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WELLINGTON - NEW Zealand and Malaysia have agreed a free trade agreement, New Zealand Trade Minister Tim Groser said on Tuesday.

Mr Groser said negotiations for the deal had been finalised after negotiations in Kuala Lumpur. This FTA is great news for New Zealand. Our negotiators have secured a high quality, comprehensive FTA that provides commercially meaningful benefits to New Zealand businesses,' Mr Groser said in a statement.

Malaysia is New Zealand's seventh largest trading partner, with two-way trade worth nearly NZ\$3 billion (S\$2.8 billion) annually.

New Zealand exports to Malaysia were worth NZ\$1 million last year and goods exports have been growing at 34 per cent annually since 2005.

'Improved market access and greater certainty for New Zealand goods and services exporters and investors are just some of the benefits achieved,' Mr Groser said.

'It is an important signal that in the midst of the global financial crisis and the creeping tendency towards protectionism internationally, Malaysia and New Zealand have reaffirmed our commitment to trade liberalisation.'

The two countries already have a free trade agreement following the signing of a deal between the Association of South-east Asian Nations (Asean) and Australia and New Zealand in February this year.

But Mr Groser said the new bilateral deal would have more benefits for both countries than the wider Asean deal.

Both Malaysia and New Zealand will seek legal and technical verification of the deal and domestic approval before the signing of the final agreement.

Both countries believe that the final deal will be signed this year, Mr Groser said. -- AFP

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