



MENTERI INDUSTRI UTAMA
(Minister of Primary Industries)

Ref.no.: MPIC (S) 19(05) 494/22 Klt.5 ()
Date: 31 December 2018

H. E. Mr. Francois de Rugy
Minister of the Ecological and Inclusive Transition
Hotel De Roquelaure
246, Boulevard Saint Germain
75700 Paris, FRANCE

Your Excellency,

It gives me great pleasure to convey my New Year greetings to you and the People of the French Republic.

2. I write to you in your capacity as Ministers responsible for Environment, regarding the recent vote in the French National Assembly to effectively ban palm oil biofuels in France. While this may not be a technical 'ban', we can agree that the motivation, and the effect, is to make palm oil biofuels uneconomical, exclusion from the national renewable energy and mandate and therefore aims to discontinue palm oil's future use in France.

3. The Government of Malaysia strongly opposes the proposed ban on palm oil biofuels. The ban is deemed to be discriminatory, unfair, and would negatively impact 650,000 rural small farmers across Malaysia who depend on palm oil for their livelihoods as well as employment for more than 2 million people. If such a ban were to be implemented by France, it may have significant negative consequences for the future of Malaysia's trading relationship with France, and with the European Union (EU) as a whole.

4. The Malaysian Government is committed to a positive and strong relationship with France as partners and allies in the international community. I would appeal to you, and your colleagues in Government, to reject the French National Assembly's proposal for a discriminatory and damaging ban on palm oil biofuels. Such a ban would undermine our nations' co-operation and mutual friendship.

5. The exclusion (declassification) of palm oil products as biofuels has no justification, neither in ecological aspect nor otherwise. Therefore, this matter should be treated in a fair and non-discriminatory manner by France, with equal treatment and access for Malaysian Palm Oil, alongside with other oilseed feedstocks. I wish to assure you that Malaysia is committed to produce sustainable palm oil through the mandatory certification of Malaysian palm oil under the Malaysian Sustainable Palm Oil (MSPO) certification scheme by December 2019. In addition to this palm oil producers/suppliers regularly volunteer to adhere to additional international sustainable biofuel certification such as the International Sustainable Carbon Certification (ISCC), Germany.

6. On behalf of the Government of Malaysia, I would appeal to you to support Malaysia, and reject the proposed ban on palm oil biofuels, for the following reasons:

- The proposed ban is discriminatory. No other oilseed or oil bearing crop has been targeted. The proposed ban is a trade impediment, and would likely infringe WTO rules.
- The claim that Palm Oil is responsible for deforestation is demonstrably untrue. The EU's own research shows that Malaysian Palm Oil use in EU represents only a tiny percentage of deforestation, far behind other commodities. Beef and soy, to name only two, are responsible for far greater deforestation.
- In 1992, at the Rio Earth Summit, the Government of Malaysia has pledged to retain 50% of land area as forest area. That commitment is still being met today. Malaysia's forest protection and conservation is superior to that of France as we have 55.3% of its land area under forest cover (France has 31%, less than half).

7. It is my duty to convey the urgency and importance of the issue to Malaysia. Any ban on palm oil biofuels would harm millions of Malaysians dependent on the sector, and would therefore necessarily cause disruption to France-Malaysia and EU-Malaysia relations. The ban could lead to regrettable economic and trade consequences for both Malaysian exporters of palm oil, and French exporters of other products. Malaysia is highly concern on such a bold move to our core export commodity as that represented by the National

Assembly's vote. I am certain that other palm oil producing countries would feel and respond the same. Such a regrettable path is wholly avoidable if the National Assembly's aggressive measure can be removed.

8. I would therefore ask, respectfully, that your good office to communicate to the French Government, in the strongest possible terms, Malaysia's displeasure at this development.

9. I would be happy to discuss this issue further, or provide any supporting information and documentation, should you have any questions. I look forward to your response.

Please accept, Your Excellency, the assurances of my highest consideration.

Thank you.

A handwritten signature in black ink, appearing to read 'Teresa Kok', with a large, stylized initial 'T'.

(TERESA KOK)

Minister of Primary Industries

