

Is TPP good or bad for Malaysia?

MALAYSIA is hosting the 18th round of the Trans-Pacific Partnership (TPP) from now until July 25 in Kota Kinabalu and it may sound ironical to ask the question: Will the TPP be good or bad for Malaysia?

Malaysia's chief negotiator, senior director of strategy J. Jeyasiri from the International Trade and Industry Ministry (Miti) has openly admitted that "there is a lot of misinformation floating around about the TPP".

Many doubts and questions are being raised as to whether or how much Malaysia will gain or lose from the TPP.

What are the major concerns over the TPP? Firstly, there are serious complaints of secrecy surrounding the discussions. To be fair, neither Malaysia nor any other country can fully show all its cards in any negotiation.

How do we negotiate successfully, if we show our trump cards too early? However, all genuine stake holders in Malaysia have been widely consulted through scores of meetings over the years and more consultations are no doubt in the pipeline.

Secondly, do we need to join the TPP? Nobody has or can force us to become a TPP member. China has not joined the TPP negotiations as yet.

Malaysia has a small internal market but is nevertheless a major trading nation.

If we don't join the TPP, we will be left behind as we have about 12 countries, including Australia, Mexico, Japan and Korea and the United States, that are already

actively involved.

If we keep out of the TPP, our ambition to become a developed economy by 2020 could be seriously jeopardised.

Thirdly, where and why the opposition to the TPP?

There are at least two forces at work in the debate on the acceptability of the TPP. On the one hand, they comprise those who support competition, meritocracy and progress and on the other, we have those who like to continue with the status quo of protection and mediocrity and a more easy and comfortable style for vested business interests.

In fairness to genuine bumiputra concerns, we must recognise that bumiputra businesses and investments have gained considerably from the Government's strong social engineering.

Indeed, the bumiputera business community has come a long way since 1970 and now commands the strategic sites of the whole economy!

So there is no need to be regressive and to opt out of the TPP and competition.

Instead we must be more confident of ourselves and go for more international competition as we are now better equipped to take them on!

If we choose to reject the TPP, we must then be consciously prepared for slow progress if at all any.

We may even run the risk of "State Capture" and could continue to be caught in the middle income trap.

As a proud sovereign state, the choice is ours – to go forward, stand still or actually decline relatively to other countries.

Joining the TPP does not rob us of our sovereignty. On the contrary, boycotting the TPP, will deny us the freedom to become a developed country and to progress!

Fourthly, why not ignore the TPP and concentrate on the Regional Comprehensive Economic Partnership (RCEP)? This is a reasonable alternative choice. Why can't we have the best of both worlds?

We can be members of the TPP and the RCEP as well and enjoy as much freedom of trade and investment.

This would raise our competitive standards, our economic growth and employment opportunities, reduce poverty and raise incomes and quality of life, for our children's future and posterity.

However, it is reasonable to assume, judging from history, that the rich and powerful countries would try to be exploitative and seek to get the lion's share in the TPP negotiations.

Then we must be tougher in our negotiating stance. Hence, Malaysia's challenge is to work more closely with other like-minded countries that sincerely aspire for free and fair trade and investment.

We would need to fight for reasonable concessions and "flexibilities" to safeguard our national interests and not allow the rich and powerful countries to bully us.

Surely we have enough confidence and

capability to do so? If the United States and some other countries are unfair – we can even delay signing the TPP, can't we?

But hopefully China will also come into the negotiations at some stage to help bring about more economic balance and defend the interests of the less developed and smaller countries.

Just because the negotiations will be rough, it does not mean that we need to run away from the negotiating table. We should instead say *Malaysia Boleh!* and together with other small and developing countries, strive to turn the tables, for justice and fair play in trade and investment.

Finally, why can't we transform our mindset and think out of the box and think big as we have always been urging ourselves.

We have succeeded a great deal as an independent nation and our economy has done pretty well so far.

Now we need to move up and away and the TPP could be our challenge and our opportunity to advance further and progress.

I believe that International Trade and Industry Minister Datuk Seri Mustapa Mohamed and his able officers at Miti will do their best to win a good deal for Malaysia at the negotiations and we wish them all the best!

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