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# Palm oil tax takes centre stage in Najib-Hollande meet

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THE discriminatory import tax on Malaysian palm oil imposed by the French government was one of the main issues deliberated and discussed by Prime Minister Datuk Seri Mohd Najib Razak, in his bilateral meeting with visiting President Francois Hollande.

International Trade and Industry Minister Datuk Seri Mustapa Mohamed said the repeated attempts by the French government to raise import tax for palm oil, have negatively affected the branding and trading of the crude palm oil for Malaysia.

"The matter is a concern for the government as it affects our economy," Mustapa told reporters after witnessing six memo-

randa of understanding inked between private sectors from Malaysia and France, yesterday.

In January last year, the French Parliament approved a bill that would raise the import tax of palm oil from €100 (RM479.00) per tonne to €300 from 2017, €500 per tonne from 2018, €700 per tonne from 2019 and eventually up to €900 per tonne.

The Malaysian government and the Malaysian Palm Oil Council (MPOC) had condemned the efforts by the governing party of France, the Socialists, to impose a discriminatory tax on palm oil, as it is deemed disproportionate and discriminatory.

Meanwhile, Mustapa said Hollande's visit to Malaysia

would also draw more French companies to invest in the country, on top of the over 270 French firms currently operating businesses in Malaysia, with an investment value of RM15 billion.

French firms have presence in the manufacturing, services and finance sectors.

Hollande arrived in Malaysia on Monday night for a two-day working visit. He left for Jakarta from Kuala Lumpur last night.

Last year, France was Malaysia's 18th-largest global trading partner, 20th-largest exports destination and 16th-largest source of imports.

Within the European Union (EU), France was Malaysia's fourth-largest trading partner

and exports destination, and second-largest source of imports.

Total trade between Malaysia and France in 2016 increased by 6.3% to RM15.23 billion from 2015.

Malaysia's exports to France amounted to RM5.75 billion, while imports stood at RM9.49 billion.

In terms of investment, France is Malaysia's 5th-largest foreign investor in the manufacturing sector among the EU member states.

As of the end of 2016, a total of 117 manufacturing projects had been implemented, providing more than 10,000 job opportunities.

"The cumulative investment of top 10 manufacturing pro-

jects implemented by French companies totalled RM11.19 billion. These include STMicroelectronics, Lafarge, CJ Arkema, Safran SA, Technip-FMC plc and Airbus SAS," said Mustapa.

He added that in terms of regional establishments, France was the largest approved investor from the EU for the period of 2006-2016, with 73 projects amounting to RM2.2 billion.

Among the companies with established regional operations in Malaysia are ESI Group, Saint Gobain Malaysia Sdn Bhd, InfoVista Sdn Bhd, Monin Asia KL Sdn Bhd and Centre Technique Des Mecaniques-CETIM. — by P PREM KUMAR