

# STA Review

Monthly Magazine of the Sarawak Timber Association  
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2014



3

**FIELD VISIT**  
to Members'  
Forest Plantations



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**SAMPLING'S**  
Forest Plantations:  
Towards a sustainable  
future



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**17<sup>TH</sup> TRI-NATIONS**  
Meeting of JLIA / JPMA /  
APKINDO / STA / MPMA



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### COVER IMAGE:



*Maintenance is usually carried out in planted forest sites to enhance survival of seedlings and improve growth rates.*

# STA REVIEW

is a monthly magazine published by Sarawak Timber Association (STA) for its members. While every effort has been made to ensure that the information printed in this magazine is accurate and correct, neither STA nor its Council Members, Officers or Employees shall assume any responsibility or be made liable for any inaccuracies and errors printed; nor is such publication, unless otherwise, stated, necessarily the views of STA, its Council Members, Officers or Employees. The contents of the STA Review may be reprinted with prior written permission from STA.

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# Field Visit to Members' Forest Plantations

Two (2) members of staff from the Sarawak Timber Association (STA) Secretariat went on a field visit to four (4) forest plantation areas licensed to members of the Association, located at Kapit, Song and Kanowit from 2 to 5 September 2014, together with Mr Wong Siong Kuan, Senior Assistant Director, Forest Plantation & Reforestation Division and Mr Baher @ Biha bin Razali, Research Officer, Forest Plantation & Reforestation Division, both from the Forest Department Sarawak.

Members of the group were taken to specific coupes within the Licences for Planted Forests (LPFs) by representatives from each of the four (4) LPF holders to see the first hand situation of forest plantation development as well as the current activities carried out in these coupes. The four main species planted in these four LPFs are *Acacia mangium*, *Neolamarckia cadamba* (kelampayan), *Paraserianthes falcataria* (batai) and *Eucalyptus pellita*.

Members of the group were also shown the *Eucalyptus pellita* progeny trial, beekeeping activities in an *Acacia mangium* plantation, as well as R & D projects on the application of different growth mediums and fertilisers for enhancing the initial growth of Kelampayan in a nursery.

Issues raised and discussed during the trip included unplantable areas in LPFs, shortage of manpower, pest and disease, machinery problem, supply of good planting material, disturbances caused by local people, and high investment costs. All these problems are hindering the capability of the LPF holders to carry out the trees plantation activities in their licensed areas, and thus slowing down the progress of the tree plantation development under LPF licenses.



Photo: On-site discussion in LPF 0026 (Subur Tiasa Holdings Berhad)



Photo: Group photo at LPF 0028 (Jaya Tiasa Forest Plantation Sdn Bhd)



Photo: Group photo at LPF 0010 (Ta Ann Group)



# Samling's Forest P Towards A Sustain

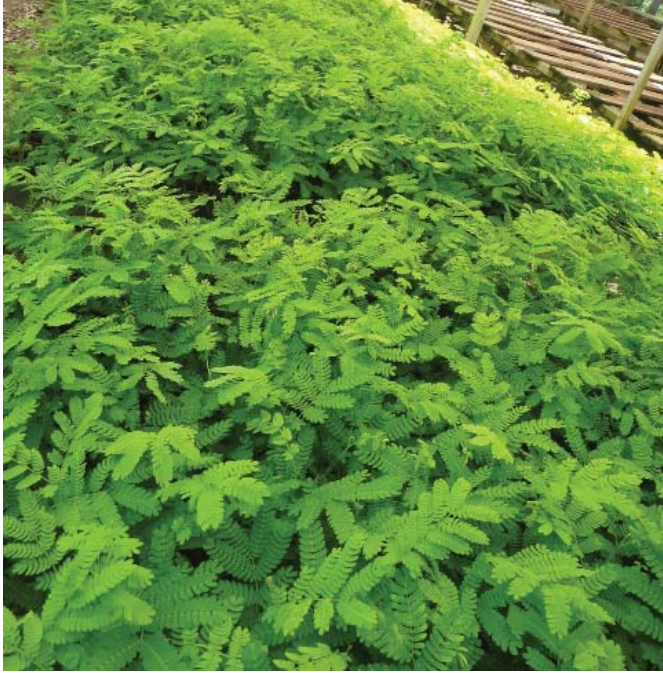


Photo: Albizia seedlings in the nursery of LPF 0032  
(Immense Fleet Sdn Bhd)

本会秘书处2位职员连同砂州森林局(FDS) 人工林及造林部高级助理局长, 黄雄宽先生(译音)及研究官员, 帕赫先生(译音)于2014年9月2日至5日前往本会会员位于加帛, 桑镇和加拿逸的4个人工林进行实地考察。

考察团参观人工林许可证(LPFS)特定地区以审查人工林的最新进展以及目前所进行的活动。该团随着也在现场进行讨论。LPFS所栽种的4种主要树种是金合欢树, 黄梁木, 甲合欢和安树。

Dua (2) sekretariat daripada Persatuan Kayu Kayan Sarawak (STA) telah menyertai lawatan lapangan ke empat (4) Lesen Ladang Hutan (LPFs) milik ahli Persatuan yang terletak di Kapit, Song dan Kanowit dari 2 hingga 5 September 2014 bersama-sama dengan Encik Wong Siong Kuan, Penolong Pengarah Kanan, dan Encik Baher @ Biha bin Razali, Pegawai Penyelidik daripada Bahagian Ladang Hutan & Penghutanan Semula, Jabatan Hutan Sarawak.

