

STA dan Rakan2



July 2010

For Private Circulation Only

Issue 145

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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STIDC INDUSTRY UPDATE 2010

Sarawak Timber Industry Development Corporation (STIDC) annual industry update was held on 26 July 2010 at the STIDC Theatre. It was attended by more than 150 members and comprising members from the timber industry in Sarawak, related agencies and the Sarawak Timber Association (STA) Secretariat.

Puan Dayang Nena Abang Bruce, Senior Assistant General Manager Trade Development STIDC, gave a welcoming remark and explained that the four papers presented aimed to update the timber

industry with the latest developments while urging participants to share their feedback and opinions.

The following papers were presented:-

- **Implementation of Electronic Industrial Production Return (e-IPR)** by Encik Awang Mentalli Awang Mohd Sulaiman, Manager of Industrial Planning, STIDC
- **Sarawak Chain of Custody (Sarawak CoC)** by Mr Mengga Mikui, Acting Deputy General Manager of Sarawak Forestry

Corporation (SFC)

- **Online Customer Satisfactory Survey** by Mr Hishamudin Bin Abdul Aziz, Assistant Manager of NSW Value Add Service, Dagang-Net
- **Procedure of Importing Log and Sawn Timber** by Puan Wan Normah Wan Ismail, the Director of Plant Protection & Quarantine Division, Department of Agriculture (DoA) Malaysia

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FORESTRY AGENCY OF JAPAN: TIMBER AND TIMBER PRODUCTS FROM SARAWAK ARE FROM LEGAL SOURCES

A meeting was convened between the Japan Lumber Importers' Association (JLIA) and the Sarawak Timber Association (STA) at Wisma STA, Kuching on 30 July 2010 to discuss the legality and sustainability requirements of the timber and timber products imported into Japan. The meeting was attended by 50 members from STA Certification Committee, STA Panel Products Category and representatives from Government Forestry Agencies.

The Meeting was informed on the Japanese Government intention to promote comprehensive measures against illegal logging and its associated trade. Such project has been implemented since 2006 when the Green Purchasing Law was amended for the public-sector to procure legality verified wood. This resulted in some measures of success such as the supply network of wood and wood products that are verified as coming from a legal and sustainable source (called "Goho-Wood") in Japan.

Subsequent to the Meeting, STA issued a press release on '**Forestry Agency Of Japan: Timber And Timber Products From Sarawak Are**

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Did you know that...

The Malaysian Timber Industry Board (MTIB) targets RM53 billion in wood and timber product exports by 2020. The target is achievable if the current trend in sales continues, says an analyst. The Malaysian timber industry is recovering after two years of recession. Exports of Malaysian wood and timber products reached RM6.9 billion in the first four months of 2010, up 22% from the same period in 2009.

Source:
ITTO MIS Report
16—30 Jun 10

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From Legal Sources' to all the local/national newspapers on 3 August 2010. The press release is as follows:

Japan has been our main trading partner for the last 50 years and it is important for the members of STA to understand the market requirements set down by Forestry Agency of Japan and The Council for Tackling Illegal Logging Issue. This was the objective of the meeting on 30 July 2010 in Kuching between Japan Lumber Importers' Association (JLIA) and Sarawak Timber Association (STA).

Mr. Akira Sekimoto, the Vice Chairman of the Japan Lumber Importers' Association (JLIA) led a delegation of five to discuss issues pertaining to legality verification of the timber and timber products imported into Japan with members of the Sarawak Timber Association (STA) on 30 July 2010. The meeting, chaired by Pemanca Datuk Wong Kie Yik, the Chairman of STA and was attended by Dato Henry Lau, the Chairman of the STA Certification Committee, Mr. Wong Kai Song, Chairman of STA Panel Products Committee, STA Council Members, Members of the STA Panel Products Category and STA Certification Committee and representatives from Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC) and Sarawak Timber Industry Development Corporation (STIDC).

Mr. Yasuhiro Ohashi the Executive Director of JLIA, in his presentation entitled "Japan's Action for Tackling Illegal Logging and STA-JLIA Collaboration for Supplying Legally and Sustainably-verified Wood and Wood Products", told those present in the meeting that under the Basic Green Procurement Policy announced in 2006, the Japanese Government had passed the Green Purchasing Law which makes it mandatory for the Diet, Courts, Ministries and Agencies to establish and to publicise their procurement policy based on the Green Procurement Policy. Local Governments are recommended to establish their Green Procurement Policy while the private sector and the general public are encouraged to use eco-friendly products as far as possible. Amongst the other targeted wood products, this Green Purchasing Law applies to construction materials for public works, such as logs, sawn timber, plywood, laminated timber, fibreboard and particleboard.

He briefly described the three methods of verifying legality and sustainability in the Guideline for Verification on Legality & Sustainability drawn up by the Forestry Agency of Japan. He added that Forestry Agency of Japan and The Council for Tackling Illegal Logging Issue recognize the verification method of Malaysian timber and further confirmed that timber and timber products imported from Sarawak, under the Sarawak Chain-of-Custody (Sarawak CoC) have complied with the guideline, and are therefore recognized as timber and timber products from legal sources. Mr. Yasuhiro Ohashi informed the Meeting that the Bill that requires wood products used in public buildings to have CoC certification or to be legally verified had been passed unanimously in the Diet early this year and will be promulgated within the year.

