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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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Editorial Board

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DIALOGUE WITH MINISTER OF PLANTATION INDUSTRIES AND COMMODITIES



Picture: (Top) Dialogue in progress and (Right) Group photo with representatives from the timber industries and Government agencies

A dialogue session was jointly organised by Timber the Sabah Industries Association (STIA) and Sarawak Timber Association (STA) with the Minister of Plantation Industries and Commodities, Y.B. Tan Sri Bernard Giluk Dompok on May 2009 at a 15 renowned hotel in Kota Kinabalu, Sabah. STIA delegation was led by its President, Y. Bhg. Datuk James Hwong You Chuaang while STA delegation was led by its Chairman, Y. Bhg. Datuk Wong Kie Yik. The Dialogue was also attended b y representatives from the Ministry of Plantation Industries a n d Commodities, Dr Jalaluddin Harun, the

Director General of MTIB, Mr Cheah Kam Huan, CEO of MTC and Mr Chew Lye Teng, CEO of MTCC, members of STIA and STA.

Y. Bhg. Dato Henry Lau, Honorary Secretary of STA, on behalf of STIA and STA presented the views of timber industry pertaining to Malaysia's commitment to the Forest Law Enforcement. Governance and Trade -Voluntary Partnership Agreement (FLEGT –VPA) with Europe Union (EU). Both Associations are of the opinion that economic benefits for Malaysia must remain crucial consideration for Malaysia to enter this VPA. The volatility and fluidity of market condition must also

be recognized as imminent forces for a successful and sustainable **FLEGT** Licensing Scheme.

Mr Stephen Chaw, Secretary-General of STIA, on behalf of STIA and STA presented the following four (4) issues faced by the timber industries in Sabah and Sarawak:

- Foreign Labour Force
- High Cost of Doing Business in **Timber Industry**
- Criteria for Loan Application for the Forest Plantation Development
- Market and Technical Requirements **Timber Products**

ENDORSEMENT OF MALAYSIAN SCHEME GIVES BUYERS CONFIDENCE ABOUT TROPICAL WOOD

The Malaysian Timber Certification Scheme (MTCS) has become the first tropical timber certification scheme in the Asia Pacific region, and the second in the world after the Gabonese Forest Certification Scheme, to be endorsed by the Programme for the Endorsement of Forest Certification schemes (PEFC).

"The endorsement of MTCS is a significant achievement for the sustainable forest management community as whole. While the certification movement has its origins in efforts to protect tropical forests, over 90% of the world's certification today takes place in the temperate forests of Europe and North America", explained Ben Gunneberg, PEFC Secretary General. "Yet tropical forests in the Southern hemisphere offer the most benefits to tackling some of society's biggest challenges, including climate change, combating deforestation and forest degradation, and maintaining the world's precious biodiversity."

Dato' Dr. Freezailah Che Yeom, Chairman of the Malaysian Timber Certification Council (MTCC), which operates the MTCS, said, "MTCC is indeed pleased and proud to have obtained the PEFC endorsement, which shows that the various aspects of the MTCS, such as the institutional arrangement and certification standards used, have met the stringent requirements of the PEFC. It gives further assurance that forests certified under the MTCS are implementing the best management practices and contributing to the challenging efforts to achieve sustainable forest management, particularly for the tropical rainforests".

Dr. Freezailah added that the endorsement enables the MTCS to achieve mutual recognition with 26 other PEFC-endorsed certification schemes. This means that the MTCS-certified timber product manufacturers and exporters will soon be able to combine PEFC-certified material from Malaysia with other PEFC-certified material under the PEFC logo.

"The endorsement is further testimony that the MTCS has made tremendous progress and improvements since it began operation in October 2001. I would like to attribute this success to the hard work of the MTCC management and staff, as well as all the Malaysian stakeholder groups for their contributions and inputs which have been very helpful in improving the scheme to meet the requirements of the PEFC", added Dr. Freezailah.

The decision to endorse the 2002 Malaysian Criteria and Indicators for Forest Management Certification was announced on 5 May 2009 following the outcome of the General Assembly postal vote among the PEFC members on the recommendation of the Board of Directors, based on an assessment of the MTCS by an independent assessor appointed by the PEFC Council.

The endorsement is valid for a five year period, with periodic review to ensure the continued compliance of the MTCS. The full report of the conformity assessment of the MTCS can be obtained from the PEFC website at www.pefc.org.

Editor Notes:

Malaysian Timber Certification Council (MTCC) MTCC was established to develop and operate a voluntary national timber certification scheme, now known as the Malaysian Timber Certification Scheme (MTCS), in order to provide independent assessments of forest management practices to ensure sustainable forest management in Malaysia as well as to meet the market demand for certified timber products. Currently, nine Forest Management Units (FMUs) accounting for a total area of 4.84 million hectares of Permanent Reserved Forests (PRFs) in

Did you know that...

