

STA Review

Monthly Magazine of the Sarawak Timber Association
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2019



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PILOT PROJECT ON
AERIAL SURVEILLANCE
STUDY
to Detect *Ceratocystis*
Disease Infection in *Acacia*
mangium Plantations



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LICENCE FOR PLANTED
FORESTS HOLDERS'
Quarterly Meeting
No 1/2019



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STAKEHOLDERS
CONSULTATION
on the Proposed Forestry
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Published by

Sarawak Timber Association
11 Floor, Wisma STA,
26, Jalan Datuk Abang Abdul Rahim,
93450 Kuching, Sarawak, Malaysia
Tel: ++ (60 82) 332 222
Fax: ++ (60 82) 487 888, 487 999
Email: sta@sta.org.my Website: www.sta.org.my

Printed by

Lee Ming Press Sdn Bhd
No. 48, Jalan Ellis, P.O Box 3068,
93760 Kuching, Sarawak, Malaysia
Tel : ++ (60 82) 253 303
Fax : ++ (60 82) 426 382
Email : sales@leeming.com.my

STA SST Technical Committee Meeting No 1/2019

The STA SST Technical Committee convened its meeting No 1/2019 on 15 January 2019 at Wisma STA, Kuching. The Meeting was presided over by Mr Philip Choo Kwong Hui and attended by five (5) Committee Members.

The Meeting was advised that the Royal Malaysian Customs Department (RMCD) had confirmed that the repair and maintenance services of heavy machineries and motor vehicles by workshops located in logging concession areas, forest plantation areas and manufacturing factories is a taxable service if these machineries and motor vehicles are registered with the Road Transport Department. The Meeting also took note that the Association's appeal to grant service tax exemption on management services provided to companies with common shareholders or directors was not approved by RMCD.

The Meeting was also informed on the amendments to service tax which covers the expansion of taxable services to include amusement park services, brokerage and underwriting services, cleaning services and training or coaching services with effect from 1 March 2019 as well as classification of management services to ten (10) items. With effect from 1 January 2019, taxable services received from foreign companies are subject to 6% service tax via the reverse charge mechanism.

Mesyyarat Jawatankuasa Teknikal SST STA Bil. 1/2019 telah diadakan pada 15 Januari 2019 di Wisma STA, Kuching. Mesyyarat dipengerusikan oleh Encik Philip Choo Kwong Hui dan dihadiri oleh 5 ahli-ahli Jawatankuasanya.

Mesyyarat telah dimaklumkan bahawa Jabatan Kastam Diraja Malaysia (RMCD) telah mengesahkan pembaikan dan penyelenggaraan jentera berat dan kenderaan bermotor oleh bengkel yang terletak di kawasan konsesi pembalakan, kawasan perladangan hutan dan kilang pembuatan adalah perkhidmatan yang boleh dikenakan cukai jika jentera dan motor tersebut merupakan kenderaan berdaftar dengan Jabatan Pengangkutan Jalan.

Mesyyarat turut mengambil maklum tentang rayuan Persatuan untuk mendapatkan pengecualian cukai perkhidmatan bagi perkhidmatan pengurusan yang diberikan kepada syarikat yang mempunyai pemegang saham atau pengarah yang sama adalah tidak diluluskan oleh RMCD.

STA 销售与服务税 (SST) 技术委员会于2019年1月15日假古晋STA大厦召开本年度首次会议。会议由朱光辉先生主持，并有5名委员出席。

会议接纳马来西亚皇家海关署 (RMCD) 已确认，已在陆路交通局登记的重型机械和机动车辆在位于伐木特许区，森林种植区和工业区的车间进行维修和保养服务是一项应税服务。会议也采录本会为拥有共同股东或董事的公司提供管理服务呼吁豁免服务税未获得RMCD的批准。

Final Reminder for STA Membership Renewal

Members of Sarawak Timber Association (STA) are reminded that STA Membership Renewal for 2019 has fallen due on **1 January 2019**.

However, in accordance to Article 4(d) of STA Memorandum and Articles of Association [*page 28 of Thirteenth Printing, September 2014*], members are given a grace period of 30 days that is, by **31 January 2019** to effect payment.

温馨提醒所有本会会员，2019年STA会员更新已于2019年1月1日截止。然而，根据本会章程条例，第4条例（2014年9月，第13版，第28页），会员将给予30天的宽限期，即至2019年1月31日前付款会员资格更新费。

Ahli-ahli Persatuan Kayu Kayan Sarawak (STA) adalah diingatkan bahawa Pembaharuan Keahlian bagi 2019 telah tamat pada **1 Januari 2019**.

