

# STA Review

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2018



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**CONTINUED  
COLLABORATION  
DRIVEN**  
by Commitment  
towards Environmental  
Stewardship



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**4<sup>TH</sup> ENVIRONMENTAL  
COMPLIANCE AUDIT**  
Training Course



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**FINANCIAL  
ASSISTANCE**  
for Sekolah Kebangsaan  
Nanga Kua, Selangau



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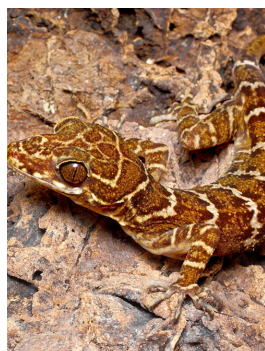
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## COVER IMAGE:



Cave Gecko;  
Photo credit Mr Joanes Unggang,  
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## STA REVIEW

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# Continued Collaboration Driven by Commitment towards Environmental Stewardship

The Natural Resources and Environment Board (NREB) and Sarawak Timber Association (STA) displayed yet another significant milestone in their long term collaborative relationships in the recently concluded “Memorandum of Understanding Signing Ceremony for the Second Batch of Pilot Projects for Environmental Compliance



*Exchange of MOU documents between Mr Peter Sawal, Controller of Environmental Quality Sarawak of NREB (6<sup>th</sup> from the right) and Mr Philip Choo Kwong Hui, Honorary Treasurer of STA*

Audit”. The Event held on 29 November 2018 at Wisma STA in Kuching was attended by approximately 100 representatives from STA member companies, the Ministry of Urban Development and Natural Resources (MUDeNR), government agencies such as Forest Department Sarawak (FDS), Harwood Timber Sdn Bhd (HTSB), Sarawak Forestry Corporation Sdn Bhd (SFCSB), the Department of Environment (DOE) as well as higher learning institutions such as Swinburne University of Technology Sarawak Campus (SUTS) and Universiti Malaysia Sarawak (UNIMAS). To commemorate this special occasion, a press release was also issued on the same day.

Prior to the signing ceremony, a series of presentations were delivered by officers from NREB and representatives from participating STA member companies from the inaugural pilot projects. The presentations provided the participants of the Event with the background to the pilot projects and highlighted the challenges faced as well as benefits obtained from the pilot projects.

Pemanca Datuk Wong Kie Yik, STA Chairman in his speech, read by Mr Philip Choo Kwong Hui, STA Honorary Treasurer, said that over the years, STA has undertaken many collaborative works with forestry agencies and higher learning institutions alike, not only to promote scientific and industrial research but also to facilitate effective implementation of the State’s forestry policies.

He added that STA has explored many ways and amplified efforts to leverage capacity within its member companies in the forestry and timber industry on the common grounds that will achieve environmental stewardship through self-regulation. Among some of the initiatives undertaken was the Environmental Compliance Audit (ECA) Training Course offered and partially funded by STA since 2015. To date, four

(4) ECA Training Courses had been successfully conducted exclusively for STA member companies and benefited eighty nine (89) representatives from the State’s forestry and timber industry. In addition to that, two (2) Training on Environmental Quality Monitoring (EQM) was conducted in January and July 2018 to further equip the industry with the necessary

knowledge and skills to propel the industry towards self-regulation. A total of forty four (44) representatives had been trained by trainers with specialty in the field of water sampling and analysis. The 3<sup>rd</sup> Training is scheduled for 6 and 7 December in Sibul.

The Memorandum of Understanding (MOU) was signed between three (3) parties; STA, NREB and the seven (7) participating member companies of STA, namely Jutakayu Sdn Bhd, Kastima Trading Sdn Bhd, Limba Jaya Timber Sdn Bhd, Polima Forest Bintulu Sdn Bhd, Raplex Sdn Bhd, Shin Yang Trading Sdn Bhd and Zedtee Sdn Bhd. These pilot projects adopt the same processes adhered to by parties in the inaugural pilot projects, launched in November 2017 with the voluntary participation from eight (8) participating member companies in the forestry and timber industry.

Mr Peter Sawal, Controller of Environmental Quality Sarawak, NREB in his address shared with the participants of the Event that NREB intends to extend the ECA to the plantation industry. He added that as environment is one of the 3 pillars for sustainable forest management practices, hence the pilot projects are useful in preparing the forestry and timber industry for Forest Management Certification (FMC).

He further congratulated STA for continuing to provide assistance to the forestry and timber industry to ensure that the timber products from Sarawak are acceptable by the global markets.

STA hopes that more forestry agencies can draw on examples from the pilot projects and engage collaboratively with STA in activities to address common goals as well as effective and efficient implementation of policies.

本会和天然资源与环境局(NREB)在2018年11月29日假古晋STA大厦举办第二批环境合规审计项目谅解备忘录签署仪式。这体现了本会与NREB在长期合作关系中所达致的另一个重要里程碑。本会也在同日发布该活动相关新闻稿。

签署仪式进行之前，NREB官员和参与首批环境合规审计项目的STA会员公司代表发表一系列演讲。该演讲为活动的参与者提供了环境合规审计项目的背景，并强调所面临的挑战以及从环境合规审计项目中获得的好处。

本会主席邦曼查拿督黄启华表示多年来，STA与林业机构和高等教育机构开展了许多合作，不仅促进了科学和工业研究，而且也协助州林业政策的有效实施。他的演讲稿是由本会荣誉财政朱光辉先生代读。

谅解备忘录是由本会、NREB和7间本会会员公司签署。该环境合规审计项目采用2017年11月启用的首批环境合规审计项目中各方遵守的相同程序。

NREB砂环境素质管理总监彼得萨瓦先生（译音）在致词时告知参与者NREB打算将环境合规审计项目扩展到种植业。

本会希望更多林业机构可以借鉴环境合规审计项目的实例，与STA开展合作项目，以实现共同目标以及有效和高效地实施政策。

Lembaga Sumber Asli dan Alam Sekitar (NREB) dan Persatuan Kayu Kayan Sarawak (STA) mempamerkan satu lagi kejayaan penting dalam hubungan kerjasama jangka panjang melalui Majlis Tandatangan Memorandum Persefahaman bagi Projek Perintis Ke-2 Audit Pematuhan Alam Sekitar yang dianjurkan baru-baru ini. Acara ini diadakan pada 29 November 2018 di Wisma STA di Kuching. Untuk memperingati majlis khas ini, siaran akhbar telah dikeluarkan pada hari yang sama.

Sebelum majlis menandatangani, beberapa siri pembentangan telah disampaikan oleh pegawai dari NREB dan wakil daripada syarikat anggota STA yang mengambil bahagian dalam projek perintis pertama. Peserta dimaklumkan mengenai latar belakang projek perintis dan menekankan cabaran serta manfaat yang diperolehi dari projek perintis.

Pengerusi STA Pemanca Datuk Wong Kie Yik, Pengerusi STA dalam ucapannya, yang dibaca oleh Encik Philip Choo Kwong Hui, Bendahari Kehormat STA berkata selama ini, STA telah melaksanakan banyak kerjasama dengan agensi perhutanan dan institusi pengajian tinggi. Kerjasama tersebut bukan sahaja mempromosi kajian saintifik dan penyelidikan industri tetapi juga untuk memudahkan pelaksanaan dasar kehutanan negara yang berkesan.

Memorandum Persefahaman (MoU) ditandatangani di antara 3 pihak iaitu STA, NREB dan 7 syarikat ahli STA. Projek perintis ini menggunakan proses yang sama seperti dalam projek perintis yang pertama, yang dilancarkan pada November 2017 dengan penyertaan secara sukarela daripada 8 syarikat anggota STA.

Encik Peter Sawal, Pengawal Kualiti Alam Sekitar Sarawak, NREB dalam ucapannya memaklumkan bahawa NREB berhasrat untuk memanjangkan ECA ke industri perladangan.

STA berharap lebih banyak agensi-agensi perhutanan boleh mengambil contoh daripada projek perintis ini dan bekerjasama dengan STA dalam pelaksanaan aktiviti untuk mencapai matlamat bersama serta pelaksanaan polisi yang berkesan dan cekap.

## Happy 45<sup>th</sup> Anniversary to Sarawak Timber Industry Development Corporation

Sarawak Timber Association (STA) would like to extend our heartiest congratulations to Sarawak Timber Industry Development Corporation (STIDC) for your 45<sup>th</sup> Anniversary.

We congratulate you for your 45 years of success and we wish you all the best for your future also. We hope your organisation reaches new heights in the coming years.

砂拉越木材公会（STA）谨向砂拉越木材工业发展机构(STIDC) 成立45周年华诞表达衷心的祝贺。

我们恭祝您45年的成就，也祝愿您们未来一切顺利。我们希望您的机构在未来更胜一层楼。

Persatuan Kayu Kayan Sarawak (STA) ingin mengucapkan tahniah kepada Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) di atas sambutan ulang tahun ke-45.

Kami mengucapkan tahniah di atas kejayaan STIDC selama 45 tahun dan semoga terus cemerlang di masa hadapan. Kami berharap STIDC akan mencapai tahap baru pada tahun-tahun akan datang.



## 4<sup>th</sup> Environmental Compliance Audit Training Course

The 4<sup>th</sup> Environmental Compliance Audit (ECA) Training Course was successfully organised by Sarawak Timber Association (STA) in collaboration with the Natural Resources and Environment Board (NREB) Sarawak. The Training was conducted in two (2) parts by Ir Dr Chong Hock Guan, for members of STA from 15 to 19 October 2018 and 12 to 14 November 2018 in Wisma STA, Kuching. This was part of the initiative taken by the STA to enhance the capacity building within its member companies on the environmental management and to prepare them for the implementation of the *Natural Resources and Environment (Audit) Rules, 2008*.

A total of twenty five (25) representatives from STA member companies enrolled for the Training. Upon completion of the Training and passing all the pre-requisite examinations, each successful participant will become a qualified internal environmental auditor under the *Natural Resources and Environment (Audit) Rules, 2008*.

In his Opening Remarks, Mr Peter Sawal, Controller of Environmental Quality of NREB Sarawak, thanked STA for the support and collaboration rendered to NREB to realise this Training. He added that the impact assessment on project development is crucial to minimise environmental impacts as the State is embarking on the journey towards becoming a developed State and a high income nation. He hoped that this Training will provide the participants with the knowledge on environmental protection and be able to assist their company in complying with the environmental requirements.



