



# Ad hoc Expert Group Meeting on Trade Remedies in Green Sectors – the case of Renewables

## Malaysia's Perspective

Kalanithi Nesaretnam  
Embassy of Malaysia  
UNCTAD, Geneva, 3 April

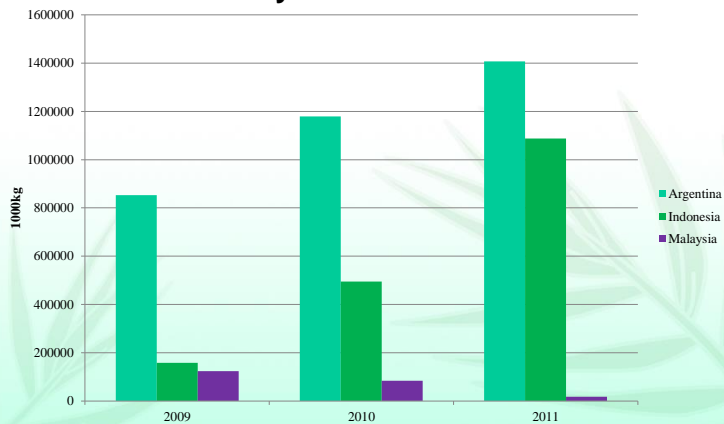


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### FAME Imported to EU From Argentina, Indonesia, Malaysia 2009 - 2011

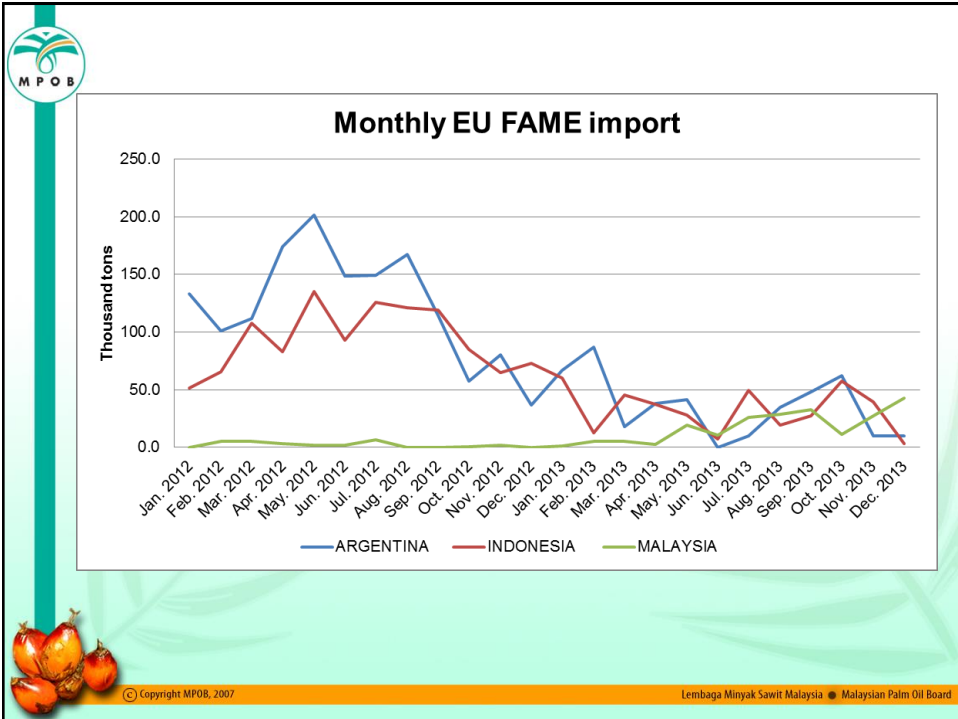
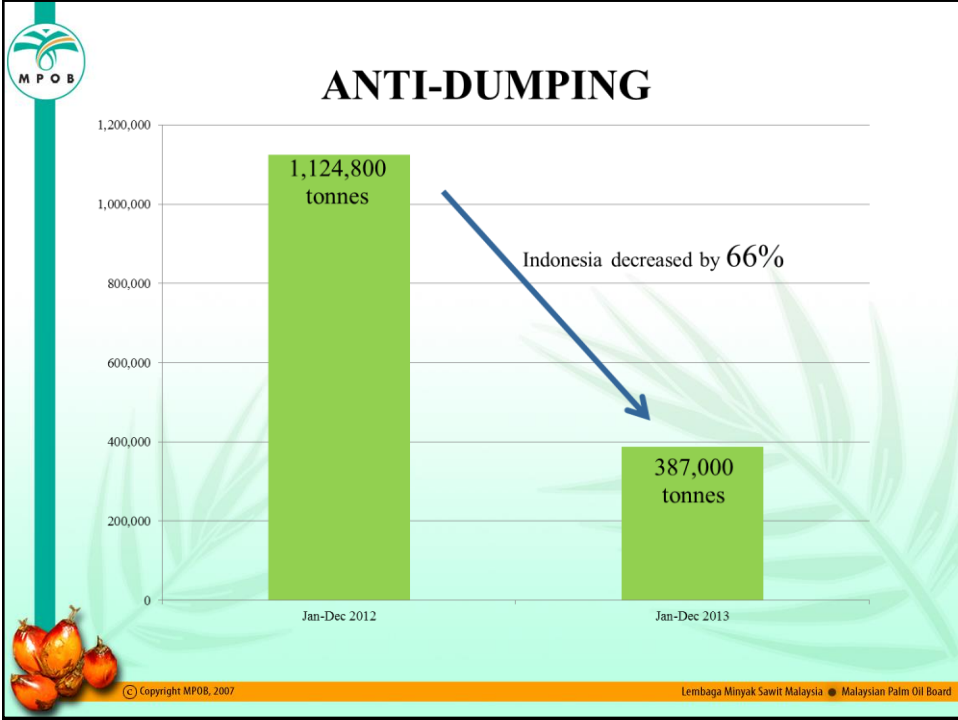