Kumpulan ini telah melawat *coupe* khusus di Lesen Ladang Hutan untuk melihat keadaan pembangunan ladang hutan dan aktiviti-aktiviti semasa yang dilaksanakan serta mengadakan perbincangan di kawasan lapangan. Empat spesies utama yang ditanam adalah *Acacia mangium*, *Neolamarckia cadamba* (kelampayan), *Paraserianthes falcata* (batai) dan *Eucalyptus pellita*.

Samling Group started establishing industrial tree plantations (ITPs) in 2000 to augment the log flow from natural forest that has been declining over the years and thereby ensure continual log input for its wood-based downstream activities.

In Sarawak, Samling has an ITP land bank in excess of 500,000 hectares, of which about 40% is plantable. The Group currently has eight ITPs in northern Sarawak planted with *Acacia mangium*, *Acacia hybrid*, *Eucalyptus pellita*, *Gmelina arborea* and *Falcata moluccana*.

Each ITP is supported by a nursery producing seedlings from Samling's own improved genetic material. Samling also invests heavily in tree breeding to improve tree form, growth rate and resistance to pests and diseases.

All plantation logs including BORNEOTEAK® (Samling's registered trade name for its *Acacia mangium* trees) are fully used, with close to zero waste, in the manufacture of sawn timber, plywood, furniture and furniture components, flooring, wall panels, door and window frames. Its fibre board plant produces high quality door skins using small diameter and reject logs from the plantation together with offcuts and processing residues from the other mills.

## Samling's Segan Forest Plantation Achieves PEFC-Endorsed MTCS Certification

In July 2014, Samling's Segan ITP in Bintulu successfully obtained forest management certification under the Malaysian Timber Certification Scheme (MTCS) and attained the distinction of being the first ITP in Malaysia that is sustainably harvesting its planted trees to be certified under the scheme.

The MTCS certification is endorsed by the Programme for the Endorsement of Forest Certification (PEFC). In order to be certified, an audit was conducted to ensure compliance with the Malaysian Criteria and Indicators for Forest Management (Forest Plantation), or MC&I (Forest Plantation). The 10,800-hectare Segan ITP was audited by SIRIM QAS International.

Having achieved certification of the Segan plantation, Samling is already preparing its other forest plantations for SIRIM audits under MTCS. Their target is for each plantation to be certified before harvesting starts.

Samling firmly believes in the value of forest plantation management certification, which helps penetration of new markets and helps to maintain existing markets. It also generates a feel-good factor and gives customers the assurance that when it comes to Samling's plantation grown timber, be it BORNEOTEAK® and their other species grown in Sarawak or radiata pine from their ITP in New Zealand, their buyers can have the confidence to promote products made from these trees as 'eco-friendly'.



# t Plantations: inable Future

Samling acknowledges that a large part of its future in the timber industry lies with its sustainably managed ITPs that produce the certified logs from which eco-products are made.

Source: Samling's Corporate Communications Department



## About Samling

Samling Group of Companies is an integrated forest resource, plantation and wood products company. Headquartered in Sarawak, the Group has an established international presence with strategically located operations in Malaysia, Guyana, New Zealand, Australia and China. We have a long track record of forest management expertise with integrated operations covering the entire wood supply chain from forest resource to manufactured wood products. As a leader player in the natural resources sector, we are committed to creating long-term value under sustainable principles.



Photo: R&D *Khaya ivorensis* trial plot



Photo: SIRIM QAS International Managing Director, Pn Khalidah Mustafa, presenting the certificate for forest plantation management to Samling's Chief Operating Officer, Mr James Ho, witnessed by representatives from Malaysian Timber Certification Council (Mr Harnarinder Singh), Forest Department Sarawak (Mr Wong Siong Kuan), Sarawak Forestry Corporation (En Abang Arabi bin Abang Aimran) and Certification Lead Auditor (Dr Yap Son Keong)



Photo: Eucalyptus cutting production



Photo: First rotation *Acacia mangium*





## 17<sup>th</sup> Tri-Nations Meeting of JLIA / JPMA / APKINDO / STA / MPMA

The 17<sup>th</sup> Joint Meeting of the Japan Lumber Importers' Association (JLIA), the Japan Plywood Manufacturers' Association (JPMA), Asosiasi Panel Kayu Indonesia (APKINDO), Malaysian Panel Products Manufacturer's Association (MPMA) and the Sarawak Timber Association (STA) was held on 19 September 2014 in Shangri-la Hotel Jakarta, Indonesia.

