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

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Updates on Forestry Operations and Timber Trade Procedures for Sarawak Timber Legality Verification System

The Ministry of Resource Planning and Environment (MRPE), Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC), Sarawak Timber Industry Development Corporation (STIDC), Harwood Timber Sdn Bhd (HTSB) and Sarawak Timber Association (STA) had jointly organised a couple of briefing sessions on the "Updates on Forestry Operations and Timber Trade Procedures for Sarawak Timber Legality Verification System (STLVS)" at RH Hotel, Sibü and ParkCity Everly Hotel, Miri on 30 November 2015 and 2 December 2015 respectively.

The purpose of these Sessions was to inform all the players in forestry and timber industry on the latest development and updates on forestry operations and timber trade procedures under the STLVS including new forestry laws, rules and procedures that are implemented by the State forestry agencies. A total of 371 participants from the timber industry and timber trade as well as Government agencies attended the two Sessions.

Mr Hamden Mohammad, Senior Assistant Director of FDS, in his welcoming remark informed the participants of the Sessions that the forestry agencies under the MRPE are re-aligning their standard operating procedures for STLVS following the State's effort to curb illegal logging activities, log smuggling and leakages in forest revenues. He also hoped that through these Sessions, the operators and traders of the timber industry would have a better understanding on

forest operations and timber trade procedures based on the revised STLVS in Sarawak.

Mr Ahmad Ashrin bin Mohammad Bohari, Executive Forester of FDS briefed the participants of the Sessions on the new forestry laws, rules and procedures enforced in Sarawak for managing the forests and the roles of each forestry agencies in the STLVS. He informed the participants of the Sessions that the main roles of FDS in the STLVS are to carry out enforcement activities and monitor the compliance at all stages of logs movement, i.e. they can intercept at any places, premises or routes at any given time.

Mr Wong Ting Chung, Chief Executive Officer of SFC in his speech in Sibü, informed the participants of the Session that STLVS is an improved version of the previous Legal Verification of Logs in Sarawak (LVLS). He also informed the participants of the Sessions that the main function of SFC, as outlined in the Sarawak Forestry Corporation Ordinances (Cap. 17), 1995 is as an agent to the Government, to enforce the compliance of log harvesting operation and log transportation system by licensees, contractors, sub-contractors, operators and those involved in logging activities. Besides that, SFC has been appointed to administer, assess, collect and enforcing payment of royalty, premia, fees and other dues and levies

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Study Tour of *Eucalyptus* Plantations and Industry in Guangxi, China

STA Forest Plantation Committee organised a Study Tour of *Eucalyptus* Plantations and Industry in Guangxi, China from 16 to 19 December 2015 which was attended by thirteen (13) STA members and two (2) STA Secretariat.

A meeting with Guangxi Forestry Industry Trade Association (GFITA) was held on the first day of the programme. Representatives from GFITA, Nanning Forestry Industry Trade Association (NFITA), various tree planting, wood processing and forestry machinery companies as well as the Consul General of Malaysia to Nanning, Mr Bong Yik Jui and Vice Consul General of Malaysia to Nanning, Mr Walter Fernandis attended the meeting.

The Chairman of GFITA, Mr Pei An Dao briefed the delegation on the development of the forest industry in China and Guangxi. He highlighted that the cooperation between Guangxi and Malaysia in forestry and timber processing industry has very good development potential. In order for both sides to have a better understanding and achieve complementary advantages, he proposed to (a) strengthen the exchange of visits and enhance the friendship; (b) strengthen the exchange of information, technology and other aspects; (c) actively conduct trade or business between Guangxi and Sarawak; and (d) actively participate in the investment of the national industrial parks in both countries.

STA General Manager, Dr Peter Kho shared the background of STA, forestry in Sarawak, plantation development in Sarawak and some statistics on logs production, export of logs and timber products for Sarawak in 2014. STA hopes to work closely with GFITA and other China forestry agencies/companies to enhance the forest plantation development and timber trade for Sarawak. Following the presentation, a discussion session was held between both sides to exchange information, experiences and knowledge in *Eucalyptus* plantation and industry.

