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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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Meeting on Licence for Planted Forest (LPF) Development

A meeting on Licence for Planted Forest (LPF) Development was called by the Forest Department Sarawak (FDS) on 9 November 2015 at Wisma Sumber Alam, Kuching. Representatives from LPF holders, SARAWAK FORESTRY Corporation Sdn Bhd (SFCSB), Sarawak Timber Industry Development Corporation (STIDC) and other agencies as well as Secretariat from Sarawak Timber Association (STA) attended the Meeting.

The meeting was chaired by Tuan Haji Sapuan Ahmad, the Director of Forests. In his opening remark, he informed those present at the meeting of the Chief Minister of Sarawak's intention that the timber harvested from plantation forests will be the only source of timber for the industries in the future.

Mr Wong Siang Kuan, Senior Assistant Director, Forest Plantation & Reforestation Division urged all licensees to comply with the Tree Harvesting Plan (THP) in the process of harvesting timber from the planted forests. FDS and SFCSB agreed to come up with a solution to avoid the unnecessary repetitive procedures in the process of

application for harvesting. Mr Wong also reminded all the LPF holders to submit the revised Tree Planting Plan (TPP) on or before 31 December 2015. The terrain IV and unplantable areas are to be excluded from the LPFs for conservation purposes. He informed the participants of the Meeting that the quarterly meeting with LPF holders will be scheduled in 2016 to allow the holders to report to FDS on the progress of their planting as well as to highlight the challenges that they are facing to the FDS so that the necessary actions could be taken. LPF holders are also advised to submit the necessary information when applying for new coupe for site preparation.

Mr Wong Ting Chung, Chief Executive Officer of SFCSB informed the Meeting that the State Government has provided funding to SFCSB for the research and development of good quality planting materials for forest plantation development in Sarawak. The project is in progress and he welcomed the cooperation from LPF holders to ensure the success of the project.

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International Workshop on the Heart of Borneo Corridor Project Implementation

An International Workshop on the Heart of Borneo (HoB) Corridor Project Implementation was jointly organised by Forest Department Sarawak (FDS) and World Wide Fund for Nature (WWF-Malaysia) on 3 and 4 November 2015 at Century Hotel, Kuching. The Workshop

was attended by conservationists, land use managers and representatives from government agencies, institutions of higher learning as well as Non-Governmental Organizations (NGOs).

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Sarawak Timber Industry Development Corporation Launches Glossary on Timber Products

The Sarawak Timber Industry Development Corporation (STIDC) in collaboration with the Royal Malaysian Customs Department took the initiative to publish a Glossary of Classification: Timber & Timber Products of Sarawak on 11 November 2015 at Riverside Majestic Hotel, Kuching.

The Second Resource Planning and Environment Minister, Datuk Amar Awang Tengah Ali Hasan, who is also Chairman of STIDC Board of Management, launched the book. The General Manager of STIDC, Datu Sarudu Hoklai in the launching stated that the Glossary provides guidelines on how to identify timber and timber products with tariff codes based on Customs Duties Order 2012. It facilitates industry players as well as STIDC and Customs

officers in processing applications for export licences. He hopes that the Glossary would be of great help not only to STIDC and Customs, but also to other stakeholders such as the industry players and the general public in identifying timber and timber products as well as tariff codes for international trade.

Meanwhile, the Director-General of the Royal Malaysian Customs Department, Dato' Sri Khazali Ahmad said the Glossary should be able to boost the knowledge and expertise of Customs officers and at the same time, provide guidelines and clear references to STIDC, industry players and the general public on tariff classification for timber and timber products based on Customs Duties Order

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Workshop on Sustainable Management of Our Forest: Promoting Co-Benefit Sharing in Kubaan-Puak and FMU 5 Sabah

The Forest Department Sarawak (FDS) and World Wide Fund for Nature (WWF) Malaysia organised a workshop on Sustainable Management of Our Forest: Promoting Co-Benefit Sharing in Kubaan-Puak and FMU 5 Sabah from 26 to 27 November 2015 at the Grand Magherita Hotel, Kuching. About 100 people attended this Workshop including thirty (30) Penans representing eight (8) settlements in the Kubaan-Puak area.

The purpose of the Workshop was to share and discuss the results of desktop analyses and preliminary field assessments for pilot project areas in Kubaan-Puak area in Sarawak and FMU 5 in Sabah. It also aimed at sharing ideas among stakeholders comprising government agencies, timber companies, civil societies, and local communities on pilot project activities that can be implemented in 2016 and 2017 in both states.

The project covered an area of about 360,000 hectares of multiple forest management units; between Mulu National Park and Pulong Tau National Park in Sarawak; and FMU 5 in the Trus Madi Forest Reserve in Sabah. The project is part of the Heart of Borneo

(HoB) Corridor Initiative by the governments of Brunei Darussalam, Indonesia and Malaysia.

Tuan Haji Sapuan Ahmad, the Director of Forest Department Sarawak officiated the opening of the Workshop. He mentioned that his department is committed in finding ways to promote co-benefit sharing of natural resources against the government, industries and the people. In the Kubaan-Puak area, the State Government acknowledges the presence of Penan communities, therefore setting aside a huge area known as Magoh Biosphere Reserve for them. The proposed area was in line with the State Government's efforts to promote the Sustainable Forest Management certification. He also mentioned that the State Government is all out for SFM implementation as it will lead towards certification which is pivotal in ensuring that all timber produced and exported meet the international standards.

Also present were Mr Matthias Schwoerer, Division Head of the German Federal Ministry's European and International Forest Policy and Dr Jason Hon, Head of Conservation of the WWF-Malaysia Sarawak.



Did you know that.....

