

**STATEMENT BY THE MINISTER OF FOREIGN AFFAIRS OF MALAYSIA
ON NORWEGIAN PARLIAMENT'S VOTE ON PALM OIL**

1. On 3 December 2018, the Norwegian Parliament voted to limit and phase out palm oil through measures and taxes in biofuels policy, effective 1 January 2020. The Norwegian Parliament requested its Government to formulate a comprehensive proposal on biofuel policies, in order to exclude biofuels with high deforestation risk. In this context, the Norwegian Parliament cited palm oil as a high contributor to deforestation, a decision that Malaysia sees as a de facto ban.
2. The Government and people of Malaysia strongly oppose the proposed ban on palm oil biofuels. This ban is discriminatory and unfair, and would negatively affect 650,000 small rural farmers across Malaysia and adversely impact the earnings and wellbeing of nearly 2 million Malaysians who are dependent on the palm oil industry for their livelihood.
3. Given this discouraging development, Malaysia calls on Norway to reject any moves to prevent the use of palm oil biofuels, for the following reasons:
 - i. The proposed ban is discriminatory. No other oil seed or oil bearing crop has been targeted. The proposed ban would impede trade and would likely violate WTO rules.
 - ii. The claim that palm oil is responsible for deforestation is demonstrably untrue. Research show that the Malaysian palm oil industry is not the driver of deforestation. In fact, oil palm cultivation ranks far behind other commodities. Beef and soy, to name only two, are responsible for much greater deforestation.
 - iii. At the Rio Earth Summit in 1992, the Government of Malaysia pledged to retain 50% of its land area as forest cover. This commitment is still being met today. Malaysia is highly committed in protecting and conserving its forests, with 55.3% of our total land area under forest cover. This is far higher than the forest cover in most large European countries, including France, Germany, Italy and the United Kingdom.
4. Malaysia is working hard towards achieving the highest standards of sustainability in its development efforts. Malaysia has made considerable progress in its journey towards sustainability, especially in its palm oil industry. The Malaysian oil palm industry continues to adopt measures towards reducing Greenhouse Gas (GHG) emission, subsequently reducing impact to the environment. Malaysia has also adopted the mandatory Malaysian Sustainable Palm Oil (MSPO) certification scheme, every drop of palm oil produced in Malaysia will be certified sustainable by 2020. Malaysia is collaborating with the International Sustainability & Carbon Certification (ISCC) towards strengthening MSPO principles and criteria, in line with

globally accepted practices on sustainability. Currently, Malaysian biofuels exported to Europe are fully certified by ISCC.

5. The vote by the Norwegian Parliament to ban palm oil was based on the false assumption that our oil palm cultivation is driving deforestation. With an annual deforestation rate of below 0.5%, FAO itself has classified Malaysia as a high forest and low deforestation country. More importantly, all of Malaysia's oil palm cultivations are on legally designated agricultural lands. New oil palm plantations in the country have plateaued in recent years and will remain so. The Malaysian palm oil industry is now focused on improving productivity and yields, rather than expanding new lands. In fact, oil palm uses the least land while producing the highest yield, namely about 4 to 10 times more productive than other oil crops, such as rapeseed, corn, soya and canola.
6. In light of the unfair treatment of palm oil, Malaysia requests for the Government of Norway to re-assess the matter. We seek Norway's support to provide equal access to sustainable palm oil alongside other biofuel feedstock. Malaysia looks forward to working together with Norway on this matter, and to further strengthen bilateral cooperation, including in the field of sustainable development.
7. A letter from Prime Minister of Malaysia, Tun Dr. Mahathir Mohmad has been sent to Prime Minister of Norway, Mdm. Erna Solberg. The letter explains Malaysia's position on the vote by the Norwegian Parliament on palm oil. During a meeting on 18 February 2019, Tun Dr. Mahathir reiterated the country's position to Ambassador of Norway to Malaysia, Gunn Jorid Roset, and also welcomed the incoming visit of Minister of Trade and Industry of Norway to Malaysia, next week to explore new areas of cooperation with Malaysia as well as to study the development in the palm oil industry.

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PUTRAJAYA