Approximately thirty nine (39) participants representing the five (5) Associations attended the Joint Meeting hosted by APKINDO, to discuss the supply and current market situations in Indonesia, Japan and Malaysia.

The Meeting was informed by JLIA that the Japanese trading companies are currently facing tough times due to a shortage of labour, weakened Yen, decreased in market demand and hike in consumer tax.

Meanwhile, APKINDO informed the participants at the Meeting that the price of Indonesian plywood is expected to further increase due to the mandatory requirement for all wood producers to be registered under the Indonesian Timber Legality Verification System (SVLK) with effect from 1 January 2015, 10% Value Added Tax (VAT) imposed on log sales, increased of 18% in electricity tariff, 40% increased in fuel price and increased in price of Meranti logs.

During the discussion, the following issues were raised and responded accordingly by the participants from the 5 Associations:

1. Availability of employment data for Sarawak
2. Minimum Wages
3. Japan Housing Starts
4. Japan Domestic Plywood Production
5. Japanese Government's Immigration Policy
6. Malaysian GST
7. Sarawak Forest Management Certification
8. Allegations by the International Environmentalists and Non-Governmental Organisations (NGOs)

### 9. Indonesian Timber Legality Verification System (SVLK)

All parties agreed that the recent increased in costs of production, wages and taxes had affected all parties. In view of the current economic situation, all parties agreed to cooperate, think positively and move forward. The Meeting also agreed that JLIA and JPMA will be hosting the next year meeting in Tokyo, Japan.

Mesyuarat Bersama Persatuan Pengimport Kayu Jepun (JLIA), Persatuan Pengilang Papan Lapis Jepun (JPMA), Persatuan Panel Kayu Indonesia (APKINDO), Persatuan Pengeluar Produk Panel Malaysia (MPMA) dan Persatuan Kayu Kayan Sarawak (STA) yang ke-17 telah diadakan pada 19 September 2014 di Hotel Shangri-la Jakarta, Indonesia.

Mesyuarat Bersama ini dianjurkan oleh APKINDO, membincangkan keadaan bekalan dan pasaran semasa di Indonesia, Jepun dan Malaysia.

Semua pihak bersetuju bahawa peningkatan kos pengeluaran, upah dan cukai telah menjejaskan semua pihak. Berdasarkan keadaan ekonomi semasa, semua pihak bersetuju untuk bekerjasama, berfikir secara positif dan mara ke hadapan.

本会、日本木材輸入協会(JLIA)、日本合板製造商協会(JPMA)、印尼合板公會(APKINDO)及馬來西亞合板製造商公會(MPMA)各代表於2014年9月19日假印尼雅加達香格里拉酒店召開第17屆三國會議。APKINDO主持此會議於商討有關印尼、日本和馬來西亞的木材供應和目前市場情況。

各會異口同聲表示目前生產成本、薪金和稅收逐漸增加，導致市場深受影響。鑑於目前經濟形勢，各會一致同意共同合作，積極向前邁進。

# Country Specific Guidelines for Malaysia

The Australian Government has in place the Illegal Logging Prohibition Act 2012 (the Act), which came into effect on 30 November 2012. It promotes the trade of legally harvested timber and the Act will be applied universally regardless of the origin of the timber or the type of timber products. The Act is supported by the Illegal Logging Prohibition Amendment Regulation 2013 (the Regulation). The Regulation, which will come into force in November 2014, sets out the steps that Australian importers and processors should take to ensure the legality of the product received.

In this connection, the Malaysian Government, led by the Ministry of Plantation Industries and Commodities (MPIC) has been working with the Australian Government to prepare a Guideline called "Country Specific Guidelines for Malaysia (MCSG)". The MCSG is intended to assist the importers in Australia when importing regulated timber products from Malaysia in understanding the regulatory framework in Malaysia in order for them to carry out their due diligence obligations under the Regulation.

The MCSG comprises three parts namely; Peninsular, Sabah and Sarawak. The regulating authorities and related stakeholders, including Sarawak Timber Association in three regions of Malaysia had prepared the respective CSG documents based on its State forestry laws and regulations.

In September 2014, MPIC called two meetings on 9 September 2014 and 23 September 2014 to deliberate on several issues towards finalising the MCSG.

我国政府在种植与原产业部(MPIC)的带领下与澳洲政府一起合作预备马来西亚国家具体准则(MCSG)指导方针。这指导方针旨在协助澳洲木材进口商明白在2013年澳洲非法采伐禁令(AILPA 2013)下, 进口商必须了解马来西亚监管木材产品程序以履行尽职审查责任。本会和国家三区域的监管机构代表和相关利益者是根据各州的林业法律条规预备各自的CSG证件。MPIC分别于2014年9月9日和23日召开会议商讨决定MCSG所面对的几项课题。

Kerajaan Malaysia, yang diketuai oleh Kementerian Perusahaan Perladangan dan Komoditi (KPPK) telah bekerjasama dengan Kerajaan Australia untuk menyediakan Garis Panduan yang dipanggil "Garis Panduan Khusus Negara Malaysia (MCSG)". MCSG disediakan bagi membantu pengimport di Australia memahami rangka kerja pengawalseliaan di Malaysia apabila mengimport produk kayu yang dikawal selia dari Malaysia serta membolehkan mereka melaksanakan due diligence di bawah Pindaan Peraturan Larangan Pembalakan Haram Australia 2013.