The stock market slide in China has slowed down the Asian timber markets. The demand in China for okoume and the lower qualities of mixed and coloured African and Malaysian hardwoods has decreased recently. Timber exporters have lowered their production volumes and maintained firm price levels. In China, the National Forest Authority is going to ban logging in its natural forests by 2016. The industry has to rely on plantation wood and is going to need more imported wood. There is still demand for high value hardwoods in China and Middle East.

Source: 27 November 2015, TTJ Timber Trades Journal

Did you also know that....

In Laos, the Forestry Legality Compendium has reached and finalised an essential achievement in promoting legal timber trade. The Forestry Legality Compendium will ensure the regulatory framework of the forestry sector is made clearer and thus, it is crucial that efforts are made to manage forests in a sustainable manner, which will help expand forest coverage to 70%. The Forestry Legality Compendium project was carried out to gather all relevant legal provisions and come up with a summary study on the forestry legality framework, which includes legislation related to forestland, forests, and the use of forest products, which include from forest conversion/ concession areas, production forests, plantations, and village use forests

Source: MTIB News Extracts (Vol.47/11/15)



High Level Market Dialogue Entitled “How the market in Australia, Europe and USA response to Timber Legality Assurance System (SVLK) and Non-SVLK Schemes”

The High Level Market Dialogue (HLMD) entitled “How the market in Australia, Europe and USA Response to Timber Legality Assurance System (SVLK) and Non-SVLK Schemes” was held on 23 November 2015 at Hotel Indonesia Kempinski, Jakarta. The Dialogue, hosted by the Indonesian Exporters Association (GPEI) in collaboration with PT Mutu Hijau Indonesia was attended by about 200 people.

The main objectives of HLMD 2015 were to encourage the full-implementation of the Forest Law Enforcement Governance and Trade Voluntary Partnership Agreement (FLEGT VPA) Indonesia - The European Union (EU) as soon as possible, to improve the legal timber trade in the world, to tackle illegal logging and illegal trade, as well as to support the realization of sustainable forest management. The discussion focused on the SVLK, the Australian Illegal Logging Prohibition Act, the EUTR (European Union Timber Regulation), US Lacey Act and developments in other markets for timber products with SVLK and non-SVLK schemes from Indonesia, as well as how consumers are taking action to eliminate illegal timber from their markets.

Currently two (2) types of documents are used in Indonesian timber product exports. The first is the “V-Legal Documents” for those who have been audited by the Timber Legality Verification Agency (LVLK) and obtain a certificate of timber legality. The second is “Export Document (DE) and/or Non Legal Verified Document” which was developed as an interim step to help Small and Medium Enterprises (SMEs) in particular furniture products manufacturers in transition, before getting SVLK. The participants of the Dialogue were informed that Indonesia’s FLEGT VPA must be fully implemented by 1 April 2016.

The aim of this Dialogue was also to understand the market response of timber products under these two schemes.

Participants of the Dialogue were informed that 97.9% of Indonesia’s timber and wood product exports are now backed with V-legal licences, worth a total of US\$8.03 billion annually. This includes over 89% of all furniture exports, valued at US\$1.4 billion. The remainder of Indonesian exports are covered by the DE system, which was developed for small to medium sized enterprises as an interim step to the full SVLK/V-Legal system.

His Excellency Vincent Guerend, Ambassador of the European Union to Indonesia informed the participants that the V-legal documents would be considered equal to a FLEGT license and that Indonesian timber would automatically pass the due-diligence examination that is usually required before products enter the EU market. He commented on Indonesia’s plan to exempt furniture products from V-legal and that it would be the Government’s job to ensure all products come complete with V-legal documents and are from sustainable sources. He also highlighted that the SVLK is very helpful for EU timber importers and consumers in choosing timber that comes from legal sources.

A total of eighteen (18) panellists spoke at this Dialogue.



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The Workshop aimed to further develop and refine the framework to create connectivity between protected areas in the HoB countries: Brunei Darussalam, Indonesia (Kalimantan) and Malaysia (Sabah & Sarawak). It would form a large connected landscape under the transboundary connectivity which shall link the so called isolated National Parks of each country.

The Chief Minister of Sarawak, Datuk Patinggi Tan Sri Adenan Satem in his speech read by the Assistant Minister of Environment, Datu Haji Len Talif stated that the state government will expand and create the new Totally Protected Areas (TPAs) and Transboundary Conservation Areas in the Sarawak HoB boundary. The Chief Minister gave the assurance of the State Government willingness to cooperate in the transboundary project based on sustainable development principles to ensure the natural heritage are taken care of and inherit by the future generations through effective management of forest resource by research and development, education and training, including all activities related to conservation in the HoB areas.

The international speakers and facilitators at the Workshop came from different backgrounds. They include Dr Ghana Gurung, conservation Director of WWF Nepal, Dr Jedediah Brodie, the University of British Columbia,

Canada, Mr Albertus Tiju, WWF Indonesia, Mr Robert Basiuk, Managing Director of Borneo Adventure, Dr Prabianto Wibowo, Deputy Minister from the Coordinating Ministry of Economic Affairs of the Republic of Indonesia, Bapak Tonny Suhartono, Asian Development Bank, Mr Win Elenbroek, The Borneo Initiative, Jakarta, Bapak I.W.B. Putra, Alas Kasuma Group, Indonesia and Mr Ben Ridley, Regional Head of Sustainability Affairs for Asia- Pacific of Credit Suisse AG, Hong Kong.

During the Workshop, lessons learned from various existing corridor projects in Asia were presented and shared so that parties from each country can layout a cohesive framework to coordinate the current different management regimes to establish the linking corridors in between these National Parks, where several land uses such as forestry and agricultural land are located.

Participants of the Workshop were also informed on the implementation of possible sustainable finance options for conservation and sustainable development projects.