

# The Office of the United States Trade Representative

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## United States and Malaysia Sign Trade and Investment Framework Agreement

05/10/2004

### *5th TIFA Signed with ASEAN Member*

WASHINGTON - U.S. Trade Representative Robert B. Zoellick and Malaysia's Minister of International Trade and Industry Dato' Seri Rafidah Aziz signed a Trade and Investment Framework Agreement (TIFA) today that will provide a bilateral forum to address trade issues and to help enhance trade and investment between the two countries.

"This TIFA provides a useful forum to discuss ways to address bilateral trade issues. The goal is to enhance trade between our nations as Malaysia seeks to diversify its economy," said Zoellick. "We are pleased with Malaysia's positive response to President Bush's Enterprise for ASEAN Initiative. We look forward to working closely with Malaysia to further strengthen our economic relationship bilaterally and within ASEAN."

The TIFA creates a Joint Council to expand and liberalize trade and investment. This includes areas such as intellectual property, information and communications technology, biotechnology policy, tourism, enhancing the participation of small- and medium-sized enterprises in trade and investment, and support for Malaysia, America's 10th largest trading partner, to participate in and implement trade negotiations. TIFAs can help focus attention on trade issues which often includes barriers that the U.S. faces, and, therefore, can help expand U.S. access. The two sides also agreed to coordinate in regional and multilateral fora, including working toward the successful conclusion of the global trade talks, commonly known as the Doha Development Agenda.

The ministers directed their staffs to form the Joint Council and to move ahead to begin implementing the work program contained in the Agreement. The United States has TIFAs with a number of countries in order to enhance bilateral trade ties and coordinate regionally and multilaterally through regular senior-level discussions on trade and economic issues. In addition to the TIFA signed with Malaysia today, within ASEAN (the Association for South East Asian Nations) the United States has TIFAs with Indonesia, the Philippines, Thailand and Brunei Darussalam.

The United States uses TIFA discussions to address trade issues of longstanding concern and often to establish the necessary conditions for movement toward an FTA. For example, the U.S. and Thailand have held numerous meetings under the U.S. - Thailand TIFA, signed in October 2002, including four Ministerial-level meetings. Under the TIFA, the U.S. and Thailand have focused in particular on action plans to address U.S. concerns regarding Thailand's IPR and customs regimes. Based on this progress and Thailand's commitment to opening its economy, President Bush announced in October 2003 the U.S. intention to seek to negotiate an FTA with Thailand. An FTA will encourage continued trade and investment liberalization, economic and regulatory reform, high standards of intellectual property protection, transparency, and the rule of law.

### **Background:**

Under the Enterprise for ASEAN Initiative (EAI) announced in October 2002, the United States offered the prospect of bilateral free trade agreements with ASEAN countries that are committed to the economic reforms and openness inherent in an FTA. The United States and each ASEAN partner would jointly determine if and when they are ready to launch FTA negotiations. ASEAN countries include: Cambodia, Vietnam, Thailand, Indonesia, Malaysia, Philippines, Laos, Singapore, Brunei Darussalam and Burma.

Within ASEAN, the United States has an FTA with Singapore. The United States is aggressively working to open markets globally, regionally, and bilaterally and to expand American opportunities in overseas markets. In a January 2004 letter to the 146 WTO members, Zoellick urged Members to revive the global trade talks. In February Zoellick traveled over 30,000 miles and met with over 40 WTO members in strategic consultations. Immediately following that trip, Zoellick traveled to San Jose, Costa Rica for meetings February 23-24 with ministers from the Cairns Group of agriculture exporting countries to discuss liberalizing trade in agriculture within ongoing World Trade Organization (WTO) trade negotiations.

Over the past few months, the U.S. has completed FTAs with eight countries - Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia and Morocco; is negotiating FTAs with Panama and Bahrain and will begin negotiations soon with Colombia, Peru, Ecuador, the SACU countries (S. Africa, Lesotho, Botswana, Swaziland and Namibia) and Thailand. New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.

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