Pihak berkuasa yang mengawal selia dan pihak berkepentingan yang berkaitan, termasuk Persatuan Kayu Kayan Sarawak di tiga Wilayah Malaysia telah menyediakan dokumen-dokumen CSG berdasarkan undang-undang dan peraturan-peraturan perhutanan Wilayah masing-masing.

Pada September 2014, KPPK telah mengadakan dua mesyuarat pada 9 September 2014 dan 23 September 2014 untuk membincangkan beberapa isu-isu ke arah memuktamadkan MCSG.

## Goods and Services Tax Guides

Sarawak Timber Association (STA) has sent a circular to all its members on 25 September 2014 informing them on the availability of the Goods and Services Tax (GST) Guide.

The Goods and Services Tax (GST) shall be implemented on 1 April 2015 in Malaysia at the rate of 6%. The Royal Malaysian Customs Department has made several guides on GST available on their GST Portal, <http://gst.customs.gov.my>.

Members of the Association who are in the upstream sector can refer to their *GST Guide for Forestry Industry*, while those who are in the downstream sector can refer to the *GST Guide on Manufacturing*. Both these Industry Guides are available under the *Resources & Guides : GST Guides : Industry Guides* section of the GST portal, [http://gst.customs.gov.my/en/rg/Pages/rg\\_ig.aspx](http://gst.customs.gov.my/en/rg/Pages/rg_ig.aspx).

本会已在2014年9月25日发放通告告知会员关于消费税(GST) 各行业指南可从GST官方网站下载 ([http://gst.customs.gov.my/en/rg/Pages/rg\\_ig.aspx](http://gst.customs.gov.my/en/rg/Pages/rg_ig.aspx))

Persatuan Kayu Kayan Sarawak (STA) telah mengeluarkan satu pekeliling kepada kesemua ahlinya pada 25 September 2014 bagi memaklumkan terdapatnya Panduan Barangan dan Perkhidmatan (GST). Panduan Industri ini boleh didapati di Sumber dan Panduan : Panduan-panduan GST : Seksyen Panduan Industri di laman GST, [http://gst.customs.gov.my/en/rg/Pages/rg\\_ig.aspx](http://gst.customs.gov.my/en/rg/Pages/rg_ig.aspx)



The Business Meeting on Employment of the Formal Sector for Brunei Darussalam, Malaysia, Thailand and Palau, organised by the National Board for the Placement and Protection of Indonesian Overseas Workers (BNP2TKI), was held at Garden Permata Hotel, Bandung, West Java from 25 to 27 September 2014. The Consulate-General of the Republic of Indonesia Kuching coordinated the trip for the delegation from Sarawak. Approximately ninety (90) participants from International stakeholders such as employers, employment agencies and Indonesian Employment Agencies attended the Meeting.

The objective of the Meeting was for the representatives from companies and employment agencies from the four (4) countries to meet and network with the Indonesian Employment Agencies that are credible and legally registered with BNP2TKI to ensure the employment of the best Indonesian workers available for the various sectors.

The opening remarks were delivered by Dr Endang Sulisyaningsih, the Deputy Chairman of International Cooperation and Promotion for BNP2TKI. This was followed by a welcome address delivered by H.E. Ambassador Gatot Abdullah Mansyur, the Chairman of BNP2TKI. The Ambassador of the Republic of Indonesia to Malaysia, H.E. Ambassador Herman Prayitno in his keynote address, informed all participants at the Meeting that the newly-elected president, Bapak Joko Widodo and his cabinet line-up, expected to be inaugurated on 20 October 2014 may change some government policies. He said Malaysia is still the preferred destination country for the placement of Indonesian workers. As at 31 December 2013, about 1.3 million Indonesian workers were working in Malaysia in the agriculture, plantation, construction, manufacturing, service and domestic sectors. This high number can be attributed to Indonesian workers finding it easier to assimilate into the Malaysian environment due to great similarities in language, culture, climate, food etc. Moreover, Malaysia's economic transformation programme to transform Malaysia into a high-income economy has created more job opportunities. The Government of Malaysia has also improved the welfare of foreign workers with the implementation of minimum wages of either RM900 a month in Peninsular Malaysia or RM800 a month in Sabah, Sarawak and Federal Territory of Labuan effective 1 January 2013. In addition, foreign workers are also covered under the Foreign Workers Compensation Scheme (FWCS) and Hospitalisation and Surgical Scheme for Foreign Workers (SPIKPA). He hoped this Meeting will meet the recruitment needs of employers.