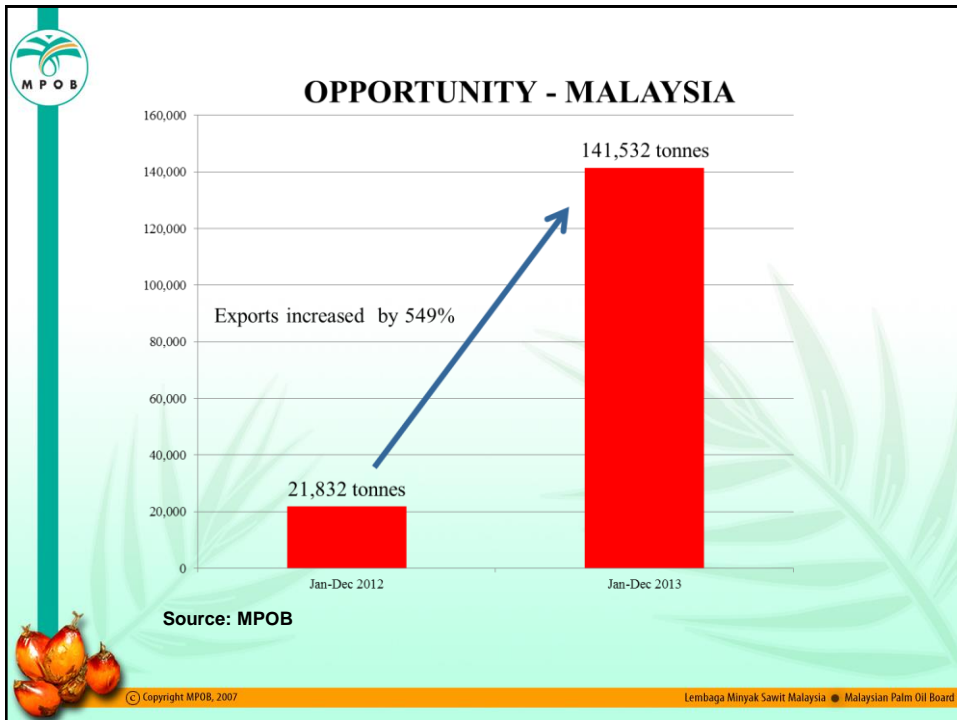
Source: Eurostat



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## EU's Anti-dumping Counter Measures

The EU's anti-dumping measures against Argentina's and Indonesia's biodiesel imports cut off the major biodiesel exporters to the EU that had heavily relied on these imports because of lower price.

Considering the EU anti-dumping measures and the alternative biodiesel exporting countries, some Research & Consulting projects assume that Malaysian and U.S. biodiesel producers having sufficient production capacity could increase biodiesel exports to the EU.

However, these biodiesel exports will not be significant as they are challenged by several factors:

- The EU could extend the anti-dumping duties on U.S. biodiesel imports;
- The final U.S. mandate for 2014 could be revised upward;
- The EU sustainability criteria (e.g., GHG emission reduction thresholds) for palm and soy-based biodiesel from the U.S. and Malaysia; and
- Malaysia's exclusion from the EU GSP scheme from January 2014

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## Biodiesel Implementation in Malaysia

- The National Biofuel Policy was announced in 2006
- The policy is primarily aimed at reducing the country's dependence on depleting fossil fuels, promoting the demand for palm oil as well as stabilising its prices at a remunerative level.
- The Policy is underpinned by five strategic thrusts:
  - Thrust 1: Biofuel for Transport
  - Thrust 2: Biofuel for Industry
  - Thrust 3: Biofuel Technologies
  - Thrust 4: Biofuel for Export
  - Thrust 5: Biofuel for Cleaner Environment



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## National Implementation

- B5 for transport sector started in June 2011 in the Federal Territory of Putrajaya and was extended to the whole of the Central Region of Peninsular Malaysia (covering 5 states) by November 2011.
- In July 2013, it was extended to Southern Peninsular Malaysia covering the state of Johor.
- In February/March 2014, it was extended to the whole of Peninsular Malaysia.

**Total annual consumption : 250,000 tonnes biodiesel**



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## National Implementation

- Nationwide B5 implementation for transport and industrial sectors is expected before end of 2014 pending completion of 15 blending facilities in East Malaysia.
- Estimated annual consumption : 500,000 tonnes biodiesel.



## The Way Ahead

- Plans are underway to increase the blending ratio to B7 and later B10.
- Consultation with all stakeholders in progress.
- Minimal objection so far for B7; B7 targeted for January 2015 (Estimated annual consumption 700,000 tonnes biodiesel).
- B10 implementation face technical objections and reservations from various parties. May need more time to resolve this before any mandatory implementation.

(Estimated annual consumption : 1 million tonnes biodiesel)





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for  
your kind  
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