

# THE ISIS PRAXIS SEMINAR 2013

## *Malaysia-Australia Free Trade Agreement : How Businesses Benefit*

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# Objective

- About the Malaysia-Australia Free Trade Agreement (MAFTA)
- Australia's trade & investment relationship with Malaysia
- MAFTA - Benefits to Malaysia
- MAFTA - Opportunities for Malaysian businesses
- Trans-Pacific Partnership Agreement negotiation

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## About MAFTA

- Signed 22 May 2012
- Comprehensive and high-quality agreement
- Build on benefits from ASEAN - Australia - New Zealand FTA (AANZFTA)
- Malaysia is Australia's 10<sup>th</sup> largest trading partner
- Effective 1 January 2013

# Australia's Trade & Investment Relationship with Malaysia

Australia merchandise trade with Malaysia, 2011		Total share	Rank	Growth (yoy)
Exports to Malaysia (A\$m)	4,491	1.7%	12 <sup>th</sup>	23.4%
Imports from Malaysia (A\$m)	8,561	3.8%	6 <sup>th</sup>	-5.9%
Total trade (exports + imports) (A\$m)	13,052	2.7%	10 <sup>th</sup>	2.5%

Major Australian exports, 2011 (A\$m)	
Crude petroleum	760
Copper	648
Coal	344
Wheat	303

Major Australian imports, 2011 (A\$m)	
Crude petroleum	3,396
Monitors, projectors & TV	646
Computers	556
Refined petroleum	378

# Australia's Trade & Investment Relationship with Malaysia (continued)

Australia 's trade in services with Malaysia, 2011		Total share
Exports of services to Malaysia (A\$m)	1,644	3.3%
Imports of services from Malaysia (A\$m)	1,330	2.3%

Major Australian service exports, 2011 (A\$m)	
Education-related travel	759
Personal travel excl education	458

Major Australian service imports, 2011 (A\$m)	
Transport	597
Personal travel excl education	499

Australia 's investment relationship with Malaysia, 2011	Total	FDI
Australia's investment in Malaysia (A\$m)	5,692	np
Malaysia's investment in Australia (A\$m)	13,987	np

*Compiled by the Market Information and Research Section, DFAT, using the latest data from the ABS, the IMF and various international sources.*

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## MAFTA – Benefits to Malaysia

- Cheaper goods for Australian and Malaysian consumers
- On day one, Australian and Malaysian businesses will enjoy tariff-free access on 97.6 per cent of goods imported from Australia, rising to 99 per cent in 2017.
- Australia is an open market; the FTA is one more step in fortifying our strong trade and investment relationship.

# MAFTA – Opportunities for Malaysian businesses

Goods	Services
Elimination of 100% tariffs upon entry into force of MAFTA	Education services
	Financial services
	Telecommunications
	Professional services
	Healthcare services
	Research & Development (R&D)
	Construction and related engineering services
	Tourism and travel
	Transport services
	Environmental services
	Other business services

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# Trans-Pacific Partnership Agreement Negotiation

## About the TPP negotiations

- Australia's highest regional trade negotiation priority
- A high-quality agreement
- A living agreement
- Extensive public consultation process
- Currently includes: Australia, Brunei, Chile, NZ, Singapore, Canada, Malaysia, Mexico, Peru, USA, and Vietnam.

## TPP market snapshot (2011)

- GDP: US\$20,734 billion
- GDP per capita: US\$31,491
- Population: 658.4 million
- Trade with Australia: AU\$135.303 billion

## Key interests and benefits

- A building block
- Regional rules of origin
- Additional market access
- Investment and Financial Services
- Engagement with Peru



The background is a solid, warm gold color. On the left side, there are several thin, light-colored lines that form an abstract, geometric shape, possibly a stylized letter or a decorative element. The lines are thin and have a slight gradient, blending into the background. The overall composition is clean and modern.

**Thank you**