



## MINISTER OF FOREIGN AFFAIRS MALAYSIA

### PRESS STATEMENT

**FOR IMMEDIATE RELEASE**

**STATEMENT BY THE MINISTER OF FOREIGN AFFAIRS MALAYSIA  
DATO' SAIFUDDIN ABDULLAH  
ON THE ADOPTION OF DELEGATED ACT BY EUROPEAN COMMISSION  
16 MARCH 2019**

The Malaysian Government strongly opposes the Delegated Act published by the European Commission that classifies palm oil as “high risk”.

The Delegated Act drafting and feedback process are flawed from the beginning. The EU’s claim that the Delegated Act is based on calculating the relative risk of biofuels is disingenuous: in reality, the Delegated Act is a protectionist instrument to restrict palm oil in the European market. It is mind boggling that the less competitive and less efficient oilseeds such as rapeseeds, sunflower oil, canola and soybean are classified as ‘low risk’. Palm oil produces higher yield than other oilseeds per hectare, about 4 to 10 times more productive than other oilseeds.

The Malaysian Government does not accept that the Delegated Act is justified on scientific or environmental grounds. No convincing explanation or data have been provided to justify the discrimination against Malaysian Palm Oil.

The Malaysian Government therefore views this EU Delegated Act not as an environmental regulation – but as a calculated political act to remove Malaysia’s palm oil exports from the EU marketplace.

Such an aggressive trade barrier targeted at Malaysia’s national interests, and our 650,000 small farmers, cannot pass without a strong response.

The European Union has long been a friend and partner for Malaysia. It is with great regret that the Malaysian Government would announce, if this Delegated Act is passed into law, that Malaysia would

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look to WTO for recourse. The hard-hitting action by the EU would undermine our nations' cooperation and mutual friendship. Therefore, this matter should be treated in a fair and non-discriminatory manner with equal treatment and access for Malaysian Palm Oil alongside with other oilseed feedstocks.

This situation is highly regrettable – for Malaysian palm oil producers, and for European exporters. It was also avoidable. Malaysia has not displayed any aggression towards Europe that would provoke such a direct and targeted threat to our economic interests. Malaysia has consistently provided evidence of the sustainability of Malaysian Palm Oil, including the country-wide Malaysian Sustainable Palm Oil (MSPO) certification standard.

It is extremely disappointing that the European Union, a trusted and valued friend and ally, would act to undermine Malaysia's national interests in this manner. It is doubly disappointing, as the EU has consistently been a supporter of an international trading system, based on WTO rules. This discriminatory Delegated Act undermines the EU's credibility as a proponent of the WTO-led rules-based system.

The Malaysian Government urges our friends and counterparts in European capitals and in the Council to reject this Delegated Act and to instead preserve and strengthen the strong economic and trading relationship between Europe and ASEAN.

**PUTRAJAYA**

**16 March 2019**