

29 June 2018

H.E. Dr Rizal Sukma
Ambassador of The Republic of Indonesia

H.E. Mr Nestor Osorio
Ambassador of Columbia

H.E. Mr. Dato Ahmad Rasidi Azizi
High Commissioner of Malaysia

H.E. Mr Pisanu Suwanajata
Ambassador of the Kingdom of Thailand

H.E. Mr Ivan Romero-Martinez
Ambassador of Honduras

Thank you for your letters dated 2 May 2018, to the Rt Hon Boris Johnson MP, the Rt Hon Fox MP, the Rt Hon Michael Gove MP, the Rt Hon Greg Clark MP, Mr Richard Graham MP, Paul Scully MP and Mr Mark Menzies MP, about the recast European Union (EU) Renewable Energy Directive (RED). I am responding on behalf of the Government.

I recognise the important role that palm oil production plays in your countries' economies and understand that the language previously introduced by the European Parliament in relation to biofuels produced from palm oil caused some concern. A compromise deal has now been reached between Member States, the European Commission and the European Parliament which no longer includes any reference to palm oil.

What it does include is a provision limiting and ultimately excluding any biofuels, bioliquids or biomass fuels with a high risk of causing indirect land use change (ILUC) from counting towards the EU renewable energy targets. This is because high ILUC risk biofuels may perform worse than fossil fuels in terms of their greenhouse gas emissions. As such, they should not count towards renewable energy targets. Where biofuels have been certified as low indirect land use change risk, they will be exempted from this provision.

The Commission will set out the details of this provision, including the criteria for determining low ILUC risk biofuels and the certification process for low ILUC risk biofuels, by 1 February 2023 based on best available scientific data and with a review set for 2023. We are therefore confident that palm oil will receive a fair hearing based on objective criteria and analysis. Any provision of course also need to be compatible with WTO rules.

The UK has always been a proponent of transparency in the EU decision-making process and understand your desire to participate in this process where it could have a significant impact on your economies. I would recommend engaging directly with the EU institutions you would like to engage with.

have a dialogue with on this point, as they will be best placed to inform you of how to feed into this process.

Thank you for sharing your views on this important issue with us; we look forward to continue engagement with you on these issues.

THE RT HON GREG CLARK MP

Secretary of State for Business, Energy & Industrial Strategy