A panel discussion followed thereafter where the panel shared their views on existing government policies, immigration rules, procedure for the placement and hiring of foreign workers, and job opportunities in Brunei Darussalam, Malaysia, Thailand and Palau.



*Photo: Panel Discussion in Progress*



*Photo: Delegates from Sarawak with Bapak Bedjo Santoso (8<sup>th</sup> from Right)*

The panel comprises the following members:

- Mr Archi Jumanto, the Indonesian Consulate to the Kingdom of Thailand in Songkhla
- Mr Mustafa Kamal, Labour Attache of the Embassy of the Republic of Indonesia in Kuala Lumpur
- Mr Anjar Prihantoro, Director of Promotion, Indonesian Agency
- Mdm Erna Herlina, the Indonesian Representative of Palau
- H.E. Ambassador Herman Prayitno, Ambassador of the Republic of Indonesia to Malaysia

The panel members also highlighted the level of wages paid in their respective countries and the problems faced in the process of recruiting manpower, lack of training for prospective workers and lack of information of migrant workers. There were also calls for the Malaysian Government to assist in curbing the illegal Indonesian migrants by enforcing stringent law on employers who hire illegal workers.

During the Question and Answer session, participants of the Meeting sought clarification on the extremely long approval process for hiring foreign worker, delay in issuing Indonesian's passports, and high abscondment rates. There were some suggestions to register all employment agencies, which should be endorsed by the Malaysian Government to curb with illegal migrants.

Participants from Kuala Lumpur, Sarawak and Brunei had the opportunity to meet the thirty (30) Indonesian recruitment agents who attended the meeting and managed to exchange information on the recruitment of workers from the Republic of Indonesia as well as to explore the possibility of establishing a business deal.



# Business Meeting

Mesyuarat Perniagaan mengenai Pekerjaan Sektor formal bagi Negara Brunei Darussalam, Malaysia, Thailand dan Palau, telah dianjurkan oleh Lembaga Kebangsaan Penempatan dan Perlindungan Pekerja Luar Negara Indonesia (BNP2TKI) di Hotel Garden Permata, Bandung, Jawa Barat dari 25 hingga 27 September 2014.

Objektif Mesyuarat adalah untuk membolehkan wakil-wakil syarikat dan agensi pekerjaan dari empat (4) negara bertemu dan berhubung dengan Agensi Pekerjaan Indonesia yang boleh dipercayai dan berdaftar dengan BNP2TKI bagi memastikan memperoleh pekerja terbaik Indonesia untuk pelbagai sektor.

Duta Besar Republik Indonesia ke Malaysia, H.E. Duta Besar Herman Prayitno dalam ucapamannya, berkata Malaysia masih negara destinasi pilihan untuk penempatan pekerja Indonesia. Pada 31 Disember 2013, kira-kira 1.3 juta pekerja Indonesia yang bekerja dalam pelbagai sektor di Malaysia.

Mesyuarat disusuli dengan satu perbincangan panel di mana panel berkongsi pandangan mereka mengenai dasar-dasar kerajaan, peraturan imigresen, prosedur sedia ada dalam penempatan dan pengambilan pekerja asing, dan peluang pekerjaan di Brunei Darussalam, Malaysia, Thailand dan Palau.

印尼国家海外劳工安置和保护局 (BNP2TKI) 于2014年9月25日至27日假印尼西爪哇, 万隆珀玛塔公园酒店举办与汶莱, 马来西亚, 泰国和帕劳各国相关部门职业商务会议。会议的目的是为4国公司和职业介绍所的代表与BNP2TKI合法注册及可信赖的印尼职业介绍所进行会面交流, 以确保素质佳的印尼工人供各行业。

印尼驻马大使赫尔曼先生(译音)在致词中说, 马来西亚仍是安置印尼工人的首选目的地国家。截至2013年12月31日为止, 约130万的印尼工人在马来西亚工作。

随后小组讨论分享对现有的政府政策, 移民政策, 安置程序和雇用外国工人的各项事项见解及在汶莱, 马来西亚, 泰国和帕劳的就业机会。

## Malaysia Skills Certification Seminar

The Seminar on Malaysia Skills Certification (MSC), organised by the Department of Skills Development (DSD) under the Ministry of Human Resources, was held at Riverside Majestic Hotel Kuching on 15 September 2014. Approximately fifty (50) participants from government agencies and private sectors attended this Seminar.

The objective of the Seminar is to raise public awareness and perception on the significance of skills training as a mean to enhance the quality of the Malaysian workforce in supporting the Government's initiative to increase the number of skilled workforce to 33% by 2015 and 50% by 2020.

The following three (3) papers were presented during the Seminar:

**Paper 1: Recognition of Prior Achievement Scheme (RPA)** by Mr Zainudin bin Mat Yunus, Senior Assistant Director of DSD

**Paper 2: National Dual Training System** by Mr Roslan bin Salim, Senior Assistant Director of DSD

**Paper 3: Directory of National Industry Experts (DNIE)** by Mr Kamal Azhar, Assistant Director of DSD

For more information, members can visit DSD website at [www.skillsmalaysia.gov.my](http://www.skillsmalaysia.gov.my).

