

**JOINT COMMUNIQUE**

**THE THIRD JOINT COMMITTEE MEETING ON BILATERAL  
COOPERATION ON COMMODITIES BETWEEN  
THE GOVERNMENT OF MALAYSIA AND THE GOVERNMENT  
OF REPUBLIC OF INDONESIA  
BALI, INDONESIA 25 APRIL 2008**

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The Third Joint Committee Meeting on Bilateral Cooperation in Commodities between the Government of Malaysia and The Government of Republic of Indonesia was held in Bali on 25 April 2008. The Malaysian delegation was led by YB Datuk Peter Chin Fah Kui, Minister of Plantation Industries and Commodities and the Indonesian delegation was led by H.E. Dr. Ir. Anton Apriyantono, Minister of Agriculture, Indonesia.

2. The meeting considered progress made in cooperation activities in the areas of Palm Oil, Cocoa and Pepper.
3. The meeting agreed on the following:

**Cooperation in Palm Oil**

- Both countries took note on the developments in Europe especially the EU Directives on Renewable Energy Resources and Fuel Quality which discriminate palm oil against other vegetable oils. Although both countries fully support the need for sustainable development, it should not be used as a trade barrier by discriminating palm oil against other vegetable oils. The allegations and claims made by the EU on carbon emission resulting from the oil palm plantation will be rebutted by providing scientific data which will be premised on internationally adopted frameworks such as ISO standards 14064 and 14065.
- Both governments reaffirm their earlier commitment to allocate 6 million tons of CPO for biodiesel production. In this context both countries will encourage domestic utilization of biodiesel in the related sectors.

- National governments in Europe have led efforts to define sustainability criteria for biofuels. These criteria are lopsided and unfair to the palm oil industries. It seems that for Indonesia and Malaysia, which are the major palm oil producing countries, carbon emission levels, amongst others, are used to indicate sustainability criteria but often these figures are meant to discriminate against palm oil by doubtful scientific studies or references. However, doubts created about sustainability of palm oil are caused mainly by misinformation and lack of accurate data from reliable sources. For example, the large carbon absorption of oil palm, a perennial crop, is not given its due recognition. Indonesia and Malaysia would like to urge the EU authorities that fair sustainability criteria are imposed on all vegetable oils.
- Indonesia and Malaysia will ensure that sufficient documentation is made available on forest and biodiversity conservation measures and on the carbon footprint of palm oil and this information will be given to relevant policy makers at both political and technical levels.
- Both governments intend to be pro-active and engage stakeholders in the supply of sustainable palm oil. In this context Indonesia and Malaysia will ensure that the objective of supplying sustainable palm oil is met. It is noted that the oil palm industry has made significant contribution towards maintaining good agricultural practices.
- Indonesia and Malaysia will be actively involved in shaping the various discussions on environment at the EU level so that the outcomes are fair and non discriminatory to palm oil.
- To further emphasize both countries positions, Indonesia and Malaysia will jointly address EU parliamentarians in a dialogue in early September and followed by participation at the World Sustainability Conference in London on 15 September 2008.

### Cooperation in Cocoa

- Both countries stressed on the importance of quality and agreed that production of quality cocoa beans and cocoa products start at the farm level and throughout cocoa supply chain. Hence, we stress that cocoa production and processing in both countries should follow the Good Agricultural Practices (GAP) to ensure that the cocoa beans and cocoa products meet the quality and

food safety requirements of global consumers. On that note both countries agreed to work closely to assist each other to achieve the goal of producing standard quality cocoa beans and cocoa products through various cooperation and collaborations.

- Both countries also agreed to promote enhanced participation of the private sector taking into consideration of the social, economic and the environmental elements of the cocoa community.

#### Cooperation in Pepper

- Both countries agreed to enhance cooperation in the development of the pepper industry through amongst others, exchange of information, development of organic pepper and product development as well as product quality, by addressing issues related to cultivation and processing.
- In addition both countries agreed to participate in trade exhibitions in each other's country. In this context, Malaysia extended an invitation to Indonesia to participate in MICCOS exhibition in July 2009 in Kuala Lumpur, Malaysia.

#### New Area for Cooperation - Jatropha

Both countries will cooperate in the development of Jatropha industry under the ambit of renewable energy. In this context, the cooperation will cover R&D activities related to agronomic practices, breeding of quality seeds and processing technologies.

Bali,Indonesia  
25 April 2008