

**2ND ASEAN INTER PARLIAMENTARY (AIPA) CAUCUS,
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SUPPORTING A MULTILATERAL TRADING SYSTEM

Background

- The World Trade Organisation (WTO) is the only multilateral organisation that seeks to develop and strengthen international trade rules to improve market access for goods and services.
- WTO agreements establish legally binding rules for the multilateral trading system, bestowing rights and obligations to all Members. The rules provide predictability and transparency that help to ensure fair trade for the international trading community.
- The Doha Round of negotiations under the WTO which commenced in 2001 is still on-going, despite efforts by members to conclude the Round. The Doha Round is comprehensive and covers negotiations in among others agriculture, industrial goods and services.
- The WTO must provide the enabling environment for international trade to flourish by strengthening rules and keeping markets open. The conclusion of the Doha Round is crucial as it can contribute to global growth and development. Global GDP is projected to boost from US\$300 billion up to US\$700 billion a year, while world exports is estimated to increase from US\$180 billion up to US\$520 billion annually.

Comments

- *As a trading nation, Malaysia is highly dependent on international trade and foreign investment and places great emphasis on the role and function of the WTO in ensuring that the multilateral trading system continues to contribute towards stability in growth and development. The WTO must continue to provide an enabling environment for international trade to flourish by strengthening rules and keeping markets open. An open, fair and equitable multilateral trading system will ensure market access for Malaysian products and services.*
- *Malaysia believes that a rules-based multilateral trading system under the WTO is necessary to safeguard the interests of developing countries, as well as ensuring that the world trading system is conducted in an orderly manner. Current global developments has also necessitated that the WTO assumes a significant role in ensuring that trade is not affected by the adverse global economic and financial situation.*
- *The current stalemate in the Doha negotiations at the WTO could erode the credibility of the WTO. Malaysia is willing to work with other members to close the gaps and move forward the process towards conclusion of the Doha Round. As a small economy, Malaysia undertakes collaboration with interested parties or groupings in advancing its interest.*

- *Malaysia supports efforts to intensify negotiations through bilateral, plurilateral, multilateral and any other formats and configurations in the process to close gaps and move negotiations forward. However, there is a need to ensure transparency and inclusiveness, and outcomes from these processes must be multilateralised to the broader membership.*
- *In moving towards a successful conclusion of the Doha Round, it is imperative that areas where there is convergence or agreement should not be re-opened. Members should not introduce new issues as it has taken several years of tough bargaining and compromises to achieve the current agreement.*
- *Although Malaysia is pursuing bilateral and regional trading arrangements (FTAs), the WTO will still continue to remain relevant. Multilateral trade negotiations continue to be the most cost-effective way of opening up markets. Market access derived from WTO negotiations will be global as compared to bilateral trade agreements. Furthermore, issues such as agricultural subsidies, anti-dumping, fishery subsidies cannot be addressed in bilateral agreements, but only through multilateral rules and disciplines.*
- *The WTO also provides an effective mechanism for settlement of trade disputes. The dispute settlement mechanism also protects Malaysia and other smaller trading nations from unilateral actions of bigger trading partners.*
- *Malaysia views the bilateral and regional trading arrangements as complementing and not replacing the multilateral trading system.*