Walau bagaimanapun, selaras dengan Perkara 4(d) Memorandum dan Artikel Persatuan STA [*halaman 28 Cetakan Ke-13, September 2014*], ahli-ahli diberi tempoh selama 30 hari sehingga **31 Januari 2019** untuk membuat bayaran.

Meeting on Seven-Year Limitation to Carry Forward Unabsorbed Business Losses, Unutilised Reinvestment Allowances and Investment Allowances

The gazette of the Finance Act 2018 on 27 December 2018 restricts the carry forward of the unabsorbed business losses, unutilised reinvestment allowances and investment allowances to seven (7) years only. This will have grave implications on the forestry and timber industry. Companies, particularly those involved in forest plantation will not be able to offset future income against the unabsorbed business losses accrued during the long gestation period of tree planting. Additionally, companies may face difficulty in claiming reinvestment allowances.

Realising the significant impact to the industry, twenty one (21) representatives from member companies of Sarawak Timber Association (STA) met on 15 January 2019 at Wisma STA in Kuching to discuss the way forward which included an application to the Ministry of Finance for exemption. The Meeting was also attended by Tuan Haji Hashim bin Haji Bojet, General Manager of Sarawak Timber Industry Development Corporation (STIDC) and Datuk Andrew Tham, President of Malaysian Timber Association (MTA).

The Meeting acknowledged that the application to the Ministry of Finance for exemption would not be easy as this policy is applicable nationwide. Nevertheless, both Tuan Haji Hashim bin Haji Bojet and Datuk Andrew Tham expressed their keen interests to support and work with the Association to apply for an exemption from the Ministry of Finance.

Mengikut Akta Kewangan 2018 yang diwartakan pada 27 Disember 2018, kerugian perniagaan yang tidak diserap, elaun pelaburan semula dan elaun pelaburan yang tidak digunakan hanya boleh dibawa ke hadapan untuk tempoh 7 tahun sahaja. Pewartaan ini akan memberi kesan serius terhadap industri perhutanan dan perkayuan. Syarikat-syarikat, terutamanya yang terlibat dalam perladangan hutan tidak berupaya mengimbangi pendapatan masa depan dengan kerugian perniagaan yang tidak diserap terkumpul semasa tempoh panjang penanaman pokok. Di samping itu, syarikat juga berkemungkinan menghadapi kesukaran untuk menuntut elaun pelaburan semula.

Menyedari akan kesan serius yang bakal dihadapi oleh industri, 21 wakil daripada syarikat-syarikat anggota Persatuan Kayu Kayan Sarawak (STA) telah bertemu pada 15 Januari 2019 di Wisma STA, Kuching untuk membincangkan hala tuju termasuk permohonan kepada Kementerian Kewangan untuk pengecualian.

于2018年12月27日颁布的2018年财政法案限制未被吸收的商业亏损、未使用的再投资津贴和投资津贴的结转期限为七年。这将对林业和木材业带来严重影响，特别是那些参与人工林种植的公司。这些公司将无法使用未来的收入抵消在长时间人工林种植期间所累计的未被吸收的商业亏损。此外，公司可能在申请再投资津贴方面遇到困难。

意识到这项法案对行业的重大影响，本会21位会员公司代表于2019年1月15日假古晋STA大厦召开会议，讨论前进的方向包括向财政部申请豁免。

Annual General Meeting of Sarawak Timber Association

The Annual General Meeting of Sarawak Timber Association for 2019 will be held on Thursday, **28 March 2019** at 10.30am at Wisma STA, Kuching.

本会2019年度会员大会将于2019年3月28日（星期四），上午10点30分假古晋STA大厦举行。

Mesyuarat Agung Tahunan 2019 Persatuan Kayu Kayan Sarawak akan diadakan pada Khamis, **28 Mac 2019** pada pukul 10.30 pagi di Wisma STA, Kuching.