Opening remarks by Mr Peter Sawal,  
Controller of Environmental Quality of NREB Sarawak

During the Training, participants were taught on environmental laws and regulations as well as key principles of auditing which included systemic audit process, audit scope, systematic approach during site audit and writing of audit report. The trainer emphasised that ECA is conducted based on the approved terms and conditions stated in EIA report through methods such as interview, document review and site inspection. Participants were also told to uphold the code of conduct when conducting environmental audit.



Group photo with Mr Peter Sawal (Front row, 4<sup>th</sup> from the Right)

In addition, a site audit practical was held on 17 October 2018 at a forest plantation in Sampadi, Lundu. This was to provide participants of the Training with first hand audit experience. Participants were divided into four (4) groups where they were asked to carry out audit practical and to submit individual audit report thereafter. In the last day of training, participants were assessed through closed and opened book examinations.

There were five (5) papers presented by the officers from NREB, namely Mr Tsai Koh Fen, Head of Compliance & Enforcement Section; Ms Elizabeth Nyomek, Senior Environmental Controller Officer (Environmental Audit); and Mr Mathew Lossey, Senior Assistant Environmental Controller Officer during the 2-part Training. The papers were (i) Understanding Legal Requirements on the Natural Resources and Environment Ordinance; (ii) the Natural Resources and Environment (Prescribed Activities) Order, 1994 and Other Legal requirements; (iii) the Natural Resources and Environment (Audit) Rules, 2008; (iv) the Guidelines for Natural Resources and Environment (Audit) Rules, 2008; and (v) Format of Reporting for Environmental Quality Monitoring.

In his Closing Remarks, Mr Peter Sawal congratulated all participants of the Training for successfully completing the 2-part Training. He said that through ECA, a company will be able to go for self regulation and take ownership of the environment protection in their project areas. The company will no longer need to depend on external consultants to monitor their environment performance. He also urged internal environmental auditors to report any environmental issues found during the audit to NREB and to the management of their respective companies. The participants of the Training were also reminded to be professional, uphold integrity and perform evidence-based auditing.

To date, a total of eighty nine (89) personnel from STA member companies had participated in and benefited from this ECA Training Course since it started in 2015.



Participants conducting interviews during a site audit practical

由砂拉越木材公会与砂拉越天然资源与环境局(NREB)联合举办，第四届环境合规审计(ECA) 培训课程。培训分为两部分，分别在2018年10月15日至19日及11月12日至14日，并由张贺冠博士（译名）于本会大厦进行指导。这是STA为加强其会员公司在环境管理方面的能力建设以及为实施2008年自然资源和环境（审计）规则做好准备而采取的其一举措。

共有25名STA会员公司代表参与培训。成功完成培训并通过所有必要的考试的参与者将成为2008年自然资源与环境（审计）规则下合格的内部环境审核员。在培训期间，参与者接触了环境法律法规以及审计的关键原则，包括系统审计流程，审计范围，现场审计系统方法和审计报告编写。

此外，一项实地审计也于2018年10月17日假伦乐三巴里一个森林种植园进行，是为培训参与者第一手审计经验。迄今为止，共有89名来自STA会员公司职员参与并从此自2015年开始的ECA培训课程中收益。

Kursus Latihan Audit Pematuhan Alam Sekitar (ECA) ke-4 telah dianjurkan oleh Persatuan Kayu Kayan Sarawak (STA) dengan kerjasama Lembaga Sumber Asli dan Alam Sekitar (NREB) Sarawak khusus untuk ahli-ahli STA. Latihan terbahagi kepada 2 bahagian dan dijalankan oleh Ir Dr Chong Hock Guan dari 15 hingga 19 Oktober 2018 dan 12 hingga 14 November 2018 di Wisma STA, Kuching.

Latihan ini merupakan sebahagian daripada inisiatif STA untuk meningkatkan kapasiti syarikat-syarikat anggotanya dalam pengurusan alam sekitar dan menyediakan mereka ke arah pelaksanaan *Peraturan Sumber Asli dan Alam Sekitar (Audit) 2008*. Sejumlah 25 wakil daripada syarikat anggota STA menyertai Latihan ini. Setelah tamat Latihan dan lulus peperiksaan pra-syarat, peserta akan berkelayakan sebagai juruaudit alam sekitar di bawah *Peraturan Sumber Asli dan Alam Sekitar (Audit), 2008*. Semasa Latihan, para peserta telah diajar mengenai undang-undang dan peraturan-peraturan alam sekitar serta prinsip pengauditan termasuk proses audit sistemik, skop audit, pendekatan sistematik semasa audit lapangan dan penulisan laporan audit.

Di samping itu, satu audit lapangan telah diadakan pada 17 Oktober 2018 di sebuah ladang hutan di Sampadi, Lundu untuk menyediakan peserta latihan dengan pengalaman audit lapangan. Setakat ini, sejumlah 89 kakitangan daripada syarikat anggota STA telah mengambil bahagian dan mendapat manfaat daripada Kursus Latihan ECA sejak ia mula diadakan pada tahun 2015.

A delegation of five (5) members of Sarawak Timber Association (STA) from three (3) committees of downstream activities, namely STA Timber Products Marketing (TPM) Committee, STA Sawmilling (SM) Committee and STA Moulding (M) Committee led by Mr Stephen Hii Hium Ung, Committee Chairman of TPM, made a joint study trip to Xinhui District of Guangzhou, China from 21 to 27 November 2018.

The STA delegation accompanied by Datuk Andrew Tham, President of Malaysian Timber Association (MTA), paid a courtesy call to Mr Dai JiangSong, the representative from the Xinhui Senate and Mr Huang HuiMan, President of Xinhui Traditional Furniture Industry Association; visited traditional furniture manufacturers, a plywood and veneer mill manufacturer, a flooring & timber products manufacturer, a *Eucalyptus* plantation and a toilet seat manufacturer.

The STA delegation was received by Mr Huang HuiMan and four (4) directors as well as the Secretariat from Xinhui Traditional Furniture Industry Association. Mr Stephen Hii explained that the Sarawak Government is currently encouraging the industry to go into more downstream manufacturing i.e. to produce a wider range of value-added timber products. Hence, this trip enabled the delegates to gain a better understanding on the types of timber species used in furniture making in Xinhui and to explore potential investments or joint venture opportunities with the Chinese manufacturers using timber species from Sarawak for producing value-added timber products.



Group photo taken in front of Xinhui Traditional Furniture Industry Association with Mr Huang HuiMan (5<sup>th</sup> from the Left)

The Group also visited a plywood and veneer mill, which is located within the 600 hectares of *Eucalyptus* plantation. This simple small scale mill is built on a piece of land rented from the Chinese Government with a guaranteed minimum tenure of twenty (20) years, total utilisation of plantation resource and a secured market. However, due to environmental related issues, the Chinese Government had put a restriction on the expansion of *Eucalyptus* plantations since 2018.

The Group continued their visit to a flooring & timber products manufacturer which produces solid wood flooring, engineered flooring and wood decking. The annual flooring production capacity of the mill is 1.0 million m<sup>2</sup>. Currently,



## ip to Xinhui District of Guangzhou, China

all the wood materials are imported directly from America, Africa, Europe, Indonesia and Viet Nam. The company is willing to consider the use of timber species from Sarawak such as *Eucalyptus*, *Acacia*, hardwood timbers and etc for their overseas markets if the species are found to be suitable for flooring production.



Group photo in front of the *Eucalyptus* plantation site and log pond

The Group was informed that currently, the Chinese manufacturers prefer to import kiln dried wood as the

Chinese Government is restricting the burning of wood waste for boilers and electricity cost is too high for kiln drying process.

The Group also visited the biggest toilet seat manufacturer in Guangzhou which produces plastic and compressed wood dusts toilet seats for a giant retailer in the United States of America as well as wooden toilet seats for the European market. However, they are facing a shortage in the supply of wood materials and the production of the wooden toilet seats has been halted.

The delegation acknowledged that Sarawak is lacking in dedicated craftsmen and sustainable supply of suitable high density wood for the production of traditional furniture. They are also aware of the huge potential in opportunities for the Sarawak exporters to go into joint venture or trade with the Chinese furniture manufacturers with planted species.

Members of the delegation felt that they should consider planting tree species with higher density and interesting wood grain patterns for the production of high value furniture, which in turn, will fetch a high market value.

本会3小组委员会，即STA木材产品行销小组(TPM)、STA锯木小组(SM)和STA制模小组(M)于2018年11月21日至27日前往中国广州新会进行实地考察。该考察团共有5名成员，由TPM委员会主席许勋文先生带领。

该考察团在MTA主席拿督谭志男的陪同下拜访新会参议院代表戴江宋先生（译音）和新会区传统古典家具行业协会主席黄惠满先生。同时，也参访传统古典家具制造厂、合板与单板制造厂、地砖与木制品制造厂、桉树种植林和马桶制造厂。

考察团获得黄惠满先生（译音）和4名主任以及新会区传统古典家具行业协会秘书处的接待。许勋文先生解释砂拉越政府目前正在鼓励业界进入更多的下游制造业，比如更广泛生产增值木材产品。因此，这行程让考察团成员能够更好地了解新会家具制造中所使用的木材种类，以及探索与中国制造商在与砂拉越木材品种生产增值木材产品方面的潜在投资或合资契机。

考察团成员认为他们应该考虑种植密度较高和有趣木纹图案的树种，以生产高价值的家具，这将带来更高的市场价值。

Satu delegasi 5 ahli daripada 3 Jawatankuasa aktiviti hiliran Persatuan Kayu Kayan Sarawak (STA) iaitu Jawatankuasa Pemasaran Produk Kayu (TPM), Jawatankuasa Penggajian dan Jawatankuasa Kayu Kumai yang diketuai oleh Encik Stephen Hii Hium Ung, Pengerusi Jawatankuasa TPM telah mengadakan lawatan bersama ke Daerah Xinhui, Guangzhou, China dari 21 hingga 27 November 2018.