人力资源部旗下技能发展部(DSD)于2014年9月15日假古晋河滨酒店主办马来西亚技能认证(MSC)研讨会。

研讨会的目的在于提高公众对技能培训及政府通过技能培训提升马来西亚劳动力素质从而提高技术人员数量倡议的意识和认知。研讨会总共呈现如英文版中所列出的3份简报。



Photo: Seminar in Progress

Seminar mengenai Persijilan Kemahiran Malaysia (MSC), telah dianjurkan oleh Jabatan Pembangunan Kemahiran (JPK), Kementerian Sumber Manusia di Hotel Riverside Majestic, Kuching pada 15 September 2014.

Objektif Seminar adalah untuk meningkatkan kesedaran dan persepsi orang ramai terhadap kepentingan latihan kemahiran sebagai satu cara untuk meningkatkan kualiti tenaga kerja Malaysia dalam menyokong inisiatif kerajaan bagi meningkatkan bilangan tenaga kerja mahir.

Tiga (3) kertas kerja yang dibentangkan semasa Seminar adalah seperti yang disenaraikan dalam artikel ini.



# The National Timber Industry Policy Review Session

The National Timber Industry Policy (NATIP) Review Session was organised by the Malaysian Timber Industry Board (MTIB) from 4 to 5 September 2014 at Bangi Putrajaya Hotel. The Session was officially opened by Datuk Amar Douglas Uggah Embas, the Minister of Plantation Industries and Commodities (MPIC) in the presence of 140 participants from the timber industry, government agencies and relevant institutions namely banking and financial institutions.

The objectives of the 2-day NATIP Review Session were to review the targeted export performance of the industry; to discuss pertinent issues and challenges faced by the timber industries and to recommend potential solutions; to look into contribution of timber in the domestic economy; and to revisit the industry structure of 60:40 for valued-added products to primary products.

The Minister highlighted in his opening remarks that the relevant parties are to re-strategise and intensify their efforts to resolve all problems confronting the timber industries and to determine the appropriate mechanism to handle these problems. The Minister emphasised the fact that the industry has to work hard to achieve the export value of RM 53 billion by the year 2020. He hoped that all initiatives implemented by all parties will be realised and most importantly would be able to reflect positive and significant impact to the timber industry in Malaysia as a whole.

An overview of the timber industry for the three regions in Malaysia, namely Peninsular, Sabah and Sarawak, was presented by representatives from MTIB, Ministry of Industrial Development (MID) Sabah and Sarawak Timber Industries Development Corporation (STIDC) respectively. At the industry presentation session, the representatives of the seven (7) Associations from three regions of Malaysia, including Sarawak Timber Association (STA), shared their views on current status of their respective sector and raised their concerns on the issues and challenges faced by the industry as well as how to meet the aspirations of NATIP. The main issues and challenges highlighted by the representatives of the Association included inconsistencies in Human Resources policies, particularly in managing the industry's need for the recruitment of foreign labour; lack of market intelligence; supply of raw materials; and imposition of non tariff barriers through the market requirement for legal timber.

The representatives from the Associations also questioned whether NATIP's target for its export value to reach RM53 million by the year 2020 is a realistic figure. The Session resolved to consider the contribution of timber from the domestic market in the NATIP's set target and to confine

the 60:40 ratio (value added product : primary product) to Peninsular only and efforts to stimulate the downstream processing in Sabah and Sarawak are to be encouraged.

马来西亚木材工业局(MTIB)于2014年9月4日至5日假普特拉贾亚班吉酒店召开国家木材工业政策(NATIP) 审查会议。

为期2天的会议议程是审查木材业主要出口实绩;讨论木材业相关课题和挑战, 建议解决方案; 研究木材业在国内的经济贡献;并重新审视60:40增值产品至初级产品的产业结构。

会议决定考虑NATIP国内木材市场的供应既定目标并限制马来西亚半岛的60:40比率(增值产品:初级产品)和促进沙巴和砂拉越下游加工业的努力应得到提倡。

Sesi Kajian Dasar Perindustrian Kayu Negara (NATIP) telah dianjurkan oleh Lembaga Perindustrian Kayu Malaysia (MTIB) dari 4 hingga 5 September 2014 di Hotel Bangi Putrajaya.

Objektif Sesi Kajian NATIP adalah untuk mengkaji prestasi eksport kayu yang disasarkan ke atas industri, membincangkan isu-isu dan cabaran yang berkaitan, mengesyorkan penyelesaian yang berpotensi, mengkaji sumbangan kayu dalam ekonomi domestik dan untuk mengkaji semula struktur industri 60:40 bagi nisbah produk kayu bernilai tambah dan produk utama.

Sesi memutuskan untuk mempertimbangkan sumbangan kayu dari pasaran domestik ke dalam sasaran NATIP dan menghadkan nisbah 60:40 (nilai ditambah produk: produk utama) untuk Semenanjung sahaja serta menggalakkan usaha merangsang pemprosesan hiliran di Sabah dan Sarawak.



