



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

MEDIA RELEASE

MALAYSIA COMMITTED TO ROLE AS BIOFUEL TECHNOLOGY PLAYER

As one of the world's major palm oil producers, Malaysia will continue to play a major role in ensuring that palm oil remains a sustainable and eco-friendly fuel replacement for the world markets, said Minister of International Trade and Industry, Datuk Darell Leiking.

"Palm oil is a viable option to reduce our dependency on fossil fuels, as it has tremendous potential as a renewable source of energy. As the largest exporter and second largest producer of the palm oil in the world, we sit in a position to ensure that this commodity evolves into an industry that brings such benefits to the global markets, in particular the energy and transportation ecosystem", he said.

Biofuels have recently received significant attention as a viable replacement for fossil fuels. Apart from its potentials as a leading fossil fuel replacement, biofuels are sourced from planted crops, allowing its production to be planned, harvested and renewed sustainably compared to fossil fuels that take millions of years to form and are becoming increasingly scarce.

Furthermore, they have carbon-neutral properties, as planted sources of fuel consume carbon dioxide as they grow, offsetting its carbon footprint during its consumption.

Darell further explained, "While there has been opposition against the current practices of planting palm oil recently, it only shows that there is demand and potential for the sector to emerge as an important player to meet the needs of the energy and transportation sectors.

"Malaysia is equipped with the necessary infrastructure and market size to improve the quality and production of palm based energy products. Apart from strong industry support for biodiesel, agencies such as the Malaysia Palm Oil Board (MPOB), Malaysia Automotive Robotics and IoT Institute (MARii) and SIRIM Berhad have the technological capabilities in elevating palm oil to become a leading contender for renewable energy in the world", he added.

Malaysia introduced B10 biodiesel to its domestic transportation market in December 2018, increasing its blend from its 7% (B7 Biodiesel) to 10%.

The National Automotive Policy, which is currently undergoing review, is expected to continue its inclusion of biodiesel development as an important agenda to the nation's transportation energy efficiency plan, to allow for higher percentage of biodiesel blends over the next few decades.

The government, through MITI (Ministry of International Trade and Industry) and MPI (Ministry of Primary Industries), is aiming to introduce B20 biodiesel by the year 2020. At the same time, MPI is also collaborating with MITI to include a "B20/B30-ready" specification for vehicles in the review of the National Automotive Policy.



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MITI, MPI and their respective agencies have a combined expertise to develop the palm oil industry across the entire value chain, and are equipped with the technical and executive capabilities to implement a roadmap towards increased blends of biodiesel in line with the National Automotive Policy.

To enable such a transition, the Malaysian government has been the country's strongest proponent for biodiesel penetration within the country, through aggressive public campaigns, as well as implementing appropriate vehicle testing, component development and education programmes to successfully introduce increased biofuel blends into the market.

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About MITI

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020.

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