Semasa lawatan, delegasi STA diiringi oleh Datuk Andrew Tham, Presiden Persatuan Kayu Malaysia (MTA) telah mengadakan kunjungan hormat ke atas Encik Dai Jiang Song, wakil Senat Xinhui dan Encik Huang Hui Man, Presiden Persatuan Industri Perabot Tradisional Xinhui. Delegasi turut melawat pengeluar perabot tradisional, pembuat papan lapis dan kilang venir, pengeluar produk lantai & kayu, ladang *Eucalyptus* dan pengeluar tempat duduk tandas.

Delegasi STA telah disambut oleh Encik Huang Hui Man dan 4 pengarah serta Sekretariat dari Persatuan Industri Perabot Tradisional Xinhui. Bagi pihak STA, Encik Stephen Hii menjelaskan bahawa Kerajaan Sarawak pada masa ini menggalakkan industri menghasilkan produk hiliran yang bernilai tambah. Oleh itu, lawatan ini membolehkan para perwakilan mendapatkan pemahaman yang lebih baik mengenai jenis spesies kayu yang digunakan dalam pembuatan perabot di Xinhui dan akhirnya mewujudkan pelaburan atau membentuk projek usahasama dengan pengeluar China menggunakan spesies kayu dari Sarawak bagi mempromosikan produk kayu bernilai tambah.

Ahli-ahli delegasi berpendapat bahawa mereka harus mempertimbangkan penanaman spesies pokok yang mempunyai kayu beketumpatan tinggi dan corak menarik sebagai bahan kayu untuk menghasilkan perabot bernilai tinggi.



Mr Peter Ling presenting a souvenir to Director of FSISV  
(6<sup>th</sup> from the Right)



Group photo taken at the SFSC nursery

The STA Forest Plantation Committee organised a Study Tour of Forest Plantations, Institutions and Industry to Ho Chi Minh City, Viet Nam from 27 to 29 November 2018. The delegation of ten (10) members was led by Mr Peter Ling Kwong Hung, Chairman of STA Forest Plantation Committee.

The purpose of the visit was to study the establishment and management of forest plantations in Viet Nam, including tree improvement and protection, nursery production, processing of plantation logs and marketing of planted timber products.

The Study Tour started off with a meeting with Forest Science Institute of South Viet Nam (FSISV), a public scientific organisation which carries out scientific research, technological transfer, training, international cooperation, consulting and business services in the field of forestry for the South of Viet Nam. The Group was received by Dr Kieu Tuan Dat, Director of FSISV and a briefing was provided for the group on the background of FSISV as well as the research projects carried out by the institute on both the natural and planted forests. Both parties had a fruitful meeting discussing practices as well as sharing experience and knowledge in the development and management of forest plantations in their respective countries.

FSISV plays a vital role in the research and development (R&D) for planted forests in Southern Viet Nam. Most of their research funding comes from the Vietnamese Government and some from international organisations such as the Australian Centre for International Agricultural Research (ACIAR) and Center for International Forestry Research (CIFOR).

The Group then visited the FSISV's Centre of Application for Forest Science and Technology of South Viet Nam, Tan Phu Forest Experimental Station and Bau Bang Forest Experimental Station, where they were introduced to, amongst others, the approaches used in the production of nursery seedlings, planting techniques, silvicultural treatments, tree improvement as well as pests & disease management.

The Group continued with their visit to the Southern Forest Seed Joint Stock Company (SFSC) and its nursery located

in the Dong Nai Province. The Group was amazed with the simple and cost effective nursery set-up as well as their productive nursery practices.

On the last day, the Group paid a courtesy call to the Chairman of Binh Duong Furniture Association (BIFA), Mr Dien Quang Hiep, who is also the Chairman and Director of Mifaco Co Ltd. The Group then had a meeting with the Chairman and members of BIFA. Also present at the Meeting was Mr Zung Dao, Project Manager & Developer of Due Diligence System (DDS), Handicraft and Wood Industry Association of Ho Chi Minh City (HAWA). It was hoped that the relationship between STA and BIFA can be established and the business opportunity between the countries can be explored.

The Group proceeded to visit two (2) furniture manufacturing factories, i.e. Mifaco Co Ltd and An Khang Furniture Co Ltd located in the Binh Duong Province. Both factories use only legal and certified source of planted timber for their production. The Group also visited to the Tan Vinh Cuu Joint-Stock Company (TAVICO), a largest hardwood distributor in Viet Nam.

Mr Peter Ling Kwong Hung, Chairman of STA Forest Plantation Committee expressed his sincere appreciation to FSISV, HAWA, BIFA, as well as other agencies, companies and personnel who assisted and contributed to the success of the Study Tour.

本会人工林小组委员会于2018年11月27日至29日前往越南胡志明市进行人工林、机构和工业考察。考察团共有10名成员，由人工林小组委员会主席林光训先生带领。

实地考察的目的是研究越南人工林的建设和管理，包括树木改良和保护、苗木生产、人工林原木加工和人工林木材产品营销。

考察团在行程首日与越南南部森林科学研究院(FSISV)举行会议。双方召开了富有成效的会议，讨论并分享各自国家人工林种植园开发和管理方面的做法和经验。

考察团也在行程的最后一天拜访平阳家具协会(BIFA)主席叶殿光先生(译音)。考察团希望STA与BIFA之间能建立关系，及探索两国之间的商机。



## ns and Industry in Ho Chi Minh, Viet Nam



Group photo taken at the Tan Phu Forest Experimental Station



Group photo with Chairman of BIFA at Mifaco Co Ltd (6<sup>th</sup> from the Left)

Jawatankuasa Ladang Hutan STA menganjurkan lawatan sambil belajar ke Ladang Hutan, Institusi dan Industri di Kota Ho Chi Minh, Viet Nam dari 27 hingga 29 November 2018. Delegasi 10 ahli telah diketuai oleh Encik Peter Ling Kwong Hung, Pengerusi Jawatankuasa Ladang Hutan STA.

Tujuan lawatan adalah untuk mengkaji penubuhan dan pengurusan ladang hutan di Viet Nam, termasuk penambahbaikan dan perlindungan pokok, pengeluaran nurseri, pemprosesan dan pemasaran produk kayu ladang hutan.

Lawatan bermula dengan mesyuarat bersama Institut Sains Hutan Selatan Viet Nam (FSISV). Kedua-dua pihak berbincang dan berkongsi pengalaman serta pengetahuan dalam pembangunan dan pengurusan ladang hutan di negara masing-masing.

Pada hari terakhir, delegasi mengadakan kunjungan hormat ke atas Pengerusi Persatuan Perabot Binh Duong (BIFA), Encik Dien Quang Hiep. Diharapkan hubungan antara STA dan BIFA dapat diwujudkan dan peluang perniagaan di antara 2 negara dapat diterokai.

## Financial Assistance for Sekolah Kebangsaan Nanga Kua, Selangau

A simple ceremony to present a Financial Assistance to Sekolah Kebangsaan (SK) Nanga Kua, Selangau Sibu, was organised by the Sarawak Timber Industry Development Corporation (STIDC) on 7 November 2018 at the school's hall.

Sarawak Timber Association (STA), through its subsidiary company, STA Mutual Sdn Bhd (STAM), in collaboration with STIDC, provided the Financial Assistance to SK Nanga Kua for the repair works of the school's building which was damaged by floods in February 2018. SK Nanga Kua, located on the banks of river Kua, has 112 students enrolled in classes ranging from Primary One to Primary Six.

In his welcoming speech, Mr Matu anak Ekum, the Headmaster of SK Nanga Kua thanked both STIDC and STA



Madam Dayang Nena Abang Bruce (3<sup>rd</sup> from the Left) presented a mock cheque amounting to RM10,000.00 to Mr Matu anak Ekum (3<sup>rd</sup> from the Right), Headmaster of SK Nanga Kua, witnessed by Mr Jambai anak Sayong, Selangau District Education Officer (1<sup>st</sup> from the Left), Dr Peter Kho, General Manager of STA, Mr Paul Wong Siu Nang (2<sup>nd</sup> from the Right), General Manager of Subur Tiasa Holdings Berhad and Mr Belikau anak Jabat (1<sup>st</sup> from the Right), representative from PIBG SK Nanga Kua

for responding to the school's request for financial assistance, made through Subur Tiasa Holdings Berhad. Mr Matu said that the school had suffered four (4) major floods in 2018, which caused extensive damages to most of the school's assets and building structure. The hostel for students and quarters for teachers are no longer safe to be occupied.

Mr Jambai anak Sayong, the District Education Officer from Selangau said that the Ministry of Education has allocated a new area for them to build the new school. However, due to fund constraints, the students will have to continue their

studies in the current building for the time being.

Madam Dayang Nena Abang Bruce, Deputy General Manager of STIDC expressed her sympathy to the school. She was very impressed by the efforts of the staff members,



lead by Encik Matu to continuously provide education to their students.

The mock cheque of RM10,000.00 was presented by Madam Dayang Nena Abang Bruce to Mr Matu anak Ekum and witnessed by Dr Peter Kho, General Manager of STA, Mr Jambai anak Sayong, Mr Paul Wong Siu Nang, General Manager of Subur Tiasa Holdings Berhad and Mr Belikau anak Jabat, representative from PIBG SK Nanga Kua.

The Ceremony was also attended by the teachers and parents of SK Nanga Kua as well as officers from STIDC and Subur Tiasa Holdings Berhad.

砂拉越木材工业发展机构 (STIDC) 于2018年11月7日在诗巫实兰沟南甲古瓦国小的礼堂举办了一场简单的仪式，向该校提供经济援助。

砂拉越木材公会 (STA) 透过其子公司 STA Mutual (STAM) 有限公司与 STIDC 展开合作，向南甲古瓦国小提供经济援助，用于维修2018年2月因水灾袭击而受损的学校建筑物。

实兰沟南甲古瓦国小校长马图(译音)先生在他的欢迎词中，也感谢 STIDC 和 STA 迎合 Subur Tiasa Holdings Berhad 给予该校经济援助。

Satu majlis ringkas untuk penyampaian Bantuan Kewangan kepada Sekolah Kebangsaan (SK) Nanga Kua, Selangau Sibu telah dianjurkan oleh Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) pada 7 November 2018 di dewan sekolah.

Persatuan Kayu Kayan Sarawak (STA), melalui anak syarikatnya, STA Mutual Sdn Bhd (STAM), dengan kerjasama STIDC, menyediakan Bantuan Kewangan kepada SK Nanga Kua untuk memperbaiki bangunan sekolah yang rosak akibat banjir pada Februari 2018.

