



MINISTRY OF PRIMARY INDUSTRIES

MEDIA RELEASE

MARCH 15, 2019 : STATEMENT BY TERESA KOK, MINISTER OF PRIMARY INDUSTRIES MALAYSIA, ON THE EUROPEAN UNION'S DELEGATED ACT OF MARCH 13 2019 ON THE USE OF PALM OIL IN BIOFUELS.

“Entire Delegated Act process has been based on the politics of protectionism.”

1. I oppose entirely the decision adopted by the European Commission on Wednesday where palm oil is classified as “high risk”. Palm oil producing countries, including Malaysia, have consistently outlined the facts that demonstrate that the Delegated Act is based on inaccurate and discriminatory factors.
2. The decision highlights an unacceptable double standard by the European Commission - it failed to apply the same standard to soy bean oil, despite the fact that the EU’s own research proves that soy bean is a bigger contributor to deforestation. Palm Oil produces eight times more oil than the US soy bean oil per hectare but the

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03-8880 3322



03-8887 8205



pro@mpi.gov.my



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European Commission classifies soybean as “low risk” for political reasons.

3. The entire Delegated Act process has been based not on the science of biofuels, or the science of deforestation, but on the politics of protectionism.
4. The EU likes to speak of its commitment to trade, to poverty alleviation, and the international community. This Delegated Act exposes those words as hollow - the only commitment is to discrimination and protectionism.
5. I also regret the decision of the European Commission to lower the definition of smallholders to 2 hectares compared with the previously proposed 2-5 hectares in the draft Delegated Act. This is totally unacceptable and it is discriminatory and insulting to smallholders in the palm oil producing countries.
6. The Ministry of Primary Industries of Malaysia has sent a delegation to meet EU officials and to present Malaysia’s arguments and position on the proposed Delegated Act in early March.
7. The decision of the European Commission to phase out palm oil as biofuel in Europe on the basis that palm oil causes deforestation is totally without foundation. This move also reflects the EU’s insincerity in implementing the United Nations Sustainable Development Goals (SDGs).

2

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8. Research shows that palm oil is not a major driver of deforestation, and both Malaysia and Indonesia have declared a moratorium on the expansion of oil palm plantations. Palm oil is, however, a driver of poverty eradication. The EU's Delegated Act attempts to enrich Western farmers at the expense of Malaysian small farmers.
9. The Delegated Act is discriminatory against the economies of developing nations in Southeast Asia, Africa and Latin America which produce palm oil, and it is designed to hurt the livelihoods of millions of small farmers.
10. Malaysia's Prime Minister has made clear that if the Delegated Act is finally adopted, Malaysia will investigate retaliatory actions against European exports, to combat this aggressive protectionist measure. Malaysia will also be working with partner countries in the Council of Palm Oil Producing Countries to address this issue in the World Trade Organisation (WTO).

TERESA KOK

Minister of Primary Industries

3

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