



September 2014

For Private Circulation Only

Issue 195

STA dan Rakan2

The National Timber Industry Policy Review Session

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

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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.

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 Forests (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 confirmed Native Customary Rights (NCR) lands, once verified by the Land and Survey Department will be excluded from LPFs.

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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.



Did you know that.....

The Ministry of Forestry informed that by 1 January 2015, all wood-based furniture and handicraft have to be equipped with wood legality certification based on the Wood Legality Verification System. The move is part of the national commitment to sustainable forestry management. Previously the rules only applied to wood from state forests and by big industries such as for pulp and paper, moulding and plywood.

Source: 10 September, 2014, Bisnis Indonesia

Did you also know that....

A regulation for new products on the wood flooring market which stipulates the upper limit of volatile organic compounds (VOCs) for floor covering, adhesive for floor covering and surface coatings will enter into force in Belgium on 1 January 2015. The marketing of products for which a certificate of emissions corresponding the new regulation cannot be submitted will be no longer allowed. Flooring products that are 100% of natural stone, ceramic, glass or steel, are excluded from the regulation. A transition period until 1 September 2015 allows resale of products put on the market before 1 September 2014.

Source: MTIB News Extracts (Vol.37/09/14)



Field Visit to Members' Forest Plantations in Sibul



Photo: (Top left) Nursery, (Top right) Discussion at the field and (Bottom left) Beekeeping at *Acacia mangium* plantation

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 Licenses 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 on the application of different growth mediums in a nursery and fertilisers trial for "zebra" planting of Kelampayan.

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.



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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.

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.