

## **JOINT COMMUNIQUE**

### **THE SIXTH JOINT COMMITTEE MEETING ON BILATERAL COOPERATION ON COMMODITIES BETWEEN THE GOVERNMENT OF MALAYSIA AND THE GOVERNMENT OF REPUBLIC OF INDONESIA KUCHING, SARAWAK, MALAYSIA, FRIDAY, 13 MAY 2011**

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The Sixth Joint Committee Meeting (JCM) on Bilateral Cooperation on Commodities between the Government of Malaysia and the Government of Republic of Indonesia was held in Kuching, Sarawak, Malaysia on Friday, 13 May 2011. The Malaysian delegation was led by H.E. Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities, and the Indonesian delegation was led by H.E. Dr. Ir. H. Suswono, Minister of Agriculture.

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:

#### **A. Cooperation in Palm Oil**

##### **Countering Anti-Palm Oil Campaign**

- As part of ongoing activities to address barriers to palm oil trade, both Ministers will be undertaking a Joint Mission to United States from 24 – 26 May 2011. The itinerary of this Joint Ministerial Mission to Washington, D.C. includes bilateral meetings with the US Secretary of Agriculture, US Secretary of Energy, US Environmental Protection Agency, US Secretary of Commerce and US-ASEAN Business Council. This is a continuation of a similar mission to the EU in November 2010.
- To address negative publicity on palm oil in the European Union (EU), the Ministers supported the idea on the establishment of the European Palm Oil Council (EPOC). This body will provide the industry a collective platform to represent both countries on public debates that relate to

palm oil issues such as sustainability, energy security, public health, address NGOs' anti palm-oil campaigns, non-aligned lobby groups, media, journalists and feedbacks of Members of the European Parliament. In this context, both countries to finalise the proposal on the establishment of the EPOC before end 2011.

#### The EU Directive on the Promotion of the Use of Renewable Sources (EU RED)

- Malaysia and Indonesia will accelerate work in obtaining legal views regarding the consistency of the EU RED with the WTO provisions. This will allow both countries to consider the possibility of consultation with the legal division of WTO.

#### Food Standards Amendment (Truth in Labeling – Palm Oil)

- Malaysia and Indonesia voiced their concerns on the implications of the proposed legislation on labeling of palm oil in food products under Australia's Food Standards Amendment (Truth in Labeling – Palm Oil) Bill 2010. Both countries are of the view that such a move is discriminatory, as other vegetable oils are not required to be labeled as sustainable.
- In addition, Malaysia and Indonesia expressed concerns that the imposing of such conditions may negate the development of the palm oil industry in both countries, which is an important pillar in the agriculture sector. The palm oil industry has contributed significantly towards reducing rural poverty and promoting economic growth in both countries.
- In this regard, both countries will continue to monitor the development of this Bill and also encourage their palm oil related associations from their respective countries to submit their concerns to the Community Affairs Legislation Committee. The Ministers also agreed that they will also express their concerns to their Australian counterpart,

taking into account the long term impact of this legislation for market access for palm oil products.

### Sustainable Palm Oil

- Both countries agreed to cooperate in developing sustainable palm oil certification system including developing a similar scheme in Malaysia. Indonesia has implemented Indonesian Sustainable Palm Oil (ISPO) certification since 1 April 2011. This is to strengthen market access for palm oil products from both countries.

## **B. Cooperation in Cocoa**

### Maximum Residue Limits (MRLs)

- Malaysia and Indonesia have agreed to continue exchange and share information on the Maximum Residue Limits (MRLs) of pesticides and contaminants in cocoa beans. This will contribute towards addressing concerns on food safety.

### Mutual Recognition Agreement (MRA)

- To further promote bilateral trade in cocoa beans and cocoa products, both countries to undertake work towards a Mutual Recognition Agreement (MRA) on the auditing requirement to obtain Standar Nasional Indonesia (SNI) Certificate on cocoa powder.

### Participation in the International Cocoa Organisation (ICCO)

- Malaysia welcomed Indonesia's decision to join the International Cocoa Organisation (ICCO) by end of 2011. This will allow both countries to undertake joint projects including funding from international bodies.

## **C. Cooperation in Pepper**

- Malaysia and Indonesia agreed to continue to jointly cooperate in developing their respective human resources, quality control measures and adopting a common stand in

areas of mutual interest in the global pepper trade. In this regard, both countries will facilitate exchange of visits to pepper farm and pepper processing facilities. Malaysian Pepper Board will organise a visit for Indonesia representatives to a pepper farm on 12 and 13 May 2011. Indonesia is to organize a visit for Malaysia representatives to a Jamu factory on 29 October 2011.

4. Malaysia and Indonesia also agreed to expand the cooperation coverage under this framework to include Jatropha. Both countries to formalise this cooperation before the next Joint Committee Meeting.

5. Malaysia extended an invitation to Indonesia to participate in Malaysia's biennial commodity trade and exhibition. The Malaysian International Commodity Conference and Showcase (MICCOS 2011) organized by the Ministry of Plantation Industries and Commodities will be held from 28 – 30 October 2011 in Malaysia Agro Exposition Park Serdang, Selangor and will showcase the developments in the commodity sector. It is expected to be participated by more than 1,000 exhibitors. Indonesia also invited Malaysia to participate International Seminar and Expo on Spices hosted by the Indonesia Spices Council from 22 – 24 September 2011 in Jakarta, Indonesia.

Kuching, Sarawak, Malaysia  
13 May 2011