



# Persatuan Pengguna Pulau Pinang Consumers Association of Penang

檳城消費人協會 பினாங்கு பயனீட்டாளர் சங்கம்

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**PRESS RELEASE**

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## **Groups oppose ratification of trans-Pacific trade agreement (CPTPP)**

A wide spectrum of organisations working for consumers, public health, small and medium sized businesses, farmers and the environment strongly call on Prime Minister Tan Sri Muhyiddin Yasin and his government to not ratify the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

These groups have consistently raised concerns with successive Malaysian governments about the serious negative implications of the CPTPP for Malaysia. This agreement that covers almost every aspect of the national economy is essentially the controversial Trans-Pacific Partnership Agreement (TPPA) that triggered nationwide protests from 2014 to 2016. When the United States which was the main proponent of the problematic parts of the TPPA walked out, only 22 of the more than 1000 provisions were suspended.

An analysis by a United Nations senior economist Dr. Rashmi Banga has shown that if Malaysia takes the next step to ratify the agreement, it would worsen the country's trade in goods balance to the tune of billions of ringgit a year.

Studies by the civil society groups including the Consumers Association of Penang show many other problematic provisions in the CPTPP such as loss of tariff revenue, requiring farmers to pay royalties for seeds for 20 or 25 years and prohibiting them from sharing seeds, restrictions on subsidies to fisherfolk, jeopardising small and medium sized enterprises, as well as undermining consumer protection in financial regulations through the e-commerce rules.

One of the biggest problem is that the CPTPP opens the government to investor-to-state dispute settlement (ISDS) which could require the Malaysian government to pay billions of dollars in compensation to foreign investors. This by-passes our judicial system and is a violation of national sovereignty.

Recent statements by the former and current ministers of the Ministry of International Trade and Industry (MITI) have provided important information of the discussions within the Cabinet since 2018.

We welcome the Cabinet decision of 31 July 2019 to reject ISDS on principle and Malaysia has worked with ASEAN and other countries to remove ISDS from the Regional Comprehensive Economic Partnership (RCEP), a regional agreement that is being concluded after the CPTPP.

However, ISDS with all the problems it causes is still in the CPTPP which we strongly object to.


We also stress that the CPTPP is now out of date. Since the CPTPP was negotiated and signed, the world is in the middle of a pandemic with COVID-19. The World Health Organization's chief scientist has warned that the COVID-19 pandemic will take four to five years to get under control, and its

Director-General tells us that “there will be no return to the old normal for the foreseeable future.” With the economic crisis that already started before the pandemic, the world is now facing unprecedented challenges and so governments are taking unprecedented steps to deal with it.

Governments need maximum policy space to deal with the pandemic and assist the economic recovery. However, the CPTPP severely restricts the policy and regulatory space needed to deal with the pandemic and its crises. For example, a number of the measures the Malaysian government has taken to deal with this pandemic (and may need to take in future) could violate the CPTPP.

Countries which have already ratified the CPTPP such as Australia have already had to violate their CPTPP commitments to deal with the pandemic and its economic crises. Australia now screens all foreign investment even though under the CPTPP it is supposed to only screen investments more than A\$252 million (about RM760 million). It is understood that Australia is taking this step during these troubled times so that foreign investors do not buy up Australian assets.

Given that the costs of ratifying the CPTPP outweighed the benefits even before the pandemic, and in light of the CPTPP’s restrictions on Malaysia’s ability to respond to the current pandemic and its economic crisis, let alone future pandemics and crises, Malaysia must not ratify the CPTPP.



**Mohideen Abdul Kader**  
**President**  
**Consumers Association of Penang**

**and on behalf of the following organisations:**

**Agora Society**

**Citizens’ Health Initiative**

**Health Equities Initiative**

**Majlis Tindakan Economic Melayu (MTEM)**

**Malaysian Women’s Action on Tobacco Control and Health (MyWATCH)**

**Persatuan Sahabat Wanita Selangor**

**Positive Malaysian Treatment Access and Advocacy Group (MTAAG+)**

**Padi Rescue**

**Parti Sosialis Malaysia**

**Pertubuhan Persaudaraan Pesawah Malaysia (PeSAWAH)**

**PT Foundation**

**Sahabat Alam Malaysia**