

RESPONSE TO THE ANNOUNCEMENT BY PRESIDENT-ELECT DONALD TRUMP ON THE US' INTENTION TO WITHDRAW FROM TPP

1. The 12 Leaders of TPP countries met in Lima on 19 November to review developments and update on their respective domestic processes towards ratification. All the TPP countries, except for the US, are in various stages of obtaining their domestic legislative approvals. New Zealand has completed its Parliamentary process. Japan's Lower House has approved the TPPA which is now in the Upper House of the Japanese Parliament.

2. All the leaders reaffirmed their commitment towards the TPPA because of the benefits it brings to their respective economies, as well as to the Asia -Pacific region, in boosting trade and investment and creating jobs and at the same time pursuing good environmental and labour standards. They were also convinced of the role of the TPPA in further enhancing the internationalisation of small and medium sized enterprises. The TPPA also creates the enabling environment for the future growth of e-commerce in the region. In Peru, TPP leaders also acknowledged that the TPPA is a balanced and high quality agreement that should not be abandoned.

3. However, in view of the uncertainty over US participation in the TPPA, the other countries including Malaysia agreed to wait for greater clarity from the new US administration before considering any future options.

4. Despite the latest statement by president-elect Donald Trump on 21 November, that one of the first tasks as the President would be to withdraw the US from the TPPA, Malaysia would wait for greater clarity from the US Administration when the new President takes office on 20 January 2017. Malaysia will take the next course of action only when there is official confirmation that the US will not participate in the TPPA.

5. Meanwhile Malaysia will continue its work in amending the relevant legislations. The changes to some of these laws are not just to comply with the TPPA but are a result of the

MEDIA RELEASE



ongoing domestic review meant to strengthen and update a number of laws to facilitate trade and fulfil our international obligations. The final decision on the proposed amendments will however be made by the Cabinet.

6. As I have indicated before, the TPPA under the present conditions for entry into force cannot take place without US participation, as the US accounts for about 60% of the combined GDP of the 12 members. Under the agreement, a minimum of 6 countries accounting for 85% of the combined GDP of the 12 members must ratify before the TPPA can enter into force.

7. The TPPA members agreed in Lima, Peru to be in close contact and update each other on developments in their respective countries. Once there is certainty from the new US Administration after 20 January 2017, the chief negotiators may meet to consider options and the way forward.

8. I would like to reiterate our earlier view that free and fair trade has benefited Malaysia. While globalisation and liberalisation may not be perfect, free trade agreements complemented with appropriate domestic policies and support measures can spread the benefits of development in favour of the poor and marginalised segments of society. As a trading nation Malaysia will continue to pursue preferential trading arrangements that are fair and bring benefits to our country in terms of trade, investment, income and employment.

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

Media enquiries

Strategic Communications Unit

Tel +603 6200 0082

Fax +603 6206 4293

E-mail allpegkomunikasikorporat@miti.gov.my