

Malaysia, Australia Ink Free Trade Pact

The Associated Press

KUALA LUMPUR, Malaysia (AP) — Australia and Malaysia signed a free trade agreement Tuesday that includes opening the services sector when it comes into force next year.

Officials said the pact, concluded after 11 rounds of talks, will allow duty free entry for all Malaysian goods into Australia and nearly 98 percent of Australian exports to Malaysia from Jan. 1.

Australian Trade Minister Craig Emerson said it will allow Australian companies to have 100 percent ownership of Malaysian telecommunication and higher education companies and up to 70 percent stakes in insurance and investment banking companies.

Malaysian companies in turn, can participate in Australia's private hospital services as well as the traditional and complementary medicine sector, he said.

Emerson said he hoped the pact would bolster Australia's free trade talks with other Asian partners including China, South Korea and Japan, that had been bogged down by disputes in the agricultural sector.

Australia already has six other FTAs with Singapore, Thailand, the U.S., Chile, New Zealand and ASEAN that cover 28 percent of its total trade.

Malaysian Trade Minister Mustapa Mohamed said bilateral trade rose 11 percent last year to \$12.4 billion, and likely to jump significantly from next year with the "dramatic opening up of access to exporters" from both sides.

Australia is Malaysia's 12th largest trading partner, while Australia is Malaysia's 10th biggest partner.

Australian investments in Malaysia's manufacturing sector totaled \$773 million at the end of last year, sharply lower than \$4.3 billion worth of Malaysian investments in Australia, officials said.

It is Malaysia's sixth FTA after similar pacts with Japan, Pakistan, New Zealand, Chile and India.

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