

PRESS RELEASE

MBA SIGNS MoU WITH ANDHRA PRADESH ECONOMIC DEVELOPMENT BOARD, INDIA TO EXPLORE PALM BIODIESEL INVESTMENT AND EXPORT POTENTIAL

Kuala Lumpur, July 21st – The Malaysian Biodiesel Association (MBA) signed a memorandum of understanding (MoU) today with the Andhra Pradesh Economic Development Board (APEDB), India to explore palm biodiesel investment and export potential. This MoU is made to facilitate the development of palm biodiesel projects in the State of Andhra Pradesh in a time bound manner.

The MoU will pave the way for MBA member companies to potentially export palm biodiesel from Malaysia to a proposed palm biodiesel blending programme in India. A proposed B5 programme (blending of 5% palm methyl ester with 95% petroleum diesel) in India will require 2.37 million tonnes per annum of palm biodiesel. Presently India has a current installed capacity of 0.6 million tonnes, thereby offering an export potential of 1.7 million tonnes of palm biodiesel from Malaysia.

It will also provide opportunities for MBA member companies to explore investment and joint venture opportunities with local companies in Andhra Pradesh with the support of its State Government; in projects related to palm biodiesel with the view to support the advancement of India's palm biodiesel blending programme to higher blends in the future.

The MBA looks forward to APEDB's assistance in discussions with the Union Government of India to facilitate import of Malaysian palm biodiesel and duty free imports of palm feedstock of Malaysian origin for biodiesel production into India. The MBA also looks forward to incentives from the Government of Andhra Pradesh to make biodiesel investment by MBA member companies attractive.

The MoU was signed in conjunction with the ASEAN-India Business Leadership Conclave 2016 held at Menara MITI, Kuala Lumpur, where MBA was represented by its President, Mr UR Unnithan, while the Andhra Pradesh Economic Development Board, India was represented by its Chief Executive Officer, Mr J. Krishna Kishore. The signing of MoU was also witnessed by YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry and H.E. Sri Atchannaidu Kinjarapu, Honourable Minister for Labour & Employment, Factories, Youth & Sports, Skill Development and Entrepreneurship of Andhra Pradesh Government. The MoU was made possible with the facilitation of the Performance Management and Delivery Unit (PEMANDU), Prime Minister's Department of Malaysia.

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Notes to Editors:

1. For further enquiries, please contact Ms Chan Pek Wan of the MBA Secretariat at Tel: 03-6286 7200 / Fax: 03-6277 6714 / Email: secretariat@mybiodiesel.org.my / pek_wan@fmm.org.my

2. About Malaysian Biodiesel Association (MBA):

The MBA was established in September 2008 to represent the interest of the biodiesel industry in Malaysia. It has a membership of 21 companies who have collectively invested approximately RM 2.2 billion in this country. The member companies are located in Peninsular Malaysia, Sabah and Sarawak; with a cumulative installed capacity of 2.4 million tonnes per annum. MBA members supply palm biodiesel to the national biodiesel mandate in the transport sector, which began in June 2011 with a blending of 5% palm biodiesel with 95% diesel; also known as the B5 programme. The blending percentage was subsequently increased to 7% (i.e. 7% palm biodiesel with 93% diesel) with the B7 programme launched in November 2014. Both the B5 and B7 programmes have been rolled out smoothly nationwide.

Apart from the national biodiesel mandate, MBA members also exports palm biodiesel since 2006 to several countries in the EU as well as Asia and to the US. Palm biodiesel produced by MBA members conforms to international standards such as the EN 14214 (European standards) and ASTM D6751 (US standards) and its own local standards i.e. the MS 2008: 2008.

3. About Andhra Pradesh:

Andhra Pradesh is strategically located on the Southeast coast of India and is a natural gateway to East & Southeast Asia. The State has a population of 49.3 million (as per population census - 2011), accounting for 4% of country's population, residing in 4.9% of country's geographical area. Andhra Pradesh has abundant natural resources (barytes, limestone, bauxite, and a number of minor minerals), fertile land and river basins, water resources, extensive canal system and conducive agro-climatic conditions. The State has the second longest coastline in India and is also one of the largest producers of marine products. At current prices, the Gross State Domestic Product (GSDP) of Andhra Pradesh was USD 69 billion in 2013-14. Between 2004-05 and 2012-13, the average annual GSDP growth rate of Andhra Pradesh was 7.25%. Andhra Pradesh, over the years, has established a strong presence in agro and food processing, textiles, chemicals & petrochemicals, pharmaceuticals, metallurgy, electronics and electrical engineering sectors. (Source: Industrial Development Policy 2015-2020 - <http://www.ap.gov.in/investment-policies/>)