

# Senate follows suit on TPPA

Upper House says 'aye' to motion a day after Dewan Rakyat gives nod

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**KUALA LUMPUR:** A day after the Dewan Rakyat approved the Trans-Pacific Trade Agreement (TPPA) motion, the Upper House followed suit in passing Malaysia's participation in the trade agreement.

This paves the way for Malaysia to sign the deal in New Zealand on Feb 4 together with 11 other countries.

They are Australia, Brunei, Canada, Chile, Japan, Peru, Mexico, the United States, Singapore, New Zealand and Vietnam, creating the biggest free trade area in the world.

The TPPA was approved via a voice vote after 22 senators debated the matter in a special parliamentary sitting yesterday.

At the parliament lobby, International Trade and Industry Minister Datuk Seri Mustapa Mohamed said the Government would look into the mechanism to monitor the implementation of TPPA.

Mustapa said the mechanism would be determined after a discussion with the relevant stakeholders.

He acknowledged that more engagements were needed at the grassroots so that people would better understand TPPA's benefits.

He noted that there had been a lot of unfounded fears planted by certain people regarding the trade agreement.



**In good spirits:** Mustapa sharing a light moment with his TPPA chief negotiator Datuk J. Jayasiri (on his right) and the team of lead negotiators after the Senate approved the motion for Malaysia to participate in the TPPA.

"However, we need to be brave for the country's benefit," he said.

During his winding-up speech, Mustapa reiterated that the investor-state dispute settlement (ISDS) would serve as a safeguard for the country's companies operating overseas.

Mustapa said many people still had the

wrong impression on the ISDS chapter, adding that many felt Malaysia had no experience in such a mechanism.

Citing an example in Ghana in 2004, Mustapa said local telecommunications giant Telekom Malaysia Bhd faced problems after a new president took over the country.

"With ISDS, we managed to safeguard our company overseas. This is an example of how ISDS could be used for our interests.

"Similarly, others could also use ISDS to protect their own interests overseas," he said.

Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar said bumiputra interests in Federal Government procurement would not be affected by the implementation of the TPPA.

"Not all government procurement is open to TPPA companies. Procurements which exceed a set value will be opened up," he said, explaining that it involved three categories of procurement.

He said the first involved supplies with an initial value of 1.5 million special drawing rights (SDR), or equivalent to RM7.5mil, which would be reduced to 130,000 SDR or RM650,000 in seven years.

The second category involved services with an initial value of 2 million SDR, or RM10mil, which would be reduced to 130,000 SDR over a period of nine years.

The third, involving the construction sector, would see the initial value restricted to TPPA companies to 65 million SDR, or RM315mil, which would be reduced to 14 million SDR, or RM70mil, within a 20-year period, he said.

On Wednesday, the Dewan Rakyat approved the trade agreement after a bloc vote: 127 MPs were for it while 84 were against.