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## **FTA Negotiations with Malaysia welcomed by the New Zealand Meat Industry**

Meat Industry Association Press Release

The Meat Industry Association welcomes the launch of FTA negotiations with Malaysia as a further positive step in enhancing trade relations between long-standing trading partners.

"Malaysia is an important market for New Zealand's high quality beef, sheepmeat and offal products earning approximately NZ\$68million FOB in the year ending May 2004", Chief Executive of the Meat Industry Association, Caryll Shailer, said today. "It is currently New Zealand's 8<sup>th</sup> largest beef market with exports earning approximately \$28million in the year ending May 2004. Sheepmeat export receipts contributed a further \$25million while the trade in offals (predominantly beef) returned a further \$15million."

"New Zealand's meat products exported to Malaysia comply with strict Halal requirements through a well established and recognised halal certification programme. There is potential for New Zealand's meat exporters to enhance their status as preferred suppliers of halal meat, matching demand growth, and assisting Malaysia in its efforts to become a regional hub for producing and processing halal products for the world's 1.8 billion Muslims", Caryll Shailer said.

"Like New Zealand, Malaysia is a strong supporter of multilateral liberalisation, and whilst Malaysia's trade policy is characterised by relatively low applied tariff rates, barriers have been raised "temporarily" in the past in response to economic shocks", Shailer noted. "This has contributed to a degree of uncertainty for business that could usefully be resolved during the FTA negotiations."

A bilateral trade agreement between New Zealand and Malaysia entered into force on 1 January 1998. It aimed to facilitate and promote trade and foster economic cooperation, and encourage enterprises to explore scope for increased trade and investment. It established a Joint Trade Committee to discuss measures for expansion of trade in goods, services and investment. Prime Ministers Clark and Badawi announced today that New Zealand and Malaysia would soon commence negotiation of an FTA. The Government released its study into the benefits of an FTA with Malaysia earlier this month.

"The proposed FTA will complement these existing arrangements as well as providing opportunities to develop new mechanisms where warranted. The creation of a framework for pursuing bilateral concerns, enabling identified barriers to trade (such as import licensing and establishment listing processes), to be constructively addressed in a timely manner is welcomed by the industry", Shailer concluded.

Contact for Further Information

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