Dalam ucapan alu-aluannya, Encik Matu anak Ekum, Guru Besar SK Nanga Kua mengucapkan terima kasih kepada STIDC dan STA kerana menyahut permintaan sekolah dengan menyalurkan bantuan kewangan yang dibuat melalui Subur Tiasa Holdings Berhad.

Entering its third edition, the Sarawak's Non-Timber Forest Products (NTFP) Carnival 2018 was held from 22 to 26 November 2018 at Kuching Waterfront with the theme "Building Partnership to Promote NTFP". This Carnival is an initiative carried out by the Forest Department of Sarawak (FDS) to help and improve the social economy of the communities living in the Heart of Borneo (HoB) under the 11<sup>th</sup> Malaysia Plan.

A total of forty (40) booths had been set up, exhibiting a rich variety of NTFP involving handicraft, agriculture, farming, and agro-tourism. Among those taking part in this carnival were government departments and agencies, private corporations as well as Sarawak's local communities.

In his closing ceremony speech, Datu Haji Len Talif Salleh, Assistant Minister of Urban Planning, Land Administration and Environment, shared with the participants of the Ceremony that the promotional activities of NTFPs should be extended to other towns/cities of Sarawak and globally besides Kuching because Sarawak's NTFPs possess the potential to enter the worldwide market.

He said such event helps rural people expand their business network besides promoting Sarawak as a popular tourist destination to the world. He added that the State Government has established the Sarawak Product Pavillion in Kuala Lumpur and the Sarawak State Relation Secretariat in Singapore to assist Sarawakians in expanding their businesses.

In addition to the exhibition and sales of NTFP, other side programmes such as 'NTFP Bernopeng Contest 2018',

## Closing Ceremony of Sarawak's Non-Timber Forest Products



Datu Haji Len Talif Salleh delivering his speech during the closing ceremony of NTFP Carnival 2018



Handicraft display at NTFP Carnival 2018

'NTFP Kid's Colouring Contest 2018', 'NTFP Kid's Fashion Show Contest', 'NTFP Musical Night 2018', 'The Voice of NTFP 2018' and lucky draw were also organised to attract more visitors to the five-day Carnival.

Among those witnessing the closing ceremony were Tuan Hamden Bin Haji Mohamad, Director of Forests and Tuan Jack Anak Liam, Deputy Director of Forests, both from FDS.

第三届2018年砂拉越非木材森林产品 (NTFP) 嘉年华以“建立合作关系，推广非木材森林产品”为主题，于2018年11月22日至26日假古晋河滨公园举行。此嘉年华由砂拉越森林局倡导，是第十一大马计划下其中一项策划活动，是为提高和改善婆罗洲中心 (HoB) 社区的生活水平及生活质量。该嘉年华总共设立了多达四十 (40) 个展位，展出了丰富多样的 NTFP，涉及手工，农务，农庄和农业旅游。

砂城市发展及天然资源部助理部长 (城市发展、土地行政及环境) 拿督连达立夫(译音)在闭幕式上致辞时，与仪式参与者分享 NTFP 的推广活动应扩展到砂拉越除了古晋以外，到其他市镇/城市以及全球因为砂拉越的 NTFPs 具有进入全球市场的潜力。除了 NTFP 的展览和销售之外，该五天嘉年华也举办其他方面的活动，以吸引更多的参观者。



Memasuki edisi ke-3, Karnival Produk Hutan Bukan Kayu Sarawak (NTFP) 2018 telah diadakan dari 22 hingga 26 November 2018 di Kuching Waterfront dengan tema "Membina Perkongsian untuk Mempromosi NTFP". Karnival ini merupakan inisiatif yang dijalankan oleh Jabatan Hutan Sarawak (FDS) untuk membantu dan memperbaiki sosial ekonomi masyarakat yang tinggal di Heart of Borneo (HoB) di bawah Rancangan Malaysia ke-11. Sebanyak 40 gerai telah ditubuhkan, memamerkan pelbagai jenis NTFP yang melibatkan kraf tangan, hasil pertanian dan agropelancongan. Dalam ucapan penutupan, Datu Haji Len Talif Salleh, Menteri Muda Perancang Bandar, Pentadbiran Tanah dan Alam Sekitar berkongsi dengan para peserta Karnival bahawa aktiviti promosi NTFP perlu diperluaskan ke bandar/bandaraya yang lain di Sarawak dan di seluruh dunia, selain daripada Kuching kerana NTFP Sarawak mempunyai potensi untuk memasuki pasaran dunia. Sebagai tambahan kepada pameran dan jualan NTFP, program sampingan turut dianjurkan untuk menarik lebih ramai pelawat ke karnival 5 hari.

Sarawak Forestry Corporation Sdn Bhd (SFCSB) and Sarawak Timber Association (STA) had collaborated since early 2018 to organise a series of public talks under the Research for Intensified Management of Bio-Rich Areas (RIMBA) platform.

The main objective of the Talks is to provide an avenue for researchers from renowned institutions, locally and internationally, who are actively conducting research collaboration under the RIMBA Sarawak platform to share their research progress and/or preliminary findings.

The fourth (4<sup>th</sup>) public talk was successfully conducted on 12 November 2018 at M Hotel, Kuching and was attended by approximately sixty (60) participants from the forestry agencies such as Forest Department Sarawak (FDS); forestry and timber industry such as Grand Perfect Pusaka, Shin Yang Sdn Bhd and Ta Ann Holdings Berhad; non-profit organizations, namely Malaysian Nature Society (MNS), Friends of Sarawak Museum and Wildlife Conservation Society (WCS) as well as higher learning institution such as Universiti Malaysia Sarawak (UNIMAS).

Two (2) speakers, namely Dr William McShea and Dr Daniel Froehlich who are experts in their respective fields shared with the participants of the Talk results from their preliminary reports on their respective studies. Dr McShea's presentation entitled "*Understanding the Shifting Distribution*



Group photo

of Mammals in Lanjak Entimau Wildlife Sanctuary (LEWS)" highlighted the relative abundance of fruits and mammals at locations ranging from near villages to remote primary forest and showed how the productivity of the forest impacts large mammal populations.

Meanwhile, Dr Froehlich who is an avid field ornithologist and interpreter of avian molt introduced to the participants of the Talk, in his presentation entitled "*The Ecology of Molt: Why Avian Molt Matters*", what is, in effect, the ecology of molt. The frequency, timing and rate of feather replacement

are all subject to adaptive pressures, and thus, the replacement of each feather is understood as an increment of evolution.

砂拉越林业机构有限公司 (SFCSB)与本会自2018年初在强化生物丰富管理研究 (RIMBA) 平台下联手举办系列公开讲座会。这些讲座会旨予提供管道让国内和国际知名机构的活跃研究家以 RIMBA平台分享他们的研究进展和初步研究结果。

第四次公开讲座会成功于2018年11月12日假古晋M酒店联办。两位各领域杰出的专家威廉麦诗博士和丹尼尔佛立博士与参与者分享他们初步研究结果心得。

Sarawak Forestry Corporation Sdn Bhd (SFCSB) dan Persatuan Kayu Kayan Sarawak (STA) telah bekerjasama sejak awal tahun 2018 untuk menganjurkan beberapa siri ceramah awam di bawah Penyelidikan untuk Pengurusan Intensif Kawasan Bio-Rich (RIMBA). Objektif utama Ceramah adalah untuk menyediakan ruang bagi penyelidik-penyelidik daripada institusi terkenal di dalam dan di luar negara, yang secara aktif menjalankan kerjasama penyelidikan di bawah platform RIMBA Sarawak untuk berkongsi perkembangan penyelidikan dan / atau penemuan awal.

Ceramah awam ke-4 telah berjaya dilaksanakan pada 12 November 2018 di Hotel M, Kuching.

2 penceramah, iaitu Dr William McShea dan Dr Daniel Froehlich yang pakar dalam bidang masing-masing berkongsi dengan peserta mengenai penemuan awal mereka dalam kajian masing-masing.

A *Stakeholder Briefing and Industry 4.0 Awareness Session to Timber Industry* was co-organised by Sarawak Timber Industry Development Corporation (STIDC), Ministry of Industrial & Entrepreneur Development (MIED), University Malaysia Sarawak (UNIMAS) and Sarawak Multimedia Authority (SMA) on 29 November 2018 at Wisma Sumber Alam in Kuching. The Briefing was attended by approximately 130 participants from government agencies, timber industry and academia.

In the Opening Speech by Tuan Haji Hashim bin Haji Bojet, General Manager of STIDC, read by Puan Suraya Mohamad Ali, Senior Assistant General Manager of STIDC, he said that the objectives of the Briefing were:

- To update the industry on new procedures and amendment to the current requirements;
- To brief the industry on the implementation of Industry 4.0 and the way forward for the timber industry; and
- To receive feedbacks from the timber industry on problems and issues faced by the industry.

He said that currently, the timber industry is facing great challenges not only locally, but globally. Hence, STIDC has implemented a Transformation Plan to transform the current structure of the timber industry from a heavy dependence on the export of primary and secondary timber products to the export of high value timber products by 2030. This will support the development and growth of the State's timber industry for the benefit of the people of Sarawak. He added that this Briefing is to update the stakeholders on the revision of the Conditions and Restriction which included amongst others, the uplift of the restriction on the importation of certain timber products.

He also informed the participants of the Briefing that the State Government is streamlining the functions of the relevant agencies under the Ministry of Urban Development and Natural Resources (MUDeNR). Effective January 2019, the function of issuing sawmill licenses will be delegated to STIDC, previously done by Forest Department Sarawak (FDS).

There were seven (7) papers presented during the Briefing as follows:

#### **Paper 1: Revisions to Registration: Conditions and Restrictions**

- by Mr Lucas Druce, Manager, Registration, STIDC

The speaker reminded the participants that it is compulsory for any person either managing or operating any plant, factory or premises carrying out any timber processing and trading activities to register with STIDC. He also mentioned the benefits to register with STIDC which included invitation to participate in timber selling missions, exhibitions, seminars, workshops, briefings and etc.



*Briefing in progress*

He then informed the participants of the Briefing, the conditions and restrictions to timber export and import activities, as well as the procedures, required documentations and etc.

