

OFFICIAL_SENSITIVE

From: [redacted] ESP-Exports [redacted]
Sent: 05 February 2018 18:39
To: [redacted] IPP-AP6 [redacted]
Cc: [redacted] (IPP- [redacted])
Subject: RE: DIPTTEL KUALA LUMPUR (SENSITIVE): MALAYSIA: EU PALM OIL BAN OFFICIAL_SENSITIVE

Just wondering how you got on earlier at the FCO?

[redacted] Exports [redacted] Ministry of Defence [redacted] Whitehall London SW1A 2HB [redacted]

From: [redacted] IPP- [redacted]
Sent: 05 February 2018 10:31
To: [redacted] ESP-Exports [redacted]
Cc: [redacted] IPP- [redacted]
Subject: FW: DIPTTEL KUALA LUMPUR (SENSITIVE): MALAYSIA: EU PALM OIL BAN OFFICIAL_SENSITIVE

The EU appear set to ban Palm Oil imports from Malaysia who are already pressing the UK for a position. This could affect our bilateral relationship and potentially defence sales. I'm attending a xWH meeting today (1400 Mon 5 Feb 18, India Room FCO).

Please let me know if there are any specific points which you may wish me to raise.

Regards,

[redacted] International Policy and Planning [redacted] South East Asia [redacted]

[redacted] Address: [redacted] Ministry of Defence, Main Building, Whitehall, London, SW1A 2HB

From: [redacted] fco. [redacted]
Sent: 05 February 2018 07:53
To: [redacted] (IPP- [redacted] fco. [redacted] Exports- [redacted])
Cc: [redacted] fco. [redacted] fco. [redacted] IPP- [redacted]
Subject: FW: DIPTTEL KUALA LUMPUR (SENSITIVE): MALAYSIA: EU PALM OIL BAN OFFICIAL_SENSITIVE

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The FCO has classified this message as OFFICIAL-SENSITIVE. Please ensure you handle it appropriately.

[REDACTED]

A quick heads up on an emerging issue – Malaysia and the EU Palm Oil ban. If not already seen, you should scan the DIPTEL below. It was released on Friday and was very much a whole of mission effort.

This is a big issue for Malaysia and, if not handled correctly, has the potential to impact on bilateral trade, particularly defence sales (Typhoon). [REDACTED]

The Malaysians are pressing us for a UK position. We don't have one yet, but I understand it is being made a priority for cross Whitehall consideration. We should expect every Minister engaging with Malaysia to be lobbied on palm oil, and Najib will undoubtedly raise it with the PM at CHOGM.

One to be aware of and probably worth socialising within MoD. Happy to feed in more as required.

Regards,

[REDACTED]

[REDACTED]

British High Commission | Level 27 Menara Binjai | 2 Jalan Binjai | Kuala Lumpur 50450 | Malaysia

[REDACTED]

[UKinMalaysia Website](#) | [UKinMalaysia Facebook](#) | [UKinMalaysia Twitter](#) | [UKinMalaysia Defence Section Twitter](#)

(A)

From: [REDACTED] (DEFRA) [REDACTED]

Sent: 14 February 2018 15:13

To: [REDACTED] (DDC-PR) [REDACTED]

Subject: RE: Palm Oil

Thanks [REDACTED],

Appreciate your help and assistance with this.

Best wishes.

From: [REDACTED] DDC-PR [REDACTED]

Sent: 14 February 2018 14:52

To: [REDACTED] (DEFRA)

Subject: RE: Palm Oil

We don't have anything to add to the proposed cross-government lines. The last line on the "strong trade and investment relationship" is sufficient.

To start referring to defence deals in our response makes it look like it is a serious consideration in our approach to the issue when at the current time it isn't.

From: [REDACTED] (DDC-PR) [REDACTED]

Sent: 14 February 2018 14:11

To: [REDACTED] (DEFRA) [REDACTED]

Subject: RE: Palm Oil

Ross, can you give me a quick call on [REDACTED]

Thanks

From: [REDACTED] (DEFRA) [REDACTED]

Sent: 14 February 2018 11:32

To: [REDACTED] DDC-PR [REDACTED]

Subject: RE: Palm Oil

Hi,

As mentioned on the phone to you, please find below further details.

We have been approached by Unearthed, the journalism arm of Greenpeace, which would like clarity on the government's position on palm oil.

The enquiry follows stories this week from [Politics Home](#), the [Sun on Sunday](#) and [Daily Express](#) on a decision by the European Parliament to ban palm oil because of deforestation issues under the EU's Renewable Energy Directive II (RED), which – according to media reports - could jeopardise a £5bn defence contract with Malaysia - one of the worlds' largest exporters of the substance.

The journalist has highlighted an apparent conflict of views within the UK government and asked for clarification on whether the Environment Secretary supports the EU ban on palm oil. He would also like to know how the department responds to suggestions that the UK is pushing back against a ban on palm oil in order to win major defence contracts with Malaysia.

