

US, Malaysia to launch free trade talks Wednesday

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WASHINGTON - The United States and Malaysia will announce plans on Wednesday to negotiate a free trade agreement, industry and congressional sources familiar with the decision said.

U.S. trade officials have previously said they were very close to launching talks with Malaysia, the United States' 10th-largest goods trading partner.

U.S. Trade Representative Rob Portman and Malaysian International Trade and Industry Minister Rafidah Aziz are expected to announce plans to begin negotiations at a joint news conference with U.S. lawmakers, one source said.

A Malaysian Embassy official referred inquiries about the expected announcement to the U.S. Trade Representative's office, which had no comment.

Two-way trade between the United States and Malaysia was \$44.2 billion in 2005, with Malaysia enjoying a \$23.2 billion surplus. There is broad interest in the U.S. business community in free trade talks with Malaysia, which already is one of the top 20 markets for U.S. exports.

U.S. law requires the Bush administration to give Congress 90 days' notice before beginning trade talks.

The United States and South Korea recently announced they would begin free trade negotiations in May.

The White House would need to finish deals quickly with both South Korea and Malaysia to get them through Congress before its negotiating authority expires in mid-2007.

The United States has been struggling to complete free trade talks with Thailand launched two years ago.