#### **Paper 2: Procedure to Import Timber and Timber Products**

- by Mr Mohamad Murabak Abdillah bin Suut, Acting Manager, Trade Control Division, STIDC

The speaker updated participants of the Briefing on the import volume of timber & timber products into Sarawak for 2017 and the first three (3) quarters of 2018. He further explained the verification procedures and documentation required for the application of import and export licences and shared with the participants of the Briefing on the mandatory documents required for exportation of logs and timber products to the Republic of Korea.

#### **Paper 3: Issuance of Sawmill Licence through Delegation of Power**

- by Mr Afizulmizam bin Afandi, Manager, Licencing, STIDC

The speaker updated participants of the Briefing on the delegation of power from the Director of Forests to the General Manager of STIDC on the issuance of sawmill licences, covering the Standard Operating Procedure, fees and relevant forms. This will come into effect on 2 January 2019.

#### **Paper 4: ePermit**

- by Mr Ahmad Fathi Kamil bin Mohamad Taharuddin, Business Development Consultant (Gov), Dagang Net Technologies Sdn Bhd

The speaker introduced participants to an integrated online system developed by Dagang Net Technologies Sdn Bhd. The system comprises six (6) core services under the New Single Window (NSW), namely eDeclare; ePermit; ePermitSTA; eManifest; ePCO and ePayment. These services are available for users such as manufacturers, forwarding agents, shipping agents, traders (importers and exporters), and authorities such as customs, permit



## 4.0 Awareness Session to Timber Industry

issuing agencies, port authorities, port operators, terminal operators and banks. This will improve the efficiency of the processes such as application and approval with regard to the 6 core services.

### Paper 5: Industry 4.0: Digital Technologies for Timber Industry

- by Associate Professor Dr Johari Abdullah,  
Dean, Faculty of Computer Science and IT,  
UNIMAS

The speaker spoke on digitisation and Internet of Things (IoT) where industries will eventually adopt technology and IoTs to further enhance their business processes. He said that this is to transform the State's economy from a natural resource based to a digital based.

He shared with the participants of the Briefing an example where technology is applied in the forestry industry such as remote forest management system whereby the system can monitor the growth of trees such as in *Acacia* plantations.

### Paper 6: Readiness towards the Implementation of Industry 4.0 (Timber Case Study)

- by Associate Professor Dr Shanti Faridah  
Salleh, Director, Centre of Academic Quality  
Assurance and Development, UNIMAS

The speaker conducted a survey based on the format of a case study on Industry 4.0 in a Canadian timber supply chain where participants were asked to take part, to access their level of awareness on the concept and application of Industry 4.0 in the timber industry.

She also highlighted the challenges and opportunities of applying a cross-sectoral Industry 4.0 collaboration between the upstream and downstream in the timber industry of Sarawak.

### Paper 7: Integrated Manufacturing and Smart Factory System

- by Dr Shahrol bin Mohamaddan, Senior Lecturer,  
Faculty of Engineering, UNIMAS

The speaker shared with the participants of the Briefing, a Smart Factory System used in the timber industry in other countries where robotic technology was deployed to assemble timber structures. The system is fully automated and the process is done with precision.

He later held a live demonstration of 3D printing where products, including wood based products can be 'printed' using a 3D printer.

The same Briefing will also be held on 3, 5 and 6 December 2018 in Sibul, Bintulu and Miri respectively.

砂拉越木材工业发展机构(STIDC)连同工业与企业家发展部(MIED), 砂大学(UNIMAS)及砂拉越多媒体局(SMA)于2018年11月28日假古晋天然资源大厦举办木材业利益相关者简报会和工业4.0意识会。

简报会旨予向木业界：

- 更新木业目前需求的新程序和修订；
- 汇报工业4.0的实施情况以及木材工业的发展方向；和
- 收集木业界对木业所面对的问题和反馈。

STIDC总经理告知参与者州政府正在简化城市发展和天然资源部旗下的相关机构职能。自2019年1月起，STIDC将取代砂森林局(FDS)，授权签发锯木厂许可证。

简报会共呈现如本文中所列出的7张论文。

同样的简报会也分别于2018年12月3日假诗巫，2018年12月5日假民都鲁和2018年12月6日假美里进行。

Sesi Bersama Pihak Berkepentingan dan Kesedaran Industri 4.0 di Industri Perakayuan telah dianjurkan secara bersama oleh Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC), Kementerian Pembangunan Perindustrian dan Usahawan Sarawak (MIED), Universiti Malaysia Sarawak (UNIMAS) dan Pihak Berkuasa Multimedia Sarawak (SMA) pada 29 November 2018 di Wisma Sumber Alam di Kuching.

Objektif Taklimat adalah:

- Untuk mengemas kini industri mengenai prosedur baru dan pindaan berdasarkan keperluan semasa;
- Untuk berkongsi dengan industri mengenai pelaksanaan Industri 4.0 dan langkah ke hadapan untuk industri perakayuan; dan
- Untuk menerima maklum balas daripada industri perakayuan mengenai masalah dan isu yang dihadapi oleh industri.

Beliau juga memaklumkan kepada peserta Taklimat bahawa Kerajaan Negeri telah menyelaraskan fungsi agensi yang berkaitan di bawah Kementerian Pembangunan Bandar dan Sumber Asli (MUDeNR). Mulai Januari 2019, fungsi mengeluarkan lesen kilang papan akan diwakilkan kepada STIDC, yang sebelum ini dilakukan oleh Jabatan Hutan Sarawak (FDS).

Terdapat 7 kertas kerja yang dibentangkan semasa Taklimat seperti yang disenaraikan dalam artikel ini. Taklimat yang sama turut akan diadakan pada 3, 5 dan 6 Disember 2018 di Sibul, Bintulu dan Miri.

# Auditor Training Course on Forest Management Certification

In support of the State Government's policy for all long-term Forest Timber Licences (FTLs) in Sarawak to obtain Forest Management Certification (FMC) by 2022, Sarawak Forestry Corporation (SFC) in collaboration with the Malaysian Timber Certification Council (MTCC), organised an *Auditor Training Course* on FMC under the Malaysian Timber Certification Scheme (MTCS) from 29 October to 2 November 2018 in Sibu and Kapit Divisions. The 5-day Training was divided into two (2) parts i.e. theory and practical. The Training was attended by forty five (45) representatives from SFC, licensees in Sibu and Kapit as well as STA Secretariat.

The objectives of this Training were to familiarise participants on the requirements of MTCS and to provide the tools and knowledge required to conduct an audit of forest management practices based on Malaysian Criteria and Indicators for FMC (Natural Forest) [MC&I (Natural Forest)] as well as Malaysian Criteria and Indicators for Forest Plantation Management Certification [MC&I Forest Plantation.v2].



*Mr Ting Chek Hieng delivering the Opening Remarks*

In the Opening Remarks, Mr Ting Chek Hieng, the Management & Compliance Manager of SFC representing Tuan Haji Zolkipli Mohamad Aton, the Chief Executive Officer of SFC said that this Training was conducted timely and in-line with the requirements set by the State Government for all long-term FTLs to obtain FMC by 2022. The Training will provide capacity building not only to the licensees but also to the officers from SFC on the FMC implementation, particularly on the audit exercise. He also mentioned that the FMC is an on-going process and hoped all participants will be able to apply the relevant knowledge acquired from this Training when implementing FMC.



*Training session conducted by Dr Samsudin Musa, an independent auditor*

The Training was conducted by two (2) trainers, namely Mr Melvin Ku Kin Kin, Senior Executive (Forest Management) of MTCC and Dr Samsudin Musa, an independent auditor. During the Training, participants were divided into six (6) groups to perform mock audit at the Kapit Forest Management Unit (FMU), one of the recently certified FMU in Sarawak.

There were four (4) modules presented during the Training as follows:

## **Module 1: Introduction to the Malaysian Timber Certification Scheme**

The Trainers highlighted on the overall picture of forest certification at both the national and global levels. In Malaysia, MTCC was established in 1998 to develop and operate a voluntary and independent national certification scheme which was known as MTCS, to provide an independent assessment of FMC and Chain of Custody (CoC) in Malaysia. Later in 2009, MTCS was endorsed by the Programme for the Endorsement of Forest Certification (PEFC) and re-endorsed in July 2014 for another five (5) years. Currently, MTCS has received mutual recognition with thirty seven (37) other national schemes endorsed by PEFC.

As of September 2018, there are thirteen (13) FMUs certified, covering 4.35 million hectares of natural forests and seven (7) Forest Plantation Management Units (FPMUs) certified, covering 101,921 ha of forest plantations.

## **Module 2: Understanding the Malaysian Criteria and Indicators for Forest Management Certification**

The Trainers went through the ten (10) Principles and their Criteria and Indicators in the MC&I (Natural Forest) as well as MC&I Forest Plantation.v2.

- |               |  |
|---------------|--|
| Principle 1:  | Compliance with Laws and Principles  |
| Principle 2:  | Tenure and Use Rights and Responsibilities   |
| Principle 3:  | Indigenous Peoples' Rights   |
| Principle 4:  | Community Relations and Worker's Rights  |
| Principle 5:  | Benefits from the Forest   |
| Principle 6:  | Environmental Impact   |
| Principle 7:  | Management Plan  |
| Principle 8:  | Monitoring and Assessment  |
| Principle 9:  | Maintenance of High Conservation Value Forests   |
| Principle 10: | Forest Plantation Development and Management (applicable to MC&I Forest Plantation.v2) |

## **Module 3: Auditing Forest Management Practices**

The Trainers shared with participants of the Course the audit programme. The audit programme for initial certification shall include 2-stage initial audit, surveillance audits during the first and second years following the certification decision and recertification audit in the 3<sup>rd</sup> year prior to the expiry of certificate. The Trainers also highlighted that



# ation under the Malaysian Timber Certification Scheme

from 2012 to 2017, most of the non-conformities were raised on Principle 6, followed by Principle 4 and Principle 8 of the MC&I (Natural Forest).

## Module 4: Evidence, Sampling and Stakeholder Consultation

The Trainers shared with participants of the Course the evidence gathered during the audit including its method, selection, number of samples and timing. They added that auditors should conduct Interview and stakeholder consultation sessions to collect information on the management system of a company.



