic products.

Meanwhile, Article 20.3 (3) states that "Each Party shall strive to ensure that its environmental laws and policies provide for, and encourage, high levels of environmental protection and to continue to improve its respective levels of environmental protection".

The TPPA encourages higher environmental standards. Therefore, the upgrading of our existing environmental laws will be consistent with the TPPA.

Article 20.11 focuses on voluntary mechanisms to improve the country's environmental performance, but there are no clauses on mandatory mechanisms via any national legal framework.

This article will allow the voluntary mechanisms such as certification schemes developed by our private entities to be recognised by TPP countries. Such voluntary mechanisms can boost the access of our products to TPP markets.

On the other hand, while there are no clauses on mandatory measures on environmental performance, any TPP member country can still enforce mandatory measures as long as they comply with the provisions outlined under the Technical Barriers

to Trade (TBT) Chapter, which include transparency and non-discriminatory rules.

The extent of which Malaysia could benefit from Article 20.15 which focuses on transition to a low emission and resilient economy, given that our country is not a technology owner in this field.

The TPPA takes into account the different levels of development across the 12 participating countries. Article 20.15 was introduced with an objective to allow TPP countries to engage with each other in cooperative and capacity-building activities that focuses on to transition to a low emissions economy. Malaysia is expected to benefit from this cooperation and capacity-building activities which involve technology transfer and the exchange of knowledge, experience and expertise with other more developed TPP countries.

How can Malaysia deal with the inflow of "environmentally friendly" goods & services and the possibility of "greenwashing"?

Article 20.18 promotes the use of environmental goods and services by lowering the tariffs and limiting the restrictions on them. This is in line with the commitments made by all APEC countries in 2009 to reduce the tariffs on 54 items in the APEC Environmental Goods list to 0-5% by 2015. Examples of such items include steam or other vapour generating boilers, bamboo floor panels, solar water heaters and liquid filters for pollution control.

Greenwashing refers to the practice of making an unsubstantiated or misleading claim about the environmental benefits of a product, service, technology or company practice. If any goods or services are not deemed as environmentally friendly as claimed to be, Malaysia has our domestic laws and regulations in place to deal with the inflow of such goods and services.

Will the TPP allow for dumping of goods with lower environmental standards from one country to another?

The environment chapter in the TPPA is about promoting higher environmental standards within the participating countries. The policy flexibility accorded to each TPP country in terms of regulating trade in environmental products and services will not be eroded. For Malaysia, products and services brought into the country must comply with our standards,

developed by the Department of Standards Malaysia and implemented by relevant Ministries/Agencies such as, the Ministry of Domestic Trade, Co-operatives and Consumerism (KPDNKK), the Energy Commission and the Construction Industry Development Board (CIDB), among others.

The TBT Chapter under the TPPA reaffirms the WTO TBT Agreement which states that no country should be prevented from taking necessary measures to ensure the quality of its exports, or for the protection of human, animal, and plant life or health, of the environment, or for the prevention of deceptive practices, at the levels it considers appropriate. As such, Malaysia will not be prevented from adopting or maintaining technical regulations or standards in accordance with our rights and obligations. TPPA will not allow the dumping of goods with lower environmental standards.

Whether Malaysia will only end up as a buyer of goods and services or will there be local champions after the development of environmentally friendly building materials and designs.

At the moment, it is true that Malaysia is a buyer of major environmentally friendly goods and services. In addition to our participation in the TPPA, other measures must also be undertaken to improve the capacity and capabilities of our local companies in this sector.

Local entrepreneurs could utilise the TPPA as a platform to enhance their products and services via technology collaboration and capacity building in order to expand their businesses into other TPP countries. Issues surrounding the ability of our local companies to compete with foreign players are addressed under various chapters of TPPA such as Small and Medium-Sized Enterprises and Competitiveness and Business Facilitation.

Conclusion

We hope that the concerns raised by AWER have been addressed through our explanations. The Government recognises that there are benefits and costs associated with the TPPA, but we are convinced that this trade agreement will help strengthen our environmental standards.

