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

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International Workshop on Global Green Supply Chain of Forest Products



Photo: Overseas speakers, Chinese senior Government Officers, ITTO DG (6th from left) and staff

The *International Workshop on Global Green Supply Chain of Forest Products and the Dialogue with Chinese Leading Timber Enterprises* were held on 21 June 2018 and 22 June 2018 respectively at the Beijing International Convention Centre in Beijing, China. These events were co-organised by the Centre for International Forest Products Trade (CINFT) of National Forestry and Grassland Administration (NFGA) of China and the International Tropical Timber Organization (ITTO).

The Workshop, aimed to establish and promote green timber supply chains, also highlighted the situation and trends of the supply and demand of world's tropical timber and timber products. It recognised the emerging demands for legal and sustainable forest products which have been reflected in a few

policy measures being implemented by timber importing countries; namely the European Union Timber Regulation (EUTR), the US Lacey Act, the Australian Illegal Logging Prohibition Bill 2012, and the Japan Clean Wood Act.

Approximately 120 participants attended the Workshop which includes representatives from relevant Chinese government departments, research institutions, industry associations and timber enterprises, ITTO and countries such as Australia, France, Germany, Indonesia, Malaysia, Mexico, Papua New Guinea and Peru.

Mr Wu Zhimin, Director General of the Department of International Cooperation, NFGA; Ms Liang

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Hong, Deputy Director General of the Department of International Cooperation, Ministry of Commerce; Ms Jin Hongman, Deputy Director General of Statistics and Data Department, General Administration of Customs; and ITTO Executive Director Dr Gerhard Dieterle delivered their remarks at the opening ceremony of the Workshop. All agreed that green supply chain is an excellent concept that must be embedded in people's minds to ensure mutual recognition, with fair and equitable rules applying to all parties concerned.

Dr Gerhard Dieterle highlighted in his remarks that major markets are demanding that tropical timber products imported from China and other countries are not sourced at the expense of tropical forests. This will require the suppliers to document the proof of legality and sustainability of timber and timber products. He also commented that successful green supply chains require a healthy private sector grounded in sound enabling frameworks, including incentives, fair taxation system, clear rules, absence of corruption and illegality, clear land tenure and rights, and involvement of local people and smallholders.

Presentations by speakers from selected countries as well as Chinese Government Departments and key industry players in China were delivered as follows:

- 1) **"Situation and Trends of the Supply of World Tropical Resources"** by speakers from Malaysia, Peru, Centre Africa and Papua New Guinea
- 2) **"Demand and Challenges of Global Timber Markets"** by speakers from ITTO, EU and Australia
- 3) **"Role and Perspective for Building Green Supply Chains in China"** by speakers from China Timber and Wood Products Distribution Association, China Forest Products Co Ltd, Startforest Art Flooring (Zhejiang) Co Ltd and the National Forestry and Grassland Administration
- 4) **"Building Successful Green Supply Chains: Concepts and International Experiences"** by speakers from the University of International Business and Economics, the Sarawak Timber Association and the General Customs Administration of China

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Photo: Ten (10) Chinese leading timber enterprises launched an initiative on jointly building the Global Green Supply Chain (GGSC) of forest products

Ms Annie Ting, Senior Manager of the Sarawak Timber Association made a presentation entitled *"Timber Supply and Green Supply Chain: Producer's View"* highlighting timber supply and green supply chain covering different levels of actions taken by various stakeholders and the efforts made by Sarawak, as one of the tropical timber producers, in ensuring a supply chain to produce legal and sustainable timber and timber products while safeguarding the environment. She commented that despite the commendable efforts made by Sarawak, Sarawak like most of the other tropical timber producers, are faced with challenges such as the lack of infrastructure and technology. She also pointed out the high cost of producing green timber, hence in order for the producers to produce green timber and remain competitive, the incremental costs of implementing green supply chain needs to be recognised and shared with the consumers.

On 22 June 2018, the dialogue session comprised two (2) panel discussions with speakers from overseas and Chinese leading timber enterprises. The panel discussions deliberated on the promotion of green supply chain for sustainable forest management and trade and the sharing of interests and benefits in building successful green supply chains. There was a call to harmonise various legality standards of producers and consumers and be internationally recognised.



Did you know that....

Sarawak's Maludam National Park, officially gazetted as Totally Protected Area (TPA) in 2000 initially covers an area of 43,147 hectares. The National Park was further gazetted with an extension of 10,421 hectares in 2015 and is known as the largest patch of protected peat swamp in southern Borneo, at 53,568 hectares. The National Park is also a key part of the US\$9.4 million (RM37.7 million) project called "Sustainable Management of Peatland Ecosystems in Malaysia", approved in January 2018 by the Global Environment Facility (GEF) in Washington DC.

Source: Maludam National Park – Pride of Sarawak's Conservation Efforts, available at <http://www.aseanpeat.net/newsmaster.cfm?&menuid=11&action=view&retrieveid=4999>

Did you also know that....