Group Photo taken during the Mock Audit at the Kapit FMU



Introduction of Kapit FMU by Mr Nelson Bijack, Forest Manager of Ta Ann Group of Companies

为响应政府所实施的砂长期森林木材执照(FTLs) 政策,以便在2022年取得森林管理认证(FMC), 砂拉越林业机构有限公司(SFC) 与马来西亚木材认证理事会(MTCC)于2018年10月29日至11月2日假诗巫及加帛合作举办一项马来西亚木材认证计划(MTCS) 下的FMC审核员培训课程。

此培训目的为让参与者熟悉MTCS的条件以及根据马来西亚认证标准草案之FMC (自然森林) [MC&I (Natural Forest)]及马来西亚认证标准草案之种植森林管理认证[MC&I Forest Plantation.v2] 提供所需的知识与工具来审核森林管理的实践。

SFC管理与合规经理陈则贤先生在代表SFC首席执行官哈兹佐其里(译名)致开幕词说,此培训不仅提供执照者能力建设,也增进SFC官员对于FMC的实施,尤其在审核上的练习。

培训由两位教官指导,分别是MTCC(森林管理)高级管理员麦尔文先生(译名)及独立审计师山苏丁博士(译名)。

共有四项课程于培训中呈现,如本文所示。

Dalam menyokong dasar Kerajaan Negeri yang mengkehendaki kesemua Lesen Hutan (FTL) jangka panjang di Sarawak untuk memperolehi Pensijilan Pengurusan Hutan (FMC) menjelang tahun 2022, Sarawak Forestry Corporation (SFC) telah bekerjasama dengan Majlis Pensijilan Kayu Malaysia (MTCC) untuk menganjurkan Kursus Latihan Juruaudit FMC di bawah Skim Pensijilan Kayu Malaysia (MTCS) dari 29 Oktober 2018 hingga 2 November 2018 di Bahagian Sibu dan Kapit.

Objektif Latihan adalah untuk membiasakan peserta mengenai keperluan MTCS dan menyalurkan maklumat dan pengetahuan yang diperlukan untuk menjalankan audit amalan pengurusan hutan berdasarkan Kriteria dan Petunjuk Malaysia untuk FMC (Hutan Asli) [MC&I (Hutan Asli)] serta Kriteria dan Petunjuk Malaysia untuk Pensijilan Pengurusan Ladang Hutan [MC&I Ladang Hutan.v2].

Dalam ucapan pembukaan, Encik Ting Chek Hieng, Pengurus Pengurusan & Pematuhan SFC mewakili Tuan Haji Zolkipli Mohamad Aton, Ketua Pegawai Eksekutif SFC berkata bahawa Latihan ini dapat menyediakan pembinaan kapasiti bukan sahaja kepada pemegang lesen hutan tetapi juga kepada pegawai-pegawai daripada SFC tentang pelaksanaan FMC, khususnya mengenai pelaksanaan audit.

Latihan ini dijalankan oleh 2 pelatih, iaitu Melvin Ku Kin Kin, Eksekutif Kanan (Pengurusan Hutan) MTCC dan Dr Samsudin Musa, seorang juruaudit bebas.

Terdapat 4 modul yang dibentangkan semasa Latihan seperti yang disenaraikan dalam artikel ini.

# Lab for Bamboo Framework

Sarawak Timber Industry Development Corporation (STIDC) organised a *Lab for Bamboo Framework* on 15 November 2018 at Hilton Hotel, Kuching. Representatives from the State's forestry agencies, institutes of higher learning and Non-Governmental Organizations (NGOs) were invited to the Lab to provide inputs for the bamboo framework to develop the bamboo plantation and industry in Sarawak.



Group photo

In his opening remarks, Tuan Haji Hashim Bin Haji Bojet, General Manager of STIDC, highlighted the potential uses of bamboo such as in furniture, food, medication, construction, clothing and etc. He added that the export of bamboo products can increase the State's export earnings and thus the collaboration from relevant agencies and NGOs is important to develop the bamboo industry in the State. He informed the participants of the Lab that STIDC has established a bamboo nursery to produce the bamboo seedlings that will be planted in a plot near to Sabal Forest Reserve as well as other potential areas which have yet to be determined.



Tuan Haji Hashim (standing) observing the discussion on bamboo framework. From left is Datuk Peter Nansian Ngusie, Chairman of REDEEMS and Dr Peter Kho, General Manager of STA

Dr Jong Lip Khiong, Bamboo Project Manager, briefed the participants of the Lab on the progress of the Sabal Bamboo Pilot Project. He highlighted that the objectives of this project are (i) to develop a model for future bamboo plantation which is technically and commercially viable; (ii) to guide the locals on the better bamboo silviculture management technique for consistent quality bamboo production; and (iii) to explore greater business potential of bamboo industry in Sarawak.

Tuan Haji Hamzah Bin Haji Morshidi, Assistant General Manager (Resource Planning Division) of STIDC, introduced the draft *"Master Plan for the Development of Bamboo as a Renewable and Sustainable Resource for Timber Industry"* to the participants of the Lab. He then divided the participants into eight (8) groups for the open space discussion on bamboo framework which focused on the following strategic topics:

- i. Resource management
- ii. Market development
- iii. Technology adoption and commercialisation
- iv. Research and development
- v. Sustainable environment
- vi. Capacity building
- vii. Corporate social responsibility
- viii. Policy and institutional strengthening

In the closing remarks, Tuan Haji Hamzah informed the participants of the Lab that the outputs from the Lab will be consolidated and presented to STIDC Bamboo Technical Committee for consideration.

砂拉越木材工业发展机构(STIDC)于2018年11月15日假古晋希尔顿酒店举办竹子架构研讨会。受邀参与的代表在此研讨会中提供意见，以发展砂拉越的竹子种植和工业。

STIDC总经理哈兹哈信致词时强调竹制品出口将增加州出口收入。因此，相关机构和非政府组织的合作对于发展州竹业非常重要。哈兹哈信也告知参与者STIDC已设立竹子苗圃，以生产将在萨巴尔森林保护区附近种植竹子幼苗和尚未确定的其他潜在领域。

Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) telah menganjurkan Lab Rangka Kerja Buluh pada 15 November 2018 di Hotel Hilton, Kuching. Wakil-wakil telah dijemput ke Lab untuk memberi input mengenai rangka kerja buluh bagi membangunkan ladang buluh dan industri di Sarawak.

Dalam ucapan pembukaannya, Pengurus Besar STIDC, Tuan Haji Hashim Bin Haji Bojet, menekankan bahawa eksport produk buluh dapat meningkatkan pendapatan eksport Negeri dan oleh itu kerjasama dari agensi dan NGO berkaitan adalah penting untuk membangunkan industri buluh di Negeri ini. Beliau memberitahu peserta Lab bahawa STIDC telah menubuhkan nurseri buluh untuk menghasilkan biji benih yang akan ditanam di sebidang tanah berhampiran dengan Hutan Simpan Sabal serta kawasan berpotensi lain yang masih belum ditentukan.



# The 54<sup>th</sup> Session of the International Tropical Timber Council

The fifty-fourth Session of the International Tropical Timber Council (54<sup>th</sup> ITTC) and the Associated Sessions of its four (4) Committees met from 5 to 8 November 2018 at the headquarters of the International Tropical Timber Organization (ITTO) in Yokohama, Japan. The four (4) Committees were the Committee on Economics, Statistics and Markets (CEM), the Committee on Forest Industry (CFI), the Committee on Reforestation and Forest Management (CRF), and the Committee on Finance and Administration (CFA).

Approximately 150 delegates from thirty three (33) of the seventy four (74) member countries of ITTO, as well as observers from the private sectors, civil societies, and other organisations attended the Session.

The 54<sup>th</sup> ITTC started off with its Chair, Mr Zhang Zhongtian welcoming all delegates to the Session. He highlighted that ITTO has made significant efforts to improve its internal governance. He then urged member countries to support the ITTO with voluntary contributions. It was then followed by speeches delivered by six (6) invited guests and a statement delivered by Dr Gerhard Dieterle, the Executive Director of ITTO. Dr Gerhard Dieterle stressed the importance of productive forests for economic growth, poverty reduction, "wood security", climate mitigation benefits, increased environmental/biodiversity benefits and clean water. He highlighted amongst others, the challenges faced by ITTO and the decline in ITTO funding before the financial impairment. He called for a reorganisation of projects along business lines in order to improve the logic of ITTO's work.

During the week, the delegates at the respective Committee sessions approved new projects as well as reviewed projects and pre-projects under implementation. Final reports on completed projects and selected projects for *ex-post* evaluations were presented at the respective Committee sessions. The CFA discussed the proposals for revitalising ITTO's financing architecture and resource mobilisation strategies.

The Council considered matters pertaining to operational, project and policy work as well as took note of the

presentations on the Financial Incentives for Green Chain Investment in Tropical Forests and the Revision of the ITTO Restoration Guidelines.

On 6 November 2018, the Annual Market Discussion with the theme "*Private Sector Tropical Timber Promotion Initiatives – An Opportunity for Collaboration*" was organised and presented by the Trade Advisory Group (TAG) in the Joint Session of all Committees. Seven (7) speakers from Brazil, China, France, Gabon, The Netherlands, USA and Viet Nam presented their approaches on tropical timber market promotion as well as ideas for innovative promotional activities and the role ITTO could play in contributing more to

efforts on promoting tropical timber. The Trade Statement presented by the TAG is appended below.

For the first time in an ITTC session, the Civil Society Advisory Group (CSAG) organised a panel discussion on gender, which addressed how to enhance the role of women in achieving ITTO's objectives.

On the last day of the Session, the Council adopted six (6) decisions which

included approval of fifteen (15) projects, pre-projects, and activities recommended by the three (3) Committees, namely CEM, CFI and CRF; reconfirmation of further measures regarding the financial impairment; ITTO anti-money laundering and counter terrorism; amendment of staff regulations and rules of ITTO; enhancing the financing architecture and fund raising of the Organization; and selection of candidates for the position of Executive Director of the ITTO.

On 9 November 2018, the delegates participated in a field trip to observe sustainable forest and water management projects in Doshi village, located in the vicinity of the Fujisan World Heritage Centre, which supplies water to the City of Yokohama.