The delegation also visited a few places of

interest in the three-day programme, namely, the Guangxi Forest Research Institute; two (2) State Forest Farms i.e Dongmen State Forest Farm & Gaofeng State Forest Farm; and eight (8) wood processing factories/mills. In summary, *Eucalyptus* industry is one of the dominant and specialised industries of the province of Guangxi, it serves as a source of livelihood for rural people living in Guangxi. *Eucalyptus* plantations in Guangxi are widely distributed in almost all regions with hills and mountains, or near villages and streets. Currently, Guangxi's *Eucalyptus* timber production accounts for over 70% of the region's total timber production.

The massive planting of *Eucalyptus* in Guangxi have attracted more criticism by environmentalists than most species used in plantation forestry. Their main concerns are (i) excessive water use and nutrient depletion lead to suppression of growth of food crops grown nearby, (ii) toxic effects to livestock and (iii) desertification, land degradation and disasters related to *Eucalyptus* plantations.

The China Central Government has supported establishment of industries based on *Eucalyptus* plantations through a variety of financial and tax incentives designed to encourage investments in the plantations, wood fibre, pulp, paper, and wood-processing sectors. Various funds were established such as Afforestation Fund and Forests Ecological Efficiency Compensation Fund.

R&D activities were carried out for the *Eucalyptus* plantations such as species/provenance selection, tree breeding, nursery practices, silvicultural practices (e.g. site preparation and planting, fertilisers, mycorrhizas) and wood quality. Guangxi also has an extensive range of wood-processing industry: sawn timbers, plywood, veneer, fibreboard and other panel-product manufactures.



Did you know that.....

China will ban commercial logging of natural forests by the end of 2016, and will also gradually stop commercial logging of collectively-owned natural forests beginning in 2017. China logs about 49.94 million m³ of timber each year, and has initiated a landmark pilot program to ban all commercial logging of natural forests in key forest zones in Northeast China's Heilongjiang Province in April 2014.

Source: 4 December 2015, Global Times, China

Did you also know that....

According to the Environment and Forestry Ministry in Indonesia, forest fires in 2015 have destroyed about 2.6 million hectares of land. This is the worst incident recorded in the nation since 1998. The costs to restore the damaged forests over a five-year period are expected to reach IDR 50 trillion (EUR 3.34 billion/USD 3.63 billion).

Source: Jakarta Post, 8 Dec 2015



Issues Related to Height Barriers along the Bakun and Murum Public Roads

In the State Task Force on Illegal Logging Meeting No. 2/2015 held on 23 October 2015 chaired by YB Datuk Amar Haji Awang Tengah bin Ali Hasan, Second Minister of Resource Planning and Environment, STA was appointed to address the destruction of height barriers installed along the Bakun and Murum public roads by “phantom lorries”. With that appointment, STA initiated a ground study on the affected areas and discussed with the timber licensees and contractors using the Bakun and Murum public roads. All these timber licensees and contractors are very keen to clear the allegations that the timber companies are responsible for the destruction of the height barriers.

YB Datuk Amar called a follow-up meeting on 18 December 2015 at Wisma Sumber Alam Kuching. Pemanca Datuk Wong Kie Yik, Chairman of STA led a delegation of 10 from STA’s working team to attend the

follow-up meeting. Dato Henry Lau, Honorary Secretary of STA presented the finding of the ground study together with the action taken by STA. Dato Henry Lau also proposed a couple of ways forward to address the imminent issue at hand including but not limited to installation of electronic surveillance system at the proposed height barriers and some of the proposed height barriers to be manned by the relevant authorities round the clock.

The meeting adopted one of the proposals with some modifications and further discussion with the relevant authorities is required in order to come out with functional solution on the ground. At the meeting, Pemanca Datuk Wong also presented the “Commitment Statement”, whereby the affected licensees and contractors voluntarily undertake, amongst others to fully restore the height barrier if damaged by them.

