

THE CURRENT STATUS OF THE TRANS-PACIFIC PARTNERSHIP AGREEMENT (TPPA)

1. The current US Administration under President Obama has recently indicated that they have exerted all efforts within its power to obtain Congressional approval of the TPPA. As ratification involves a legislative process, it is now up to Congressional leaders to decide on the next move.
2. We are aware that Congressional leaders appear not too keen to bring the bill forward during the lame duck session. The fate of the TPPA will therefore depend on whether the new US Presidency will ratify the Agreement.
3. The Malaysian Government holds the view that the TPPA, which had taken into account country specific concerns, including the Bumiputera agenda of Malaysia, has the potential to boost trade, investments and create jobs. It will also provide preferential access for us into four markets which we currently do not have a Free Trade Agreement (FTA) with namely the United States, Canada, Mexico and Peru.
4. Should the US withdraw from TPPA, it will effectively mean that the Agreement cannot enter into force. As I have mentioned before, the agreement requires ratification of at least 6 countries, accounting for 85% of the total GDP of the 12 countries, to bring it into force. The US' GDP alone constitutes about 60% of the total TPP Members' GDP. Hence, there will be no TPPA without the US' participation.
5. TPPA members will be meeting in Lima, Peru next week in the margins of the APEC Summit to discuss recent developments and the way forward. We hope to obtain a clearer picture on the state of the TPPA during that discussion.
6. Malaysia will monitor closely developments on the TPPA under the new US Presidency. If the US decides that they will not ratify the TPPA, Malaysia will discuss with the other members on the next course of action.

MEDIA RELEASE



7. As an open trading nation with a limited domestic market, Malaysia will continue its efforts to seek greater market access through preferential trading arrangements with countries we currently do not have FTAs.
8. In line with this aspiration, should there be a confirmation that the TPPA will not materialise, we will explore other available options, including negotiating bilateral FTAs with the TPPA members that we currently do not have an FTA.
9. Against the backdrop of sluggish economic recovery and the lowest rate of global trade growth in three decades, there seems to be a rising trend of protectionism and inward-looking sentiment in a number of countries. It is imperative for the global community to continue holding an open dialogue and engagement to stop this trend from getting translated into misguided policies which could dampen the global trade growth. Growth in world trade has been one of key drivers of prosperity across the globe for many decades until the Global Financial Crisis of 2007/08.
10. Malaysia will remain involved in bilateral and multilateral trade agreements with other countries. Our focus now is on the Regional Comprehensive Economic Partnership (RCEP) involving 10 ASEAN countries and 6 major trading partners in Asia Pacific region, including China. During the last Ministerial Meeting in Cebu, the Philippines, we have made some progress in narrowing the gaps on key issues for Goods, Services and Investment. The current uncertain international economic situation has motivated and strengthened the resolve of RCEP countries, which are among the fastest growing countries in the world, to continue working closely in reaching a conclusion of this trade agreement.

Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
15 November 2016