



# STA dan Rakan2

December 2012

For Private Circulation Only

Issue 174

This monthly news bulletin is produced by Sarawak Timber Association (STA) to disseminate information to our counterparts on training, research and other relevant areas.

While every effort has been made to ensure that the information printed in this news bulletin is accurate and correct, neither STA nor its Officers, Members or Employees shall assume any responsibilities or be made liable for any inaccuracies and errors printed; nor is such publication unless otherwise stated necessarily the views of STA, its Officers, Members or Employees.

The news bulletin is circulated to designated readers free of charge.

## Editorial Board

**Chief Editor:**  
Dr Peter C.S. Kho

**Editor/Secretary:**  
Jaime Chan

**Members:**  
Law Hui Chau  
Salfa Kamazura

## Briefing on Sarawak Log Legality Verification, Market / Legislative Requirements and Export Document Requirements for Japanese Market



Photo: Participants during the briefing in Kuching

The Sarawak Timber Association (STA) organised a series of briefings to inform and update its members on the latest development on market / legislative requirements of Australia, EU, Japan and USA, the Sarawak Log Legality Verification and Export Document for Japanese Market. This briefing also provided an opportunity for members of STA to have a discussion with representatives of the four forestry agencies, namely the Forest Department Sarawak, Sarawak Forestry Corporation, Sarawak Timber Industry Development Corporation (STIDC) and Harwood Timber Sdn Bhd.

A total of one hundred and sixty four (164) participants attended the briefings at the following four (4) regions:

Date	Region	Venue
18 December 2012	Kuching	Wisma STA
19 December 2012	Bintulu	New World Suites
20 December 2012	Miri	Miri Marriott Resort & Spa
21 December 2012	Sibu	Kingwood Hotel

Participants were informed that the following three (3) countries had passed laws to ensure that only legal logs and timber products are entering the respective markets:-

USA	EU	Australia
Lacey Act	Timber Regulation	Illegal Logging Prohibition Act 2012
Come into force: 22 May 2008	Come into force: 3 March 2013	Come into force: November 2014

(Continue on page 2)

(continued from page 1)

USA	EU	Australia
Three components:- (1) ban on the trade in the US of illegally sourced wood products (2) submission of import declarations (3) penalties for violating the law  Law-based, not document-based	Three key elements:- (1) Accessibility of information by the Operator in compliance with national legislation (2) Accessibility of Risk Assessment (3) Enable Risk Mitigation by requiring additional information and verification from the supplier	Elements / components similar to the Lacey Act & EU Timber Regulation
Due Care – no guideline	Due Diligence – prescriptive guidelines	Due Diligence – guideline will be ready by May 2013
Who is liable: Everyone in the timber supply chain that ends up in the USA market. Exporters or foreign suppliers who knowingly help to commit the crime can also be prosecuted.	Who is liable: Only the 1st placer or 1st company placing logs and timber products on the European market. Traders further down the supply chain will only need to provide basic traceability information.	Who is liable: Importers and Log Processors
Full legislation details: <a href="http://www.aphis.usda.gov/plant_health/lacey_act/downloads/2008-0119.pdf">http://www.aphis.usda.gov/plant_health/lacey_act/downloads/2008-0119.pdf</a>	Full legislation details: <a href="http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:295:0023:0034:EN:PDF">http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:295:0023:0034:EN:PDF</a>	Full Draft legislation details: <a href="http://www.daff.gov.au/forestry/international/illegal-logging">http://www.daff.gov.au/forestry/international/illegal-logging</a>

The Japanese Government had also taken some initiatives over the past six years to combat illegal logging and association trade. These initiatives included the implementation of the Green Procurement Policy in 2006 which requires the use of legally verified wood products in public buildings as well as the development of a Guideline for Verification on Legality and Sustainability of Wood and Wood Products in 2006.

On the topic of Legality Verification of Logs in Sarawak, Mr Wong Ting Chung, Deputy General Manager, Strategic Planning, CEO Division, Sarawak Forestry Corporation and Mr Jack Liam, the Regional Forest Officer, Regional Forest Office Bintulu shared with participants how logs are being moved from the timber licenced areas to the various designated points in Sarawak, based on the requirements of existing laws and regulations. Both speakers pointed out the salient features of the system where paper trail is inevitable.

During the series of briefings, Puan Dayang Nena Abang Bruce, Senior Assistant General Manager (Trade & Industry), Sarawak Timber Industry Development Corporation (STIDC) shared with participants the approaches by the State Government on the above issues, in particular the FLEGT VPA with EU. She urged participants to be fully aware of the legality verification of logs system in Sarawak and advised members to understand the market requirements for their timber products of importing countries. She also urged members to give feedback to enable STIDC to enable the Government to formulate practical guidelines.



### ***Did you know that.....***

Indonesia approved a rainforest conservation project that sets aside an area roughly the size of Singapore and rewards investors with tradable carbon credits in the first of its kind. Four years in the making, the Rimba Raya Biodiversity Reserve will protect nearly 80,000 hectares (200,000 acres), much of it carbon-rich peat swamp forest at risk of being felled for palm oil plantations. Russian energy giant Gazprom and German insurance firm Allianz are backers of the project, the world's first on deep peat.

Source: Reuters, 5 December 2012

## Did you also know that....

More than 120 countries have some form of forest certification, many with their own national systems. There are two global forest certification schemes: the Forest Stewardship Council (FSC), and the Programme for the Endorsement of Forest certification (PEFC). These two schemes involve a total of 31,263 CoC certifications and 149 million hectares (ha) and 245 million ha of certified forests, respectively (FSC, 2012; PEFC, 2012).