We are keen to avoid being drawn on palm oil in relation to defence and propose providing the following briefing points which have been cleared across government by the FCO, BEIS, DEXEU and DfT.

- We recognise the important role Palm Oil production plays in Malaysia's economy and understand that the European Parliament (EP) resolution has caused serious concern.
- The EP has not voted to ban palm oil. It has voted in favour of excluding biofuels produced from palm oil counting towards EU Renewable Energy targets. The European Council has not yet agreed with this proposal.

- The UK has not used palm oil in the production of biofuels for a number of years and the use of non-waste oil in biofuel is minimal. The UK Government has agreed to focus on utilizing waste derived biofuel, which generally has higher carbon savings. A sliding cap will see the level of crops used in fuels in the UK decreasing to 2% in 2032.

- More broadly, we support sustainable agricultural production. We strongly welcome domestic initiatives to improve sustainability, such as measures to address deforestation and land use change. We are keen to work with producer countries on such initiatives.

- There is a strong trade and investment relationship between the UK and Malaysia. As we leave the EU, we look forward to deepening our engagement with emerging markets in South East Asia.

We would appreciate any guidance from the MoD before we issue our response to the query.

From: [REDACTED] (DDC-PR [REDACTED])

Sent: 14 February 2018 11:16

To: [REDACTED] (DEFRA) [REDACTED]

Subject: Palm Oil

Morning [REDACTED]

Our online system for queries is down at the moment and my colleague is still in interviews.

Can you send me the query and I can see if I can help?

Regards,

[REDACTED]
[REDACTED]
Ministry of Defence
[REDACTED] | Main Building | Whitehall
London | SW1A 2HB
[REDACTED]

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(Defra)

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Subject: FW: Palm Oil

From: [REDACTED] (ESP-Exports [REDACTED])

Sent: 14 February 2018 14:07

To: [REDACTED] (DDC-PR [REDACTED])

Cc: [REDACTED] (ESP-Exports [REDACTED])

Subject: FW: Palm Oil

[REDACTED]

PSB. We don't have anything further to add and wouldn't propose getting MOD drawn into the debate.

[REDACTED]

[REDACTED] Exports Policy [REDACTED] Ministry of Defence 4.C Whitehall London SW1A 2HB [REDACTED]

From: [REDACTED] (IPP [REDACTED])

Sent: 14 February 2018 13:58

To: [REDACTED] ESP-Exports [REDACTED]

Cc: [REDACTED] (ESP-Exports [REDACTED])

Subject: RE: Palm Oil

[REDACTED]

I'm content with your approach.

Regards,

[REDACTED]

[REDACTED] International Policy and Planning [REDACTED] South East Asia [REDACTED]

[REDACTED] Ministry
of Defence, Main Building, Whitehall, London, SW1A 2HB

From: [REDACTED] ESP-Exports [REDACTED]

Sent: 14 February 2018 13:34

To: [REDACTED] (IPP- [REDACTED])

Cc: [REDACTED] ESP-Exports [REDACTED]

Subject: FW: Palm Oil

[REDACTED]

We spoke. I don't have anything to add to the proposed cross-government lines. The last line on the "strong trade and investment relationship" is sufficient. I believe that to start referring to defence deals in our response makes it look like it is a serious consideration in our approach to the issue when at the current time I don't believe that it is.

The Express article I referred to is: <https://www.express.co.uk/news/politics/917243/brussels-palm-oil-ban-british-defence-contracts-france-kuala-lampur> . The article is rather well informed, particularly on the campaigns outside of Typhoon.

Before I respond to DDC I would be grateful if you could take a look and confirm that you are content with my proposed approach.

[REDACTED]

[REDACTED] Exports Policy [REDACTED] Ministry of Defence [REDACTED] Whitehall London SW1A 2HB [REDACTED]

From: [REDACTED] DDC-PR [REDACTED]

Sent: 14 February 2018 12:33

To: [REDACTED] ESP-Exports [REDACTED]

[REDACTED] ESP-Exports [REDACTED]

Subject: FW: Palm Oil

Afternoon,

My colleague [REDACTED] has pointed me in your direction on this matter.

DEFRA inform me that FCO, BEIS, DEXEU and DfT have agreed lines on this.

They want MOD guidance on the matter as soon as possible.

Can you give me a steer on this?

Thanks,

[REDACTED]

From: [REDACTED] (DEFRA) [REDACTED]

Sent: 14 February 2018 11:32

To: [REDACTED] (DDC-PR) [REDACTED]

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From: [REDACTED] DDC-PR [REDACTED]

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To: [REDACTED] (DEFRA) [REDACTED]

Subject: Palm Oil

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[REDACTED]
Ministry of Defence
[REDACTED] | Main Building | Whitehall
London | SW1A 2HB
[REDACTED]

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