On the issue of sustainability, he pointed out that Japan will have to rely on third party verification, adding that Japan would prefer recognized certification schemes eg Forest Stewardship Council (FSC), Malaysian Timber Certification Scheme (MTCS) and Programme for Endorsement of Forest Certification (PEFC). He further encourages exporters from Sarawak to strive for certification and suggested that the State Government, through its relevant Agencies, works with the private sector to achieve certification. He pointed out that exporters from Sarawak may want to study the SGEN (Sustainable Green Ecosystem Council) forest certification scheme in Japan, which recently gained popularity in Japan. He cautioned that although there is no green premium for certified products at the moment, our trade in timber and timber products with Japan may be disadvantaged in the future if our timber and timber products remain uncertified, owing to the increasing level of green consumerism in Japan.

He said the current Democratic Party Government of Japan has set a target of 50% self-sufficiency of timber and timber products by the year 2020. Japan's forest area at 25.1 million ha comprises 30.6% national forests, 11.3% public forests and 58.1% privately owned forests. 44% of these forests are planted forests and 56% are natural forests.

He further emphasized that the trend in Japan is moving towards eco products, adding that there is a preference by the Japanese consumers for

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products manufactured using timber from forest plantations, wood residues or recycled wood.

Mr. Mengga Mikui, the Acting Deputy General Manager of Sustainable Forestry and Compliance Division, Sarawak Forestry Corporation briefed the Meeting on the Sarawak Chain-of-Custody, a very comprehensive system of tracking the movement of logs in Sarawak that is tied in with the Log Tracking System (LOTS) whose application has been extended throughout the State.

Mr. Yasuhiro Ohashi, being a member of the committee formed by the Japan Lumber Inspection & Research Association (JLIRA) to study traceability tools for logs and timber products, then presented the 2-Dimensional Barcode system they had evaluated. According to Mr. Ohashi, this system can easily trace logs from the logging site to the end-user at low costs and JLIA offered to work with Sarawak on a similar system.

Later that afternoon, Members of the STA Panel Products Committee led by its Chairman, Mr. Wong Kai Song met the delegation from Japan Lumber Importers' Association. The Japanese shared market information on the value and volume of the imported plywood, statistics on local plywood production and their plywood inventory and the housing start situation in Japan. The Panel Products Committee shared statistics on the volume of plywood produced and exported. Exports to Japan for the first half of this year were high and on an increasing trend since March 2010, favoured by a stronger Japanese Yen against the Malaysian Ringgit. The STA Panel Products Committee warned however that export figures for July onwards may show a reversed trend due to shortage in the supply of labour and raw materials. The Meeting then focused discussion on the issue of eco products, with a resolution by STA Panel Products Members to produce greater quantity of eco-timber products.

Chairman
Sarawak Timber Association
3 August 2010

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DIALOGUE ON THE IMPLEMENTATION OF INTER-AGENCY SOP

A dialogue between the Sarawak Forestry Corporation (SFC), Forest Department Sarawak (FDS), Harwood Timber Sdn Bhd and Sarawak Timber Association (STA), represented by its Certification Committee was held at Wisma STA, Kuching on 29 July 2010 to facilitate discussion on the implementation of Inter-Agency Standard Operating Procedures (SoP) for forestry functions in Sarawak, in particular the functional area of "Control of Log Movement". Thirty persons attended the dialogue which was

presided over by Dato Henry Lau, Chairman of STA Certification Committee.

Participants were briefed on the roles to be played by each agency, the inter-facing procedures and documentation transfer amongst these three forestry agencies. The purposes of implementing this Inter-Agency SoP were highlighted as follows:

- To standardise, streamline and improve work flow;
- To enhance operational cost-

effectiveness;

- To establish clarity of roles and responsibilities and thereby eliminate overlapping of execution and jurisdiction; and
- To maintain elements of check-and-balance

These Standard Operating Procedures will be applied to the following forestry functions or operations in Sarawak:

- Compliance with harvesting plan;
- Revenue collection;
- Control of log

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Did you also know that...

According to Hadi Daryanto, the Director General of Forestry Production Development at Indonesia's Forestry Ministry, Indonesia is prepared to meet the EU's wood legality standard.

The Forestry Ministry is already armed with wood legality verification system that can assess and verify legality of wood.

Therefore, the country will not be worry when European Union (EU) countries start implementing strict policy on import of wood products in 2013.

Source:
MTIB News Extracts
27/07/2010

Printed Matter



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- movement;
- Enforcement;
- Issuance of permits;
- Total Protected Area (TPA) constitution;
- Wildlife conservation; and
- Control of import of sawn timber from West Kalimantan, Indonesia

With effect from 1 September 2010, Harwood Timber Sdn Bhd will conduct physical checking, inspection and verification of logs before these logs are transported from the log pond to other destinations.

NEW REGULATION ON FORMALDEHYDE EMISSION

The Association was informed by the Sarawak Timber Industry Development Corporation (STIDC) that the United States House of Representative is considering adopting a new regulation – an Act to amend the *Toxic Substances Control Act* to reduce the emissions of formaldehyde from composite wood products.

The Environment Protection Agency (EPA) is to set national emission levels of formaldehyde for composite wood products which will be based on the California model. EPA will disseminate the regulation by 1 January 2013. According to the California regulation, *S.1660 the Formaldehyde Standards for Composite Wood Products Act* requires third-party testing, certification and product labeling. EPA will also need to determine other items such as sell-through provisions, chain-of-custody and enforcement through rulemaking.

The S.1660 document can be downloaded through STIDC website at [http://www.sarawaktimber.org.my/timber_issue/1279173936-s1660\[1\].pdf](http://www.sarawaktimber.org.my/timber_issue/1279173936-s1660[1].pdf)