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United States, Malaysia Announce Intention to Negotiate Free Trade Agreement

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Washington, DC – U.S. Trade Representative Rob Portman today announced the Administration's intent to negotiate a Free Trade Agreement (FTA) with Malaysia, with the goal of removing tariffs and non-tariff barriers and expanding trade between the countries.

Portman made the announcement on Capitol Hill and was joined by Malaysia's Minister of Trade Rafidah Aziz and a bipartisan group of leaders in Congress. The negotiations will begin after the expiration of a 90-day consultation period with the U.S. Congress.

"Malaysia has been at the forefront of the economic dynamism transforming Asia in recent years," Portman said. "It already is our tenth largest trading partner, with \$44 billion in two-way trade in 2005. Combined with a new trade opening agreement, Malaysia's rapidly growing economy will help generate meaningful export opportunities for our workers, service providers, and farmers."

"This FTA would be the third we are negotiating in the economically vibrant and strategically important Southeast Asia region and will advance the President's Enterprise for ASEAN Initiative," said Ambassador Portman. "Removing trade and investment barriers between our two nations will improve market access, enhance competitiveness and increase prosperity for both countries."

"Bipartisanship is paramount in international trade, and I'm pleased to see leaders in Congress who are both Republicans and Democrats supporting today's launch," Portman added. "USTR will continue its intensive bipartisan consultations throughout the negotiations."

Background

The United States is Malaysia's largest trading partner and the largest foreign investor in Malaysia. U.S. exports to Malaysia totaled \$10.5 billion in 2005, with top export categories including electrical machinery, machinery, optic and medical instruments, aircraft, and plastic. The largest categories of imports from Malaysia were electrical machinery, machinery, furniture and bedding, rubber, and optic and medical instruments. Malaysia is also a valuable partner in the ongoing global trade negotiations, commonly known as the WTO Doha Development Agenda. And Malaysia is an important player, particularly with respect to strengthening the protection of intellectual property rights, in the Asia Pacific Economic Cooperation (APEC) forum.

U.S. Trade Agenda

The United States is working to open markets globally in the Doha WTO negotiations; regionally through the APEC forum and the Free Trade Area of the Americas (FTAA) negotiations; and bilaterally with FTAs. Since 2001, FTAs with Australia, Chile, Jordan, Morocco and Singapore have entered into force. The Bush Administration has also concluded negotiations with Bahrain, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Oman, Peru and Colombia. Negotiations are under way or about to begin with ten more countries: Ecuador, the Republic of Korea, Panama, the five nations of the Southern African Customs Union (SACU), Thailand, and the United Arab Emirates. New and pending FTA partners, taken together, would constitute America's third largest export market and the third largest economy in the world.

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