



## **Press Release**

**3 August 2010**

### **Forestry Agency of Japan: Timber and timber products from Sarawak are from legal sources**

Japan has been our main trading partner for the last 50 years and it is important for the members of STA to understand the market requirements set down by Forestry Agency of Japan and The Council for Tackling Illegal Logging Issue. This was the objective of the meeting on 30 July 2010 in Kuching between Japan Lumber Importers' Association (JLIA) and Sarawak Timber Association (STA).

Mr. Akira Sekimoto, the Vice Chairman of the Japan Lumber Importers' Association (JLIA) led a delegation of five to discuss issues pertaining to legality verification of the timber and timber products imported into Japan with members of the Sarawak Timber Association (STA) on 30 July 2010. The meeting, chaired by Pemanca Datuk Wong Kie Yik, the Chairman of STA and was attended by Dato Henry Lau, the Chairman of the STA Certification Committee, Mr. Wong Kai Song, Chairman of STA Panel Products Committee, STA Council Members, Members of the STA Panel Products Category and STA Certification Committee and representatives from Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC) and Sarawak Timber Industry Development Corporation (STIDC).

Mr. Yasuhiro Ohashi the Executive Director of JLIA, in his presentation entitled "*Japan's Action for Tackling Illegal Logging and STA-JLIA Collaboration for Supplying Legally and Sustainably-verified Wood and Wood Products*", told those present in the meeting that under the Basic Green Procurement Policy announced in 2006, the Japanese Government had passed the Green Purchasing Law which makes it mandatory for the Diet, Courts, Ministries and Agencies to establish and to publicise their procurement policy based on the Green Procurement Policy. Local Governments are recommended to establish their Green Procurement Policy while the private sector and the general public are encouraged to use eco-friendly products as far as possible. Amongst the other targeted wood products, this Green Purchasing

Law applies to construction materials for public works, such as logs, sawn timber, plywood, laminated timber, fibreboard and particleboard.

He briefly described the three methods of verifying legality and sustainability in the *Guideline for Verification on Legality & Sustainability* drawn up by the Forestry Agency of Japan. He added that Forestry Agency of Japan and The Council for Tackling Illegal Logging Issue recognize the verification method of Malaysian timber and further confirmed that timber and timber products imported from Sarawak, under the Sarawak Chain-of-Custody (Sarawak CoC) have complied with the guideline, and are therefore recognized as timber and timber products from legal sources. Mr. Yasuhiro Ohashi informed the Meeting that the Bill that requires wood products used in public buildings to have Sarawak CoC certification or to be legally verified had been passed unanimously in the Diet early this year and will be promulgated within the year.

On the issue of sustainability, he pointed out that Japan will have to rely on third party verification, adding that Japan would prefer recognized certification schemes eg Forest Stewardship Council (FSC), Malaysian Timber Certification Scheme (MTCS) and Programme for Endorsement of Forest Certification (PEFC). He further encourages exporters from Sarawak to strive for certification and suggested that the State Government, through its relevant Agencies, works with the private sector to achieve certification. He pointed out that exporters from Sarawak may want to study the SGEC (Sustainable Green Ecosystem Council) forest certification scheme in Japan, which recently gained popularity in Japan. He cautioned that although there is no green premium for certified products at the moment, our trade in timber and timber products with Japan may be disadvantaged in the future if our timber and timber products remain uncertified, owing to the increasing level of green consumerism in Japan.

He said the current Democratic Party Government of Japan has set a target of 50% self-sufficiency of timber and timber products by the year 2020. Japan's forest area at 25.1 million ha comprises 30.6% national forests, 11.3% public forests and 58.1% privately owned forests. 44% of these forests are planted forests and 56% are natural forests.

He further emphasized that the trend in Japan is moving towards eco-products, adding that there is a preference by the Japanese consumers for products manufactured using timber from forest plantations, wood residues or recycled wood.

Mr. Mengga Mikui, the Acting Deputy General Manager of Sustainable Forestry and Compliance Division, Sarawak Forestry Corporation briefed the Meeting on the Sarawak CoC, a very comprehensive system of tracking the movement of logs in Sarawak that is tied in with the Log Tracking System (LOTS) whose application has been extended throughout the State.

Mr. Yasuhiro Ohashi, being a member of the committee formed by the Japan Lumber Inspection & Research Association (JLIRA) to study traceability tools for logs and timber products, then presented the 2-Dimensional Barcode system they had evaluated. According to Mr. Ohashi, this system can easily trace logs from the logging site to the end-user at low costs and may be part of CoC. In Japan, such 2 Dimensional Barcode can be read through mobile handphones.

Later that afternoon, Members of the STA Panel Products Committee led by its Chairman, Mr. Wong Kai Song met the delegation from Japan Lumber Importers' Association. The Japanese shared market information on the value and volume of the imported plywood, statistics on local plywood production and their plywood inventory and the housing start situation in Japan. The Panel Products Committee shared statistics on the volume of plywood produced and exported. Exports to Japan for the first half of this year were high and on an increasing trend since March 2010, favoured by a stronger Japanese Yen against the Malaysian Ringgit. The STA Panel Products Committee warned however that export figures for July onwards may show a reversed trend due to shortage in the supply of labour and raw materials. The Meeting then focused discussion on the issue of eco-products, with a resolution by STA Panel Products Members to produce greater quantity of eco-timber products.

Chairman  
Sarawak Timber Association