

**JOINT STATEMENT
BILATERAL MINISTERIAL MEETING
9th FEBRUARY 2023**

1. The Deputy Prime Minister and Minister of Plantation and Commodities of Malaysia, YAB Dato' Sri Haji Fadillah bin Haji Yusof, and the Coordinating Minister for Economic Affairs of the Republic of Indonesia, H.E. Airlangga Hartarto representing the CPOPC Ministerial Council held a Bilateral Ministerial Meeting followed by the Palm Oil Industry Dialogue on 9 February 2023 at the Mandarin Oriental Hotel in Jakarta, Indonesia.

2. In the meeting, the Ministers discussed some of the pressing issues with regard to the palm oil industry, and proposed a joint approach and possible coordinated actions. Both Ministers agreed to continue protecting the palm oil sector by strengthening efforts and cooperation in addressing discrimination against palm oil. In particular, Ministers discussed the European Union's Deforestation-free Commodities regulation. Both Ministers expressed grave concern on the adoption of the regulation, which will have significant negative impacts on global palm oil exports as well as other developing countries. The Ministers agreed that the Regulation is a protectionist instrument that will raise costs for exporters of palm oil and reduce their competitiveness against other vegetable oils in the European Union. The Ministers noted their disappointment to the European Union that has not conducted consultations with its trading partners in a meaningful way.

3. In relation to that, strategies for a wider recognition of ISPO and MSPO in the global market were discussed and to be actively pursued, including the benchmarks and pathways for the recognition. The meeting also discussed strategies on the expansion of CPOPC membership and saw the possibility of Honduras becoming the third member of CPOPC very soon. In further enhancing the visibility of CPOPC, the meeting agreed to intensify engagement with the United Nations bodies. The Ministers also concurred for more

coordinated efforts between the two governments to resolve the issue of labour shortages and legalization of foreign workers in the industry.

4. In response to the recent political agreement on the proposal of the European Union Deforestation-free Commodities, the meeting agreed to conduct a joint mission to the EU in communicating the unintended consequences of the regulation to the palm oil sector, especially on possible exclusion of smallholders from the supply chain, and in seeking possible collaborative approach among parties concerned. CPOPC intends to continue engaging with the EU in seeking favourable outcomes for both producing and consuming countries. The meeting agreed on the feasibility of using ASEAN as a strategic platform to voice the concerns of palm oil sector.
5. The Ministers also agreed that following the joint mission to the EU, a visit will also be made to India to harness some of the potential opportunities in the country. The visit among others, aims at promoting further the use of palm oil following the recognition of ISPO and MSPO by India through a joint initiative with the Indian Palm Oil Sustainability Framework (IPOS), and the introduction and acceptance of CPOPC's Global Framework of Principles for Sustainable Palm Oil (GFP-SPO).
6. Following the bilateral meeting, both ministers participated in the working lunch and industry dialogue that was attended by the representatives of key stakeholders of the oil palm sector of both Indonesia and Malaysia. During the dialogue session, H.E. Airlangga Hartarto officially handed over the chairmanship of CPOPC to YAB Dato' Sri Fadillah bin Hj Yusof as Malaysia will be the Chairman for 2023.
7. The takeaway of the Industrial Dialogue was that everyone including the Government, Private Sectors and smallholders need to be united in addressing the prevailing common issues plaguing the industry for the good of the palm oil producing countries.