The fifty-fifth Session of the International Tropical Timber Council (55<sup>th</sup> ITTC) and the Associated Sessions of its 4 Committees will be held from 2 to 7 December 2019 in Lome, Togo.



Malaysian delegates with the head of delegation Mr Mad Zaidi Mohd Karli, Senior Undersecretary Timber, Tobacco and Kenaf Industries Development Division, Ministry of Primary Industries (4<sup>th</sup> from the Left) and Mr Hamden bin Mohammad, Director of Forests Sarawak (5<sup>th</sup> from the Left)

第54届国际热带木材理事会 (54th ITTC) 与其4组相关委员会于2018年11月5日至8日位于日本横滨的国际热带木材组织 (ITTO) 总部举行会议。

该会主席张忠田强调, ITTO在改善内部管理做出了重大努力, 并敦促成员国自愿性付出以支持ITTO。接着共有六 (6) 位受邀嘉宾发表演讲以及ITTO执行董事, 格哈德. 迪耶特勒博士 (译音) 发出的声明。他呼吁对业务线上的项目进行重组, 以改善ITTO工作的逻辑。

2018年11月6日, 在全委员会联席会议上, 贸易咨询小组 (TAG) 举办并呈现主题为 “私营界热带木材促销举措 - 合作契机” 的年度市场研讨会。由TAG呈现的贸易声明附于下文。

会议最后一天, 理事会通过六 (6) 项决定, 其中包括批准十五 (15) 个项目, 前期项目和活动重新确认衡量金融减损措施; ITTO反洗钱和反恐; 修订ITTO的工作人员条例和细则; 加强本组织的融资架构和筹资; 以及投选ITTO执行董事的候选人。

第55届ITTC会议及其4组相关委员会会议将于2019年12月2日至7日在多哥罗美市举行。

Sesi ke-54 Majlis Kayu Tropika Antarabangsa (ITTC ke-54) dan Sesi Berkaitan dari 4 Jawatankuasanya bertemu dari 5 hingga 8 November 2018 di markas Pertubuhan Kayu Tropika Antarabangsa (ITTO) di Yokohama, Jepun.

Pengerusi, Zhang Zhongtian menekankan bahwa ITTO telah melakukan usaha penting untuk memperbaiki pengurusan dalamannya dan menyeru negara-negara anggota untuk mendukung ITTO dengan sumbangan sukarela. Ia kemudiannya diikuti dengan ucapan yang disampaikan oleh 6 tetamu undangan dan satu kenyataan yang disampaikan oleh Dr Gerhard Dieterle, Pengarah Eksekutif ITTO. Beliau menyeru penyusunan semula projek-projek selari dengan garis perniagaan untuk meningkatkan logik kerja ITTO.

Pada 6 November 2018, Perbincangan Pasaran Tahunan dengan tema “Inisiatif Promosi Kayu Tropika Sektor Swasta - Peluang untuk Bekerjasama” telah dianjurkan dan dibentangkan oleh Kumpulan Penasihat Perdagangan (TAG) dalam Sidang Bersama kesemua Jawatankuasa. Kenyataan Perdagangan yang dibentangkan oleh TAG turut disertakan dalam artikel ini.

Pada hari terakhir Sesi, Majlis telah mengadopsi 6 keputusan termasuk kelulusan 15 projek, pra-projek, dan aktiviti; pengesahan semula langkah-langkah selanjutnya mengenai kemerosotan kewangan; ITTO anti-pengubahan wang haram dan pencegahan keganasan; pindaan kepada peraturan kakitangan dan peraturan ITTO; meningkatkan corak pembiayaan dan dana Pertubuhan; dan pemilihan calon sebagai Pengarah Eksekutif ITTO.

Sesi ke-55 Majlis Kayu Tropika Antarabangsa (ITTC ke-55) dan Sesi Berkaitan 4 Jawatankuasanya akan diadakan dari 2 hingga 7 Disember 2019 di Lome, Togo.

## Trade Statement, ITTC54 2018, Yokohama

This Statement was prepared by members of the Trade Advisory Group

Chairman

Ladies and Gentlemen

Sustainability and legality in the tropical timber trade are crucial issues; nobody knows it better than members of the Trade Advisory Group.

This very point was obvious in the recent trade agreement between Canada, USA and Mexico which pointedly acknowledges the importance of Sustainable Forestry Management (SFM) and noted its importance in sustainable development, conservation and sustainable use of resources. The agreement highlights green managed forests' contribution to global environmental security as well as the critical role of forests in providing essential ecosystem services, job creation and alleviating poverty. Significantly, the agreement has provisions to combat the illegal trade in timber and also, quite importantly, includes support for SFM and legal trade.

But, not many final users are aware of the positive carbon effects of using tropical timber when compared to other materials even though ITTO has started some preliminary work on LCA studies. While ITTO should be supporting more work on LCAs, the Netherlands Timber Trade Association (NTTA) commissioned a LCA study on pile sheeting and found that tropical timber supersedes all competing material like steel and PVC in terms of carbon dioxide emissions.



In the *Centrum Hout* of NNTA, there is an online CO2 calculation tool, supported by factsheets on environmental scores, LCA, CO2, etc.

However, buyers and users of our wood products are not only looking at sustainability. They also want product reliability and quality. These are important considerations especially in the construction industry. Sadly, there are no universally accepted quality standards for in the international trade. There is a need for a process of certifying that a certain product has passed performance and quality assurance tests and meets qualification criteria stipulated in regulations or specifications.

In recent years, the CITES requirements have become a growing concern in some sectors of the market. The mechanics of administering the certificates which are required under the different Appendices of CITES is proving to be challenging as some management authorities struggle with the paper work. TAG members feel that efficiencies could be gained if there was a system of e-permitting which was acceptable by all parties. TAG calls upon ITTO and CITES to work on an e-permitting system to enhance trade in CITES certified timber products.

ITTO seems to have lost the initiative gained from its early ground-breaking work on SFM. Today we have different definitions and expectations of sustainable forestry. Indeed the very prerequisite of SFM, "legality" is creating much confusion around the world. Today, the EUTR, US Lacey Act and the Australian Illegal Logging Prohibition Act all have different definitions of "legality". Worse still, the definitions used by the world's leading timber certification schemes, FSC and PEFC, are not recognized in EU, USA and Australia and therefore do not provide a 'Green Lane' entry into the country. Producers have to consider at least five different approaches to basically the same concept --- legality. This is no joke for tropical timber producers and buyers who say they spend so much time and effort verifying legality that they do not have time to enhance their production or end uses of tropical timber.

In past years, TAG has called upon ITTO to work on a homogeneous definition of both legality and sustainability which everyone can use as this would add sorely needed clarity in the trade. It is time to re-visit this vexing issue.

The tropical timber trade in consumer countries is struggling because of declining market share, in part due to competition from engineered products and other substitutes. This is especially so in the EU.

Indeed the news is grim. In early 2018, a few European companies operating in Africa were badly hit. The French Group Rougier recently filed for bankruptcy blaming persistent difficulties in Cameroon, especially logistical problems in the port of Doula and a taxation system which undermined competitiveness. Other European companies have scaled back or sold their operations in Africa. The Dutch firm Wijma had to sell several forest concessions in Cameroon to Vicwood, a Hong Kong-based company. Italian-owned Cora Wood, a renowned plywood manufacturer in Gabon, had to sell one of its concessions to a Chinese company. There are rumours that other European companies may soon exit Gabon and Congo. Certification cannot solve all our trade problems.

This is a big 'red flag' which our Organization should sit up and take careful note of. We should take time to work out what went wrong. We have to admit that business as usual is not good enough to save our industry and the forests. We have no choice but to be bold and look for answers outside our comfort zone. But the issues facing the tropical timber sector are huge and we are running out of time to. At present ITTO has so few financial resources that our collective technical expertise cannot be deployed.

TAG was very encouraged to hear the Director General of the Japan Forestry Agency say that Japan is working to resume its voluntary contributions to ITTO. This is a very positive message. Meanwhile, all donors please consult among yourselves and take a brave step forward so ITTO can fulfill its mandate.

In conclusion.

ITTO has worked for 40 years on sustainability and trade promotion, yet tropical timber consumption in traditional markets has been declining for years. The TAG recognizes there seems to be a disconnect between ITTC and the timber industry which has allowed this to happen.

We propose a study be undertaken to uncover why SFM has not delivered the promise of an expanding market for tropical timber. From such a study, the ITTC could then decide upon a strategy to reverse this decline. If we do not act urgently, the conversion of tropical forest land will continue.

You, the Council members, have the answers. Let your actions in Yokohama demonstrate your collective commitment to the tropical forests of the World.

Thank you.

# Annual Technical Meeting of Planted Forest Research Programme

An annual Technical Meeting of Planted Forest Research Programme (PFRP) was called by Sarawak Forestry Corporation Sdn Bhd (SFCBS) on 13 November 2018 at Imperial Hotel, Kuching. The Meeting was chaired by Mr Julaihi bin Abdullah, Deputy General Manager, Applied Forest Science and Industry Development (AFSID) Division of SFCBS, and was attended by representatives from Forest Department Sarawak (FDS), Licence for Planted Forests (LPF) companies as well as STA Secretariat.

In his welcoming remarks, Mr Julaihi highlighted that the establishment of planted forests which is a long term process, is to ensure sustainability of wood supply for the wood processing industry. He added that this is crucial as log production from natural forests is declining. In 1997, the State Government has then predicted the reduction in the volume of log production from natural forests and hence forty three (43) LPF licenses, with a plantable area of about 1.3 million hectares were issued.

He further informed the participants of the Meeting that approximately 420,000 ha had been planted as of June 2018. However, the total planted area is below the target set due to several unresolved issues, which included the lack of supply of high quality planting materials. Hence, the State Government, through SFCBS, has taken the initiative to set up the PFRP with the aim to support the planted forests industry in terms of research and development (R&D) to produce high quality planting materials.

He added that the PFRP project, launched on 29 January 2016 when a Memorandum of Understanding (MOU) was signed between SFCBS and LPF companies, was funded by the State Government. He hoped that the PFRP project can continue to receive funding from the State Government.