Datuk J. Jayasiri
Deputy Secretary-General (Strategy and Monitoring)
Ministry of International Trade and Industry
4 January 2016

RESPONSE TOWARDS THE PARAGRAPH ON TPPA IN THE ARTICLE “A CHRISTMAS WISH FULFILLED” BY TERRENCE FERNANDEZ DATED 29th DECEMBER 2015

We wish to refer to your article “A Christmas wish fulfilled” published in page 12, The Sun on Tuesday, 29 December 2015.

• In the article, there was one paragraph related to the Trans-Pacific Partnership Agreement (TPPA) and we would like to address your claims as follows:

• The TPPA has been signed

• We have not signed the TPPA. The negotiations were concluded on the 5th of October 2015, but as we have repeatedly said before, the decision whether or not Malaysia becomes a party to the TPPA will only be made after it has been discussed and voted in the special parliamentary sitting scheduled at the end of January 2016.

• The TPPA is the final nail in the coffin as it extends the patent expiry period for up to 20 years

• Our current policy is to provide 20 years of patent protection for pharmaceutical drugs, consistent with the WTO Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement. The claim that the TPPA extends the patent expiry period for up to 20 years is therefore incorrect.

• If what you meant was patent can be extended beyond 20 years, we wish to clarify that it will only be extended if there is an unnecessary delay in patent or marketing approval. Article 18.46 (3) of the TPPA stipulates that “If there are unreasonable delays in a Party’s issuance of patents, that Party shall provide the means to, and at the request of the patent owner shall, adjust the term of the patent to compensate for such delays”.

• However, Malaysia's current process of marketing approval for drugs is efficient – it takes 245 days on average. Hence the likelihood of patent extension should not arise.

• The TPPA will keep affordable life-saving drugs out of reach

• Malaysia has had a pharmaceutical data protection process in place since 2011, where the test data will be protected for a period of 5 years. However, the regulation on data protection in Malaysia has a condition that must be complied by the innovator. The innovator has to apply for registration of pharmaceuticals in Malaysia within 18 months from the date the drug obtained its first marketing approval in any other country.

• Such a condition was introduced to encourage pharmaceutical companies to market their new drugs early into Malaysia. It will enable Malaysians to have early access to innovative drugs and also create a pathway for more affordable generic drugs to be brought into the market early. This same condition is also applicable to biologics data protection.

Conclusion

• The TPPA therefore does not require us to extend the patent expiry period to 20 years. The TPPA by itself will not keep affordable life-saving medicine out of reach as Malaysia has negotiated to maintain our current policy of an access window which requires the innovators to introduce their drugs into our country within 18 months after receiving their first marketing approval in another country. If they fail to do so, their drugs will not qualify for data protection in Malaysia.

Datuk J. Jayasiri
Deputy Secretary-General (Strategy and Monitoring)
Ministry of International Trade and Industry
4 January 2016



Biocidal Product Regulation of the EU

The European Commission issued a regulation on the usage and approval of biocidal products in manufactured goods which will be effective 1 March 2017. Effective 1 March 2017, non-compliant treated articles (any substance, mixture or article which has been treated with, or intentionally incorporates, one or more biocidal products) will not be allowed on the EU market.

This regulation is also applicable to manufactured goods if they've been treated with or incorporate a biocidal product, defined as treated articles. Currently, the regulation allows for a transition period until 1 March 2017.

Exports of manufactured goods such as plastics, paints, textiles, wood, etc. into the EU will be affected if they don't comply with this regulation. These industries use biocidal products in their manufacturing processes to protect these materials against microbial, fungi or insect decay.

However, for non-compliant treated articles, manufacturers can switch to substances approved or undergoing evaluation in the EU or submit an application for the approval of the active substances for the treatment or incorporated in the article to the European Chemicals Agency by 1 September 2016.

The Biocidal Products Regulation (BPR, Regulation (EU) 528/2012) ([link: http://echa.europa.eu/regulations/biocidal-products-regulation](http://echa.europa.eu/regulations/biocidal-products-regulation)) concerns the placing on the market and use of biocidal products, which are used to protect humans, animals, materials or articles against harmful organisms like pests or bacteria, by the action of the active substances contained in the biocidal product.

Detailed products which will be affected by this directive can be found in the link: <http://echa.europa.eu/regulations/biocidal-products-regulation/product->



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Personality is:

Who we are and what we Do
When Everybody is watching.

Character is:

Who we are and what we Do
When Nobody is watching.



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