Source: PEFC website



## The International Seminar on Goho-wood 2012

The International Seminar on Goho-wood 2012 was organised by the Japan Federation of Wood Industry Association (JFWIA) on 11 November 2012 at the Pacifico Yokohama Conference Center, Yokohama, Japan. It was supported by the Forestry Agency of Japan (Forestry Agency) and the International Tropical Timber Organization (ITTO).

The main purpose of this Seminar was to inform the international participants as well as the domestic stakeholders on the Goho-wood system and its implementation including its future prospects. About one hundred (100) participants attended the seminar including international participants from African countries, Australia, China, the European Union, Indonesia, Malaysia and the United States of America (USA). Representatives from the Non-Governmental Organisations (NGOs), including Global Witness, were also present at the seminar.

In his opening address, Mr Motoaki Okuma, the Chairman of the Council for Tackling Illegal Logging and Promotion of Goho-wood, JFWIA reiterated Japan's efforts to combat illegal logging and associated trade by developing and promoting the "Goho-wood" supply system for legality-verified wood. This system has been established in accordance to the Guidelines for the Verification of Legality and Sustainability of Wood and Wood Products developed by the Forestry Agency.

The Seminar was divided into two parts:

Part I: Reports on efforts to tackle illegal logging and associated trade in Japan – Timber Legality Verification System (Goho-wood) by Japanese Industry Associations.

Part II: Panel discussion on the significance and challenges of the Japanese Timber Legality Verification System from the international perspective. Invited panel members for the discussion were from China, Indonesia, Malaysia, the European Union and the USA.

Dr Akihiko Araya, the Chairman of the Forest Economic Research Institute was the moderator for the

Part I of the seminar. Mr Osamu Hashiramato, the Director of International Trade Office, Forestry Agency in his keynote address highlighted Japan's efforts in addressing illegal logging through G8 Summit Meetings; domestic policy development; bilateral cooperation/dialogues; and regional/multilateral cooperation/dialogues based on the following key principles:

- Do not increase price of wood products and administration costs – Wood products need to compete with other materials such as steel and plastics;
- Do not discriminate between domestic and imported products;
- Goho-wood system provides information to purchasers of products. The Government uses this system in the programmes to stimulate demand for verified legal wood; and
- Government encourages and supports private sectors' effort, i.e. organising seminars in exporting countries; providing training to importers and companies; holding exhibitions of verified products; and hosting a website

For the domestic policy development, Mr Hashiramato informed the participants that Japan took the following actions over the past six years: (1) Implemented the Green Procurement Policy in 2006 – requires the use of verified legal wood and wood products in public buildings; (2) Developed a Guideline for Verification of Legality and Sustainability of Wood and Wood Products in 2006; and implemented projects to promote the use of Goho-wood.

Participants noted that the Guideline for Verification of Legality and Sustainability of Wood and Wood Products based on the Forestry Agency's Guideline provides for the following three types of verification methods:

(Continue on page 4)



### **Persatuan Kayu Kayan Sarawak Sarawak Timber Association**

11 Floor, Wisma STA, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak, Malaysia.  
Telephone: ++(60 82) 332 222 Facsimile: ++(60 82) 487 888, 487 999  
E-mail: sta@sta.org.my Website: www.sta.org.my

*(continued from page 3)*

- (1) Forest Certification and Chain of Custody Certification
- (2) Verification by companies certified by forestry and wood products related associations
  - Association's Code of Conducts
  - Issued verification
- (3) Verification by individual company's own system

The following representatives from five (5) Associations shared with the participants their method of verification which is in accordance to the procedures specified in the Forestry Agency's Guidelines:

- Mr Mitsuru Takafuji, the Managing Director of the Hokkaido Federation of Wood Industry Association;
- Mr Susumu Kawakita, the Executive Director of the Japan Plywood Manufacturers' Association
- Mr Yasuhiro Ohashi, the Executive Director of the Japan Lumber Importers Association;
- Mr Hideaki Kurihara, the General Manager of the Technical Department of Karimoku Furniture Inc; and
- Mr Kaichi Sato, the Secretary General of Ibaraki Morikaraie-Housing-Net

The panel discussion session was moderated by Dr Takeshi Toma, the Head of the Partnership

Promotion Office, Bureau of International Partnership, Forestry and Forest Products Research Institute. In this session, the invited panel members shared their views on the implementation of Goho-wood initiatives and discussed the challenges and future potential issues with regard to the illegal logging and associated trade. The following were the five invited panel members:

- Ms Luo Xinjian, Research Fellow, Research Institute of Policy and Information, Chinese Academy of Forestry, China;
- Dr Agus Sarsito, the Director for Forestry Development Control, Regional I, Ministry of Forestry, Indonesia;
- Ms Annie Ting, the Senior Manager of Sarawak Timber Association, Malaysia;
- Mr Andre de Boer, the Secretary General of the European Timber Trade Federation, the European Union; and
- Mr Jameson French, the Chairman of the US Hardwood Federation, the USA

This Seminar also clarified the implication of the Goho-wood initiatives in the global trade. The Goho-wood system ensures timber legality from the point of harvesting through the supply chain, the objective of which is the same as that of Legality Verification of Logs in Sarawak - the legality system for logs in Sarawak.