



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

## **MEDIA STATEMENT IN RESPONSE TO THE EUROPEAN PARLIAMENT'S APPROVAL TO THE AMENDMENTS IN THE NEW RENEWABLE ENERGY DIRECTIVE**

1. I share the strong concern expressed by YB Dato' Sri Mah Siew Keong regarding the recent decision by the European Parliament to phase out the use of palm oil by 2021 in the new EU Renewable Energy Directive.
2. This latest development is a clear case of discrimination against palm oil producing countries. It is also a regressive step which will fuel further uncertainty surrounding global trade. As more and more countries around the world embrace protectionism, many had hoped that the EU will provide the necessary leadership role to uphold the principles of free and fair trade.
3. For small trading nations such as Malaysia, this is a worrying development which together with the unfair labeling practices by the private sector in the EU Member States will adversely affect the livelihood of over 650,000 Malaysian oil palm smallholders. I urge the European private sector to be fair and not to be influenced by the vote in the European Parliament and the negative sentiment against our palm oil. Facts must prevail above unsubstantiated claims in this matter.
4. Malaysia is the world's second largest exporter of palm oil and in 2016, 15.2% of our total exports of palm oil went to the EU – worth RM10.3 billion.
5. The EU's latest move is also a potential violation of the WTO rules as it is a deliberate attempt to block the access of palm oil into their market. Malaysia will intensify collaboration with other palm oil producing countries to consider more concerted efforts to voice our strong concern before the various committees under the WTO. More immediately, we will raise this issue at the Committee on Sanitary and Phytosanitary (SPS) and Committee on Technical Barriers to Trade (TBT) in March 2018 and Committee on Market Access in April 2018.
6. At the same time, MITI is currently chairing the meeting of technical experts of the Friends of Palm Oil (FPO) in Geneva to assess the possible impact from this latest development and explore further counter measures and actions. Our outreach efforts will also be enhanced to clarify the



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misperception related to Malaysian palm oil and these will include various lecture series as well as WTO informal dialogue on this issue in the coming months.

7. Malaysia is also seeking a comprehensive solution for the discriminatory treatment to palm oil based biofuels as compared to other crop based biofuels through the Malaysia-EU FTA (MEUFTA) negotiations, which we hope to relaunch sometime this year as well as the proposed ASEAN-EU FTA.

8. MITI will continue to work closely with the Ministry of Plantation Industries and Commodities (MPIC) to ramp up our engagement with the EU countries. We will continue to fight for a just solution in the best interest of our palm oil exporters and smallholders.

**Dato' Sri Mustapa Mohamed**  
**22 January 2018**

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**About MITI:**

The Ministry of Commerce and Industry was established in April 1956 then was renamed as The Ministry of Trade and Industry in February 1972. On 27 October 1990, the Ministry was separated into two Ministries which are; Ministry of International Trade and Industry (MITI) and Ministry of Domestic Trade and Consumer Affairs (KPDN).

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 .

**Media enquiries**

**Ministry of International Trade & Industry**  
**Strategic Communications Unit**

Tel +603 6200 0083

Fax +603 6206 4293

E-mail [allpegkomunikasikorporat@miti.gov.my](mailto:allpegkomunikasikorporat@miti.gov.my)