TRADE AND INVESTMENT FRAMEWORK AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF MALAYSIA

The Government of the United States of America and the Government of Malaysia, (hereinafter referred to individually as a "Party" and collectively as the "Parties");

Desiring to enhance the friendship and spirit of cooperation between both countries;

Desiring to develop further the trade and investment existing between the two countries for economic betterment;

Desiring further to strengthen private sector contacts between the two countries;

Recognizing that the liberalisation of trade and investment promotes economic growth and development, and the importance of fostering an open and predictable environment for international trade and investment;

Recognizing the need to ensure that investment, both domestic and foreign, fosters growth, creates jobs, expands trade, improves technology and enhances economic development;

Recognizing that the effective protection and enforcement of intellectual property rights (IPR) encourages technological innovation and investment and encouraging membership in and adherence to IPR conventions;

Desiring to ensure that trade and environmental policies are mutually supportive in the furtherance of sustainable development;

Recognizing the importance of providing adequate and effective protection and enforcement of worker rights in accordance with each nation's own labor laws; and of improving the observance of internationally accepted core labor standards;

Reaffirming their membership in and strong support for the World Trade Organization (WTO);

Desiring that this Framework Agreement reinforce the multilateral trading system; and

Recognizing the contribution of the Memorandum of Understanding Between the Government of the United States of America and the Governments of the Association of Southeast Asian Nations (ASEAN) member countries, signed at Washington D.C., on 21 December 1990, to increase the flows of trade and investment between ASEAN countries and the United States of America;

Hereby agrees as follows:

Article One.

The Parties agree to cooperate, coordinate, and consider ways, as appropriate, to enhance and liberalize trade and investment between the two countries at the bilateral, regional and multilateral levels; including, as appropriate, to enhance their efforts to advance the Doha Development Agenda. Such cooperation and coordination should occur in the Joint Council established under Article Two of this Framework Agreement and in the various bodies of the WTO.

Article Two.

The Parties shall, in accordance with their respective prevailing laws and regulations, establish a Joint Council on Trade and Investment.

Article Three.

1. The Joint Council shall be comprised of representatives of both Parties. All meetings of the Joint Council shall be jointly chaired by the Minister of International Trade and Industry on behalf of the Government of Malaysia and the United States Trade Representative (USTR) on behalf of the Government of the United States of America. The chairs may delegate their authority to their respective senior officials to conduct a meeting of the Joint Council. The USTR and the Minister of International Trade and Industry may be assisted by officials from other government agencies, as necessary; and

2. The Joint Council may establish ad hoc working groups that may meet concurrently or separately to facilitate its work.

Article Four.

The Joint Council shall meet at least once a year and at such times to be mutually agreed upon, for the purpose of:

1. Overseeing the implementation of this Framework Agreement;

2. Reviewing the bilateral trade and investment relationship and identifying opportunities to expand and liberalize trade and investment;

3. Implementing the work programme in the areas outlined in the Annex and periodic reviews of progress in the work programme;

4. Organising consultations on specific trade or investment issues; and

5. Resolving amicably any issues that might arise from implementing the provisions of this Framework Agreement.

Article Five.

1. The Joint Council shall initiate consultations with a view to implementing the work programme for the mutual benefit of the Parties on any of the areas covered in Part 1 of the Annex; and

2. At an appropriate time, the Minister of International Trade and Industry of the Government of Malaysia and the United States Trade Representative may decide to proceed to Part 2 of the Annex.

Article Six.

This Framework Agreement is without prejudice to:

(i) the domestic laws and regulations of either Party; or

(ii) the rights and obligations of either Party under any other international agreement to which it is a Party.

Article Seven.

This Framework Agreement may be amended at any time by written mutual consent of the Parties.

Article Eight.

This Framework Agreement is effective from the date of signature by both Parties and shall remain in effect unless terminated by written mutual consent of the Parties or by either Party upon six (6) months written notice to the other Party.

N WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Framework Agreement.

Done in English in duplicate at Washington, D.C. on May 10, 2004

For the Government of the United States of America

For the Government of Malaysia

Annex. Areas of the Work Programme

Part 1

Initiation of consultations in the following areas:

(1) Facilitation and liberalisation of trade and investment, including non-tariff barriers;

(2) Promotion and protection of investment;

(3) Protection of intellectual property;

(4) Regulatory issues affecting trade and investment policies;

(5) Cooperation in promotion of bilateral trade;

(6) Trade in services, including financial services;

(7) Information and communications technology;

(8) Biotechnology;

(9) Tourism;

(10) Trade-related capacity building and technical cooperation;

(11) Enhancing the participation of SMEs in trade and investment;

(12) WTO and APEC coordination; and

(13) Other areas of economic cooperation to be mutually agreed upon.

Part 2

The Parties agree to examine the most effective means of reducing trade and investment barriers between them, including examination and consultations on the elements of a possible free trade agreement.