According to Mr Julaihi, sixty one (61) research plots comprising taxa-seed source, progeny and silviculture trials have been established in the participating LPF areas throughout Sarawak. He further added that pest and disease surveillance, soil analysis as well as other researches related to planted forests are also carried out in these areas. He hoped that through the PFRP, data and information on the site-species matching for Sarawak can be produced. He also hoped that the mass propagation of high quality planting materials through tissue culture and stem cuttings can be achieved by 2019.

The significant progress and achievements of the PFRP project were shared with the participants of the Meeting through the presentation of seven (7) papers by the researchers from the PFRP's project team. The Meeting also invited a researcher from Ta Ann Plywood Sdn Bhd to share their experience on *Neolamarckia cadamba* planting in peatland at LPF0010, Naman, Sibul.

A discussion and review session, chaired by Mr Julaihi was held immediately after the paper presentations to look into the areas that required improvement for this research project as well as to seek continuous cooperation from the LPF members. In this Session, the opinions and feedbacks on the PFRP project were gathered from the participants of the Meeting and the way forward was discussed.



*Group photo with participants of the meeting*

砂拉越林业机构有限公司(SFCBS)于2018年11月13日假古晋帝宫酒店召开年度人造林研究计划(PFRP)技术会议。该会议由SFCBS应用森林科学与工业发展单位副总经理祖莱喜先生主持。祖莱喜先生致欢迎辞中强调建立造林是长期性的过程,以确保木材制造业供应的可持续性。由于几项未解决的问题,总种植面积低于目标,其中包括缺乏优质种植质料。因此,州政府已采取行动,透过SFCBS成立PFRP,协助人造林业在研究和发展方面研发优质种植质料。

PFRP计划研究者在会议中呈现7张论文,与参与者分享PFRP计划所取得重大的进展和成就。祖莱喜先生随后也主持一讨论和审查会议,讨论这项研究需要改进的领域和寻求人造林执照拥有者的持续合作。参与者在会议中提供有关PFRP计划方面的意见和反馈,以及前进的方向。

Mesyyarat Teknikal Tahunan bagi Program Penyelidikan Ladang Hutan (PFRP) telah diadakan oleh Sarawak Forestry Corporation Sdn Bhd (SFCBS) pada 13 November 2018 di Hotel Imperial, Kuching. Mesyyarat dipengerusikan oleh Encik Julaihi bin Abdullah, Timbalan Pengurus Besar, Bahagian Sains Gunaan dan Pembangunan Industri (AFSID) SFCBS. Dalam ucapan alu-aluannya, Encik Julaihi menekankan bahawa penubuhan ladang hutan merupakan proses jangka panjang untuk memastikan kelangsungan bekalan kayu untuk industri pemprosesan kayu. Jumlah kawasan yang ditanam tidak mencapai sasaran berikutan beberapa isu-isu tertunggak termasuk kekurangan bekalan bahan tanaman berkualiti tinggi. Oleh itu, Kerajaan Negeri melalui SFCBS telah mengambil inisiatif untuk menubuhkan PFRP bagi menyokong industri ladang hutan dari segi penyelidikan dan pembangunan (R&D) untuk menghasilkan bahan tanaman berkualiti tinggi.

Kemajuan dan pencapaian yang signifikan dalam projek PFRP telah dibentangkan kepada para peserta Mesyyarat melalui 7 kertas kerja oleh penyelidik-penyelidik daripada pasukan projek PFRP. Sesi perbincangan dan semakan yang dipengerusikan oleh Encik Julaihi diadakan sejurus selepas sesi pembentangan untuk penambahbaikan projek penyelidikan ini serta untuk mendapatkan kerjasama yang berterusan daripada anggota LPF. Dalam sesi ini, pendapat dan maklumbalas Mesyyarat mengenai projek PFRP telah dikumpul dan langkah seterusnya turut dibincangkan.



# SOCSCO Connecting Customers Programme

The Social Security Organisation (SOCSCO) held a *Connecting Customers Programme* on 26 November 2018 at Wisma PERKESO, Kuching. Approximately 120 participants attended this Programme.

The objectives of this Programme were to provide participants with information on the Social Security and Sustainability as well as to introduce the extension of SOCSCO's coverage for workers for accidents outside working hours and to gather suggestions to the improve SOCSCO's services.

There were three (3) papers presented during the Programme, followed by a Panel Discussion.

The summary of the 3 papers presented were as follows:-

## Paper 1: Social Security and Sustainability

- by Datin Azlaili binti Abdul Rahman, Deputy Chief Executive (Corporate) of SOCSCO

The speaker said that based on Article 102 of the charter of the International Labour Organisation (ILO), Social Security is a protection provided by society for its members, through a series of public measures, against economic and social distress, that otherwise would be caused by either the stoppage or substantial reduction of earnings resulting from sickness, maternity, employment, injury, unemployment, invalidity, old age and death.

Currently, an employer pays an average contribution of RM16.65 and a maximum of RM69.05 per month per employee; while an employee pays an average contribution of RM5.25 and a maximum of RM19.75 per month to SOCSCO. She highlighted that the total contribution collected for year 2017 was RM3.5 billion compared to the claim payouts of RM3.86 billion, which is a concern on sustainability of the fund. She added that one of the ways to mitigate the challenges faced by SOCSCO is by enhancing public awareness of social security and prevention of fraud activities.

## Paper 2: Employment Insurance Scheme

- by Puan Ainah binti Awang, Head of Interim Benefit Unit, EIS Headquarter

The speaker spoke on the background of Employment Insurance Scheme (EIS), its benefits and coverage as well as its contribution rate and qualifying conditions. Currently, the contribution rate is 0.2% of the employee's monthly wage for both the employer and the employee. The wages are capped at RM4,000.00.

## Paper 3: Are SOCSCO's Coverage Comprehensive and Sufficient?

- by Datin Azlaili binti Abdul Rahman, Deputy Chief Executive (Corporate) of SOCSCO

The speaker briefed participants of the Programme on the No-Fault Accidents (NFA) protection scheme proposed by SOCSCO. Currently, SOCSCO has three (3) Acts, namely Employees' Social Security Act 1969 (Act 4); Self-Employment Social Security Act 2017 (Act 789); and EIS 2017 (Act 800), which provide protection to employees.

The NFA was introduced because of complaints received

on rejection of claims. The premium is more affordable compared to premium of insurance offered by the private sector and it also pays out a higher benefit amount. According to a survey done by SOCSCO in 2016, the outcome indicated that 93% of employers and employees agreed on the need to include a non-employment related injury clause into the Scheme. The NFA shall cover accidents which occurred outside working hours.

## Panel Discussion:

- Dr Michael Chiam Tow Hui, Vice President of Malaysian Employers Federation (MEF)**
- Tuan Mohamad Ibrahim Hamid, Chairman of Malaysian Trade Union Congress (MTUC) Sarawak**
- Tuan Haji Othman Abdul Rani, Chairman of Federation Malaysian Manufacturers (FMM) Sarawak**

The panel members shared with the participants of the Programme their comments and views on the proposed NFA, the rising costs of doing business and their concerns on who shall be the right party to pay for the contribution.

During the Session, participants raised the following concerns:

- Rising costs of doing business is a big challenge for the employer;
- SOCSCO's survey carried out in 2016 was never extended to some employers' associations. The survey form extended to companies are normally filled by the Human Resources (HR) Department and does not represent the views of employers;
- The ability of employers to pay for the contribution is not properly studied;
- Red identity cards are not covered by SOCSCO. Therefore, the contribution should not be extended for foreign workers; and
- Government is to contribute the premium for the proposed NFA.

Please contact Ms Anna Tan at 082-332222 or email to [anna@sta.org.my](mailto:anna@sta.org.my) if members require a copy of the 3 slide presentations.

社会保安组织 (SOCSCO) 于2018年11月26日假古晋社会保险机构大厦举办连接客户计划。该计划目的是向参与者提供有关社会保安和可持续性资讯, 并讲解社会保安组织扩展对员工在工作时间以外发生事故的覆盖范围, 并搜集改进社会保安组织服务的建议。该计划呈现如英文版文中所列的三 (3) 张论文以及小组讨论。

Pertubuhan Keselamatan Sosial (PERKESO) mengadakan Program Bersama Pelanggan pada 26 November 2018 di Wisma PERKESO, Kuching. Objektif Program adalah untuk menyediakan peserta dengan maklumat berkaitan Keselamatan dan Kemudahan Sosial, memperkenalkan lanjutan liputan PERKESO bagi pekerja yang mengalami kemalangan di luar waktu bekerja serta mengumpul cadangan bagi meningkatkan perkhidmatan PERKESO. Terdapat 3 kertas kerja yang dibentangkan semasa Program dan satu Perbincangan Panel seperti yang disenaraikan dalam artikel ini.

## DF Circular No 9/2018: Revised Royalty Rate for Log Extracted from Licence for Planted Forests

Sarawak Timber Association (STA) had received a DF Circular No 9/2018 from Forest Department Sarawak with the ref (19)JHS/100-1/8/104/Jld.1 dated 22 November 2018 addressed to All Holders of Licence for Planted Forests (LPFs) and copied to STA, on the above subject.

The following is an excerpt of the above-mentioned circular, for your information:-

In pursuant to the YAB Chief Minister of Sarawak / Minister of Urban Development and Natural Resources' directive dated 18 October 2018, the royalty rate for log extracted from Licence for Planted Forests is revised as following:

<u>Log Category</u>		<u>Royalty Rate/m<sup>3</sup></u>
Local processing	:	RM 5.00-
Export	:	RM 10.00

The effective date for the revised rate is 1 September 2018. The rates will be subjected for review from time to time.

The cess rate of RM 5.00/ m<sup>3</sup> will remain unchanged

Persatuan Kayu Kayan Sarawak (STA) telah menerima Pekeliling DF Bil. 9/2018 daripada Jabatan Hutan Sarawak dengan Ruj.(19)JHS/100-1/8/104/ Id.1 bertarikh 22 November 2018 yang dialamatkan kepada Pemegang Lesen Ladang Hutan (LPF) dan disalin kepada STA.

Petikan dari pekeliling tersebut adalah seperti yang disenaraikan dalam artikel ini.

砂拉越木材公会 (STA) 于 2018年11月22日 获得砂州森林局通过砂州森林局局长通告编号9/2018, 致函予森林种植执照持有者及复写予本会, 有关上述事项。

上述通告的摘录如本文所列。