# The Malaysian Timber Association Executive Committee Meeting No 1/2014

The Malaysian Timber Association held its first Executive Committee Meeting No 1/2014 for the year on 23 September 2014 at Hilton Kuala Lumpur Sentral, which was presided by its President, Mr George Tan Seng Hoe from Timber Exporters Association of Malaysia. Seven members attended the meeting.

Prior to the commencement of the meeting, Committee members observed a minute silence as a mark of respect to the late Tunku Tan Sri Dato' Osman Ahmad, who was a founder member of, past President for two terms and Advisor to the Association.

The Meeting discussed at length a few issues concerning the timber industries and proposed the following follow-up actions:

## **The European Union-Malaysia Forest Law Enforcement, Governance and Trade (EU-Malaysia FLEGT) Voluntary partnership Agreement (VPA)**

As there were no representatives from the industry in the team that has been directly involved in the negotiation with representatives from the EU, and since there has been some significant changes to the terms and conditions of the VPA, the Committee felt that the Malaysian Timber Council should update members of MTA in a specially-organised and fully-sponsored briefing in December of this year.

## **Forest Plantation Development Sdn Bhd (FPDSB)**

As the supply of the timber resource from forest plantations is an important issue for the industry, MTA has always felt it should be represented in the Board of FPDSB. However, Committee members had been informed that MTA's request for representation in the Board of FPDSB was not possible. MTA will also discuss with the Minister on the progress on forest plantation development and its impact on the industry.

## **National Timber Industry Policy (NATIP)**

The meeting deliberated on the review of the National Timber Industry Policy (NATIP) which was organised by the Malaysian Timber Industries Board (MTIB) from 4 to 5 September 2014. The meeting reiterated the importance to follow up on the issues and challenges highlighted by its Member Associations at the NATIP Review Session, including inconsistencies in Human Resource Policies; lack of market intelligence; supply of raw materials; and imposition of non-tariff barriers through the market requirement for legal timber. The meeting then resolved for the Association to come out with the proposed strategies to address these challenges and to be submitted them to the Ministry of Plantation Industries and Commodities (MPIC) for consideration.

The Committee also agreed that MTA is to lead a trade delegation, comprising representatives from the Association and Government Agencies to Thailand sometime in March 2015 in view of the potential market as well as supplier of timber for members of MTA.

Other issues raised included the lack of suitable places in ports of Peninsular Malaysia to fumigate timber and timber products, the issue of width of buffer zones along rivers and streams for rubber small holders for certification of forest plantations which is currently under review, and that the current minimum wage review must be productivity-linked for the industry.

马来西亚木材公会(MTA)在其主席陈成和先生的主持下于2014年9月23日假吉隆坡中环希尔顿酒店召开本年度首次执委会会议。

本次会议详细讨论有关木材行业问题譬如欧盟-马来西亚森林法规执法, 监管与贸易自愿合作伙伴协议(EU-Malaysia FLEGT), 人工林发展有限公司(FPDSB)及国家木材工业政策, 同时也提出相关后续跟进工作。

鉴于泰国木材市场的潜能以及多数MTA成员的供应商来自泰国, 会议同意将于明年3月份带领一支由MTA会员及政府相关机构代表的贸易团前往泰国。

Persatuan Kayu Kayan Malaysia telah mengadakan Mesyuarat Jawatankuasa Eksekutif pertama No 1/2014 bagi tahun ini pada 23 September 2014 di Hilton Kuala Lumpur Sentral, yang dipengerusikan oleh Presiden, Encik George Tan Seng Hoe.

Mesyuarat membincangkan dengan panjang lebar beberapa isu yang berkaitan dengan industri kayu seperti berikut:

- Kesatuan Eropah-Malaysia Penguatkuasaan Undang-undang Hutan, Tadbir Urus dan Perdagangan (EU-Malaysia FLEGT) Perjanjian Usahamasa Sukarela (VPA)
- Forest Plantation Development Sdn Bhd (FPDSB)
- Dasar Perindustrian Kayu Negara (NATIP)

Jawatankuasa bersetuju bahawa MTA untuk mengetuai delegasi perdagangan yang terdiri daripada wakil-wakil Persatuan dan Agensi Kerajaan ke Thailand sekitar Mac 2015 memandangkan potensi pasaran dan juga pembekal kayu untuk ahli-ahli MTA.



## Discussion on Catch-Up Plan

The Sarawak Government intends to achieve one million hectares of planted forests in the year 2020 but this target is hindered by the slow planting progress. Alongside this, the Licence for Planted Forest (LPF) holders who are performing below fifty (50) per cent have been urged to speed up their planting rate and come up with a catch-up plan to address all issues and challenges faced in its implementation.

