TPPA facing its biggest challenge

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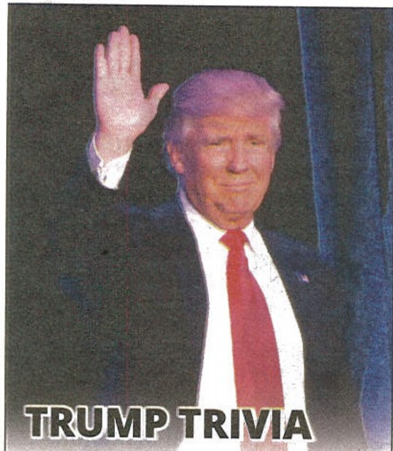
Agreement in danger of collapse after its biggest critic wins US presidency



TRUMP TRIVIA

■ With his totally unexpected victory, Donald Trump will become the first US president to come straight from the business sector without having any experience in public service.

■ At 70, Donald Trump becomes the oldest president-elect for the first term. His nicknames include DJT (his middle name is John) and the 'The Donald'.

■ Trump's campaign has been marked with many shocking revelations – including how he used to grope women and some locker room talk. He also promised to lock up his rival Hillary Clinton over her use of private email server when she was Secretary of State.

■ He also promised to build a wall along the border with Mexico – and make the southern neighbours foot the bill. He also said he would introduce "extreme vetting" of people looking to immigrate to or visit the US. The measure may include a temporary ban on Muslims.

■ He is famous for dismissing global warming as a hoax. He would rather cancel the US contribution to the United Nations and use the money to fix America's water and environmental structure.

■ His wife Melania will become the second foreign born – after Louisa Adams, the English wife of sixth president John Quincy – to become First Lady. Like Betty Ford and Pat Nixon, she was also a model but she will be the first First Lady to have posed nude – for GQ in 2000.

KUALA LUMPUR: The Trans Pacific Partnership Agreement (TPPA) faces its biggest challenge with the election of its major critic Donald Trump as US president. The agreement will collapse without the participation of United States, said its prime mover in Malaysia, Datuk Seri Mustapa Mohamed.

The International Trade and Industry Minister explained that for TPPA to be ratified, it needs at least six countries, accounting for 85% of the combined gross domestic product of the 12 signatories.

"Without the United States, there will be no TPPA," he said when met in Parliament yesterday.

He added that failure to carry out TPPA may affect the Malaysian economy.

"We went into TPPA for the overall interest of Malaysia. To be a part of this process, to do more trading, as we believe that this will help trade and investment for Malaysia.

"Among the reasons why we joined was to get access to Mexico and Canada, countries that we haven't gotten access to," he said.

He, however, was quick to add that it was too soon to make an analysis on the matter.

Trump's shock victory stunned capital markets around the world with investors seeking safe haven assets such as gold to brace the period of uncertainties.

In an immediate after-effect Asian stock markets fell, with Bursa Malaysia performing relatively better than most other markets, shedding less than 1%.

The US dollar index, which measures the strength of the currency against a basket of currencies, spiked to more than 1,207, largely due to the weakening of emerging market currencies and strengthening of safe-haven currencies such as the Yen and Swiss francs.

The ringgit fell to RM4.224 against the greenback, a nine-month low since Feb 25. Gold spot prices went up by almost 5% to US$1,337 (RM5,645) as investors sought shelter in safe haven assets in the period of uncertainty.

Ministers and chief negotiators of TTPA countries are expected to meet in Peru soon to take stock on the fate of the agreement.

International Trade and Industry secretary-general Datuk J. Jayasiri, who was Malaysia's chief TPPA negotiator, said there was no indication so far that Washington under President Barack Obama would not table the Bill in the US Congress for ratification.

"All indications from US Trade Representative Michael Froman is that they are working hard to table it. The US has its own domestic process and for Malaysia we will continue the process of amending our laws," he said.

Peru will host the annual Asia Pacific Economic Cooperaton (Apec) summit on Nov 19 to be attended by Prime Minister Datuk Seri Najib Razak. Obama is also expected to attend.

American Malaysia Chamber of Commerce (Amcham) executive director Siobhan Das said US business investments would continue to find a home in Malaysia.

"Amcham supports all efforts that enable free and fair trade between all parties, and looks forward to working with the new administration to grow US business interests in Malaysia," said Das.

Malaysian Association for American Studies (MAAS) President Prof Dr K.S. Nathan believed that Trump would try to fine tune but would not scrap the agreement.

"They may renegotiate some aspects of it but I don't see Trump pulling back on the TPPA or even the North American Free Trade Agreement".

The US Embassy's *charge d'affaires* Edgard Kagan explained it was still possible that TPPA would be approved by US lawmakers.

"There are different views on trade in the US. President Obama is committed to the TPPA and we will just have to see what happens," he said.

In theory, the TPPA could still be ratified by Congress during its "lame duck" session.

This is the session which takes places after the US presidential election but before the inauguration on Jan 20 next year.