UK timber and panel consumption fell by 23% in 2008 to 13.9 million m³. Sweden had the biggest share with 58.2% even though its volumes were down 20%, followed by Finland (15.1%), Latvia (8.8%) and Germany (4.9%). Russia, Germany and Latvia experienced the biggest loss of market share. Malaysia overtook China as the number one hardwood plywood source, while Brazil retained its status as premier softwood plywood source - 51% market share.

> Source: TTJ Online 13 June 2009

BRIEFING SESSIONS ON THE IMPLICATIONS OF PEFC ENDORSEMENT OF THE MALAYSIAN TIMBER CERTIFICATION SCHEME (MTCS)



Picture: Mr Chew Lye Teng, CEO of MTCC briefing participants in Kuala Lumpur

The Malavsian Timber Certification Council (MTCC) gave a briefing to STA's Members on the Implications Programme for of Endorsement of the Forest Certification schemes (PEFC) endorsement of the Malaysian Timber Certification

Scheme (MTCS) on 18 May 2009 at STA. A Wisma similiar briefina was also conducted on 21 2009 May Dorsett Regency Hotel, Kuala Lumpur. The Briefing in Kuala Lumpur was attended by about 150 participants the FMUs from and Chain-of-(CoC) Custody holders, Government agencies, timber and industries

associations and the certification bodies from SGS Malaysia, SIRIM QAS and Moody International.

The presentations provided better understanding on the implications of the PEFC endorsement of the MTCS and the actions

that need to be taken.

The topics covered were:

- 1. Update on the Implementation of the New Institutional Arrangement for M T C S and information on PEFC endorsement of the MTCS
- 2. Implications to M T C S N o t i f i e d Certification Bodies
- 3. Implications to MTCS Certificate Holders

During the question and answer sessions, participants were able to seek clarifications and raise their concerns on this subject.

Note: The papers presented at the Briefing are available upon request

Did you also know that...

Malaysian furniture manufacturers are encouraged to enhance new marketing strategies to reposition themselves globally while achieving higher productivity and maintaining lower production costs. in 2008, exports of Malaysian furniture grew by 2% and were worth RM8.72 billion, while imports of furniture grew 9.8% and valued at RM1.5 billion. However, trade in Malaysian furniture exports declined by 14.2% in January 2009 and 13.8% in February 2009. On an annual basis, Malaysian furniture exports were worth about 2.5% of the world furniture trade.

Source: ITTO TTM Report 14:10 16—31 May 2009

Malaysia are certified under the MTCS. 141 timber manufacturers and exporters have been awarded the chain-of-custody certificate which qualifies them to supply MTCS-certified timber products to the market.

PEFC (Programme for the Endorsement of Forest Certification schemes) PEFC is a framework for the assessment and endorsement of national forest certification systems that have been developed based on internationally recognised requirements for sustainable forest management. Since its launch in 1999, PEFC has become the largest forest certification umbrella organisation covering national systems from all over the world, delivering hundreds of millions of tonnes of wood to the processing industry and then onto the market place from currently more than 200 million hectares of certified forests. This is an area which is larger than the combined forest area of all European Union member states. PEFC has strong grass roots support from many stakeholders including the forestry sector, governments, trade associations, trade unions and non-governmental organisations.

Source: The Malaysian Timber Certification Council, Press Release 6 May 2009

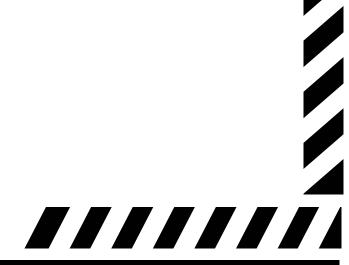


Printed Matter



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SEMINAR ON WOODEN FURNITURE INDUSTRY 2009—FINAL ANNOUNCEMENT

The Seminar on Wooden Furniture Industry 2009 is jointly organised by the Ministry of Natural Resources and Environment and Forest Research Institute Malaysia (FRIM). This seminar is planned to disseminate the latest market development, investment opportunities, national timber industry policy, government financial assistance scheme and R&D findings on the wooden furniture industry. This 2-day seminar and exhibition as well as 1-day industrial visit is the perfect opportunity for the forest industry personnel, policy makers, forest managers, government / non-government officials, and members of trade association, machinery and equipment manufacturers, forestry consultants members of corporate and financial sectors, researchers, academicians, students and other stakeholders involved with the wooden furniture industry.

Details of the Seminar are as below:-

Date: 4 - 6 August 2009

Venue: The Legend Hotel, Kuala Lumpur

Registration Fees: RM 600 (Local) OR USD 350 (Overseas)

Group registration from same organisations (3 or more): RM 550 per person. Extra RM 50 / USD 20 for Industrial Visit (including

Lunch, Refreshment)

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