Malaysia was one of the first countries to use Oil Palm Trunks (OPTs) to produce "palm wood" and bio-composite products. The OPTs come from palms felled during replanting and is investigated as an alternative source of raw material for the wood based industry.

Research conducted has suggest that OPTs may be suitable for the manufacture of composite panel products. However, more research and trials need to be carried out as different parts of the palm stems have different density, making it difficult to utilise the palm stems. Furthermore, palm boards are very susceptible to fungal and insect attacks due to high sugar and starch content.

Source: Tropical Timber Market Report; Volume 22, Number 33 1st-15th July 2018



Extending a Helping Hand to Foster Sarawak's Future Generation



Photo: (left) Exchange of signed agreement between Temenggong Dato Vincent Lau and Puan Zurina Binti Mohd Amin, witnessed by Dr Annuar Rapaee to provide financial assistance to ILPKS students; (right) SK Long Luteng, Baram students receiving free school supplies

Sarawak Timber Association (STA), through its subsidiary company STA Mutual Sdn Bhd (STAM) strongly believes in giving back to the society in a tangible way as part of its Corporate Social Responsibility (CSR) efforts. One of the significant efforts STAM has committed time and energy is to take up collaborative activities with various entities such as government agencies, STA members, and also other non-profit organisations to nurture the leaders of tomorrow in Sarawak.

Since year 2012, STAM has been partnering with Sarawak Timber Industry Development Corporation (STIDC) to provide financial assistance in phases to primary and secondary schools in Sarawak. This ongoing project collaboration has made it possible to channel much needed funding to the Sarawak's District Education Offices in order to improve the infrastructures of rural schools in each district. So far, seven (7) disbursement phases have been performed to a total of 624 primary schools and 102 secondary schools, with an accumulated distribution amount up to almost RM1million.

In June 2016, when SK Kampung Buda in Spaoh, Betong was devastated by a landslide incident, STAM, through

STIDC, provided financial assistance to the school. The site where the school was located was declared unsafe. To help the school in rebuilding its infrastructure, STAM contributed a total amount of RM 173,000.00 on two separate occasions, once in May 2017 and another in August 2017.

STAM has also been offering educational financial assistance to students studying in technical institutions. In 2016, nine (9) students from the Institut Latihan Perindustrian Kota Samarahan (ILPKS) received financial assistance from STAM enabling them to take up courses which will make them into currently in demand skilled workers.

In July 2017, an agreement, witnessed by Dr Annuar Rapaee, Assistant Minister of Education, Science and Technological Research, was signed with ILPKS in a move by the Association to continue its support to provide funding for students of the Institute. Subsequently, a total of twenty (20) students will be attending the Professional Certificate Courses conducted by the National Institute of Occupational Safety and Health (NIOSH) in 2018.

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Another initiative of STAM is the STA Cash Awards aiming to encourage and recognise students from Sarawak who have achieved outstanding results in their Sijil Pelajaran Malaysia (SPM) and Sijil Tinggi Pelajaran Malaysia (STPM) examinations. Held annually since 2016, it has benefitted 3,044 students with cash awards, which added up to approximately RM 1.8 million.

Furthermore, STAM works with its members to come up with projects to repair and maintain dilapidated key facilities in schools, especially those located in rural areas. Member companies identify, select schools that require assistance and carry out the planned works in the schools selected by them with fund support from STAM. To date, this has helped nine (9) primary schools to improve and create a more conducive and safer learning environment for students and teachers alike. The projects that have been carried out include construction of school fence, repair works on classrooms and existing community hall, replacement of electrical wiring system as well as replacement of facilities in classrooms, libraries, and canteens.

Apart from monetary aid, STAM teamed up with its members to provide in-kind assistance to Sarawak's rural schools in 2017. With logistics arrangement help from its members, STAM was able to deliver some 1,000 sets of school supplies consisting of school bags and stationeries

to a total of twelve (12) primary schools and one (1) pre-school, amounting to approximately RM 86,000.00. The gesture, welcomed by the local communities, was for the purpose of alleviating the financial burden of the families by means of contributing free useful items to the students for their studies.

In April 2017, the State Government launched an initiative to assist the Sarawak Foundation Fund in subsidising education programmes through the contribution of new rate for hill timber premium at RM 50.00 per cubic meter. The implementation of this initiative starting 1st of July 2017 has enabled a collected premium of RM 112,550,517.06 for the same year. The substantial amount will then go to the Sarawak Foundation Fund to be allocated for education programmes, increasing the organisation's capacity to assist more students and creating better education environments in the State.

The forestry industry continues to be a vital part of Sarawak, contributing to its infrastructure, social, and economic growth. STA, being the State's only timber association to represent companies in both upstream and downstream activities of the industry and its subsequent trade, acts to gather the strength of all its members, ensuring similar activities beneficial to the Sarawak's younger generation could be carried out in greater depth and effect.