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Campaign on OSH for the Timber Industry in Sarawak

The Sarawak Timber Industry Development Corporation (STIDC) and the Department of Occupational Safety and Health (DOSH) Sarawak jointly organised the 2nd Occupational, Safety and Health Campaign for the logging companies from 9 to 10 December 2015 at the Dynasty Hotel, Miri. Approximately forty (40) participants from the timber industry and forestry-related agencies attended this Campaign.

In the opening speech by Datu Haji Sarudu Haji Hoklai, the General Manager of STIDC, read by Encik Hamzah Haji Morshidi, the Acting Assistant General Manager - Miri Regional office, he expressed gratitude to DOSH Sarawak and all participants for coming together for the Campaign, the first was held in Sibu from 17 to 18 September 2015. Datu Sarudu stressed that both DOSH and STIDC have the responsibility to ensure safety and health in the industry. He said one of the elements in training under The Forests (Trained Workmen) Rules 2015, which will be enforced from 1 April 2016 onwards, as well as a requirement under certification of forest management units is safety and health of workers. He

further said the occurrence of accidents in the workplace have a negative effect on workers as well as to image of the State.

Ir Hj Mohd Hatta bin Zakaria, the Director of DOSH Sarawak highlighted that the State had the highest number of deaths recorded for the industry. With commitment from the Government, industry and workers, the target is to reduce the accident rate in this industry through the Occupational Safety and Health Management Systems, SH system OHSAS 18001, campaigns and awarding prizes for safety.

The Campaign included a series of presentations on the Occupational Safety and Health Act (OSHA) 1994, Hazard Identification, Risk Assessment and Risk Control (HIRARC). Safety Committee, “Notification of Accident, Dangerous Occurrence, Occupational Poisoning And Occupational Disease Regulations 2004 (NADOPOD)” by Mr Sadiyuk Henry Rigit, Head of Enforcement Section, DOSH Sarawak, as well as a self safety and health audit exercise and group exercise on identifying issues when implementing OSH in the forestry sector.



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charges. Mr Wong also highlighted some overlapping functions between SFC and FDS, and clarified that these overlapping functions are now looked at in the inter agencies' Standard Operating Procedure. While in Miri, Tuan Haji Zolkipli Aton, Deputy General Manager of Sustainable Forestry & Compliance (SF&C) Unit, SFC shared with the participants of the Session, the efforts undertaken by the State Government in combating illegal logging activities and urged full compliance of State forestry laws and regulations by timber industry and trade players.

The speakers from SFC for the Sessions comprised Mr Ting Chek Hieng, Manager of SF&C; Tuan Hj Zainal Abidin Abdullah, Revenue Manager of SF&C; and Mr Mohammad Jirin Anis (Operation Manager, Security & Assets Protection Division of SF&C). They spoke on the compliance and management of forests when harvesting in natural forests and forest plantations, registration of logs and royalty assessment and One Stop Compliance Centre (OSCC) which is the latest initiative taken by SFC to curb illegal logging, log smuggling and leakages in revenues. Phase 1 implementation of OSCC would commence on 1 March 2016 and it will be located near to operation areas to provide management presence inside licence areas.

Mr Ishak Haji Bohari, Assistant General Manager (Endorsement & Shipping) of HTSB briefed the participants

of the Sessions on the roles of HTSB, which among others are to deal with inspection and endorsement of logs at Collection and Distribution Centre (CDC), issuance of Endorsement Clearance Certificate (ECC), issuance of Export Clearance Certificate (ExCC) for all export of logs and inspection of all land vehicles carrying logs from the base camp to the local mills.

Mr Jerry Mawan Lading, Assistant General Manager of STIDC informed the participants of the Sessions that the e-Permit, a web-based service was created to facilitate online application by downstream players. E-Permit is connected to the Custom Information System for validation and cross-reference purposes. All e-Permit users are required to register with STIDC either as an exporter or an importer of logs and timber products; with the Royal Malaysian Customs Department (RMCD) as an authorised agent to receive the Trading Number; and with Dagangnet Technologies Sdn Bhd as a user of e-Permit System to get a user ID and password.

The various questions were raised by the participants concerning their timber operations such as the requirement of 100% tree enumeration, the Forests (Trained Workmen) Rules, 2015 and the issuance of short-term licences.