

Malaysian-US FTA likely deferred until Bush departs: report

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KUALA LUMPUR — A free-trade deal between Malaysia and the United States is likely to be deferred until after President George W. Bush leaves office, a US business group said according to a report Wednesday.

US-ASEAN Business Council president Matthew Daley told The Edge financial daily that the agreement, which the two sides failed to strike by a June deadline, would now be pushed until after presidential elections next November.

"We are having an election in the US in 51 weeks and as we get closer all political attention in Washington will move away from the possibility of securing approval on the agreement in our Congress," he told the newspaper.

Washington had been racing to conclude the agreement before June when Bush lost his Trade Promotion Authority (TPA) that enables him to "fast-track" trade deals through Congress.

Since missing the deadline, US trade officials said they wanted to finalise discussions by July 2008 and that a seventh round of talks could be held by the end of this year.

Daley, who led the council's mission to Malaysia, told The Edge that it was still possible to have the agreement signed between April and September next year if both countries could come to an agreement.

Earlier rounds of negotiations towards a free-trade deal became bogged down over a series of issues, including Malaysia's affirmative action policies for its majority ethnic Malays.

Malaysia has said it will not sacrifice its national interests in order to forge a deal with the US.