The Discussion on Catch-Up Plan, organised by Forest Department Sarawak (FDS), was held at The Regency Rajah Court Hotel Kuching on 9 September 2014. Representatives from Licences for Planted Forests (LPFs), Sarawak Forestry Cooperation (SFC), Sarawak Timber Industry Development Cooperation (STIDC) and other agencies as well as Secretariat staff from Sarawak Timber Association (STA) attended this Discussion.

The Discussion was chaired by Mr. Wong Siong Kuan, Senior Assistant Director, Forest Plantation & Reforestation Division. The main agenda of this Discussion was to urge the LPF holders to redo and resubmit the catch-up plan and show clearly how the planting is to be expedited in order to clear the backlogs. In the Discussion, Mr Wong informed the participants of the Discussion that enrichment planting is not needed as the unplanted areas are to be excluded from the LPFs. He also informed participants that the confirmed Native Customary Rights (NCR) lands once verified by the Land and Survey Department, will be excluded from the LPFs.

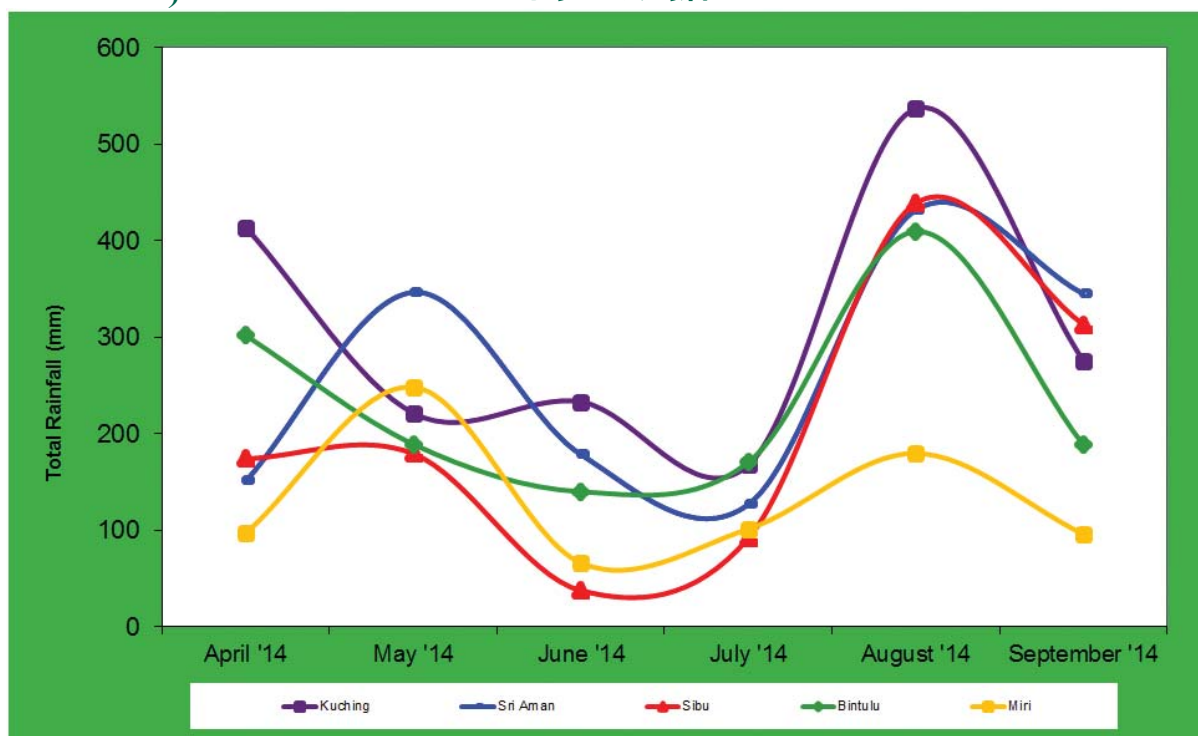
砂州森林局(FDS)于2014年9月9日假古晋丽晶拉惹阁酒店召开跟进方案讨论会。

FDS人工林及造林部高级助理局长，黄雄宽先生（译音）主持此会议。会议旨予呼吁人工林许可证(LPFS)持有者重做及重新提交跟进方案并清楚的列出促进种植方法以清理堆积的树量。

Perbincangan mengenai Catch-Up Plan telah dianjurkan oleh Jabatan Hutan Sarawak (JHS) di Hotel The Regency Rajah Court, Kuching pada 9 September 2014.

Perbincangan dipengerusikan oleh Encik Wong Siong Kuan, Penolong Pengarah Kanan, Bahagian Ladang Hutan & Penghutanan Semula. Agenda utama perbincangan adalah untuk menggesa pemegang Lesen Ladang Hutan (LPFs) memperbaiki dan mengemukakan semula Catch-Up Plan serta menunjukkan dengan jelas bagaimana kadar penanaman dapat dipercepatkan bagi menampung tunggakan terdahulu.

## RAINFALL : APRIL '14 - SEPTEMBER '14 DATA HUJAN BULANAN 雨量数据



Source : Malaysian Meteorological Services