Pilot Project on Aerial Surveillance Study to Detect *Ceratocystis* Disease Infection in *Acacia mangium* Plantations



Photo taken during the field assessment

The fast-spreading of *Ceratocystis* disease on *Acacia mangium* plantations at neighbouring country and Sabah has caused fear and worry to the local tree planters who invested mainly in planting *Acacia mangium* in their licensed areas. Furthermore, a comprehensive report on the seriousness of the *Ceratocystis* infection in the State of Sarawak is not available at the moment. In this regard, Forest Department Sarawak (FDS) has established a 'Special Committee on Aerial Surveillance Study to Detect Health Condition of Trees in *Acacia mangium* Plantations' with the aim to study the severity of *Ceratocystis* infection in the *Acacia mangium* plantations in Sarawak by using remote sensing technology. The members of the Special Committee comprised representatives from FDS, Sarawak Forestry Corporation Sdn Bhd (SFCSB), Licence for Planted Forests (LPF) and Sarawak Timber Association (STA). Moreover, the Special

Committee also works in collaboration with Forest Research Institute Malaysia (FRIM) to conduct ground survey and assessment of *Ceratocystis* disease in Sarawak.

A pilot project which focuses on *Acacia mangium* plantation areas in Bintulu was initiated by the Special Committee. The Systems Application and Development Unit (SADU) of FDS assisted the Special Committee in capturing and analysing the aerial surveillance images by using their existing facilities available. Following that, a ground truth activity was conducted on 28 January 2019 to verify the cause of unhealthy detection as seen on the aerial surveillance images captured using hyperspectral sensor. This project is at the initiating stage and more studies need to be conducted to develop the statistical model using hyperspectral reflectance data for detecting the *Ceratocystis* disease on *Acacia mangium* trees.



Group photo taken after the field assessment

于邻国及沙巴种植的相思樹種其枝干枯萎病快速传播的迹象，此情况导致本土于执照区投资相思樹種人造林种植者格外担忧及害怕。

因此，砂州森林局（FDS）成立了一支“高空监控探测相思樹種健康情况特别委员会”，目的在于透过使用遥控探测科技，以研究砂州相思樹種感染枝干枯萎病的严重程度。该特别委员会也与马来西亚森林研究机构（FRIM）合作主导于砂州发生的枝干枯萎病的地面调查和评估。

该特别委员会发起在民都鲁展开一项专注于相思樹種种植区试点项目，并于2019年1月28日开展了一项地面实况活动，透过使用高空监控的高光谱传感器捕获相思樹種感染枝干枯萎病的图像，并探测其不健康原因。该项目处于起始阶段，需要进行更多的研究，利用高光谱反射率数据开发统计模型探测感染枝干枯萎病的相思樹種。

Penyebaran cepat penyakit *Ceratocystis* di ladang *Acacia mangium* di negara jiran dan Sabah telah mengundang perasaan takut dan bimbang dalam kalangan penanam dan pelabur ladang *Acacia mangium* di Sarawak.

Berikutan itu, Jabatan Hutan Sarawak (FDS) telah menubuhkan 'Jawatankuasa Khas Kajian Kawalan Udara untuk Mengesan Tahap Kesihatan Pokok di Ladang *Acacia mangium*'. Ia bertujuan untuk mengkaji tahap jangkitan *Ceratocystis* di ladang *Acacia mangium* di Sarawak dengan menggunakan teknologi penderiaan jarak jauh. Jawatankuasa Khas turut bekerjasama dengan Institut Penyelidikan Perhutanan Malaysia (FRIM) untuk menjalankan kajian tanah dan penilaian penyakit *Ceratocystis* di Sarawak.

Projek perintis telah dilaksanakan oleh Jawatankuasa Khas di kawasan perladangan *Acacia mangium* di Bintulu. Aktiviti lapangan telah dijalankan pada 28 Januari 2019 bagi mengesahkan punca pengesanan tidak sihat yang dikesan melalui pengawasan udara menggunakan sensor hyperspectral. Projek ini adalah pada peringkat permulaan dan lebih banyak kajian perlu dijalankan untuk membangunkan model statistik menggunakan data pemantauan hyperspectral bagi mengesan penyakit *Ceratocystis* di ladang *Acacia mangium*.

Presentation Ceremony of the Certificate to Graduates of the Postgraduate Diploma in Applied Sci (Sustainable Tropical Forest Management/Sustainable Tropical Plantat



Group photo taken at the PGDip Certificate Presentation Ceremony

The Presentation Ceremony of the Certificate to Graduates of the Postgraduate Diploma in Applied Science (*Sustainable Tropical Forest Management/Sustainable Tropical Plantation Management*) (PGDip) was held on 26 January 2019 at Wisma STA, Kuching.

In his Welcoming Address, Mr Philip Choo Kwong Hui, Honorary Treasurer of Sarawak Timber Association (STA), accentuated that the PGDip is tailored for forestry as well as other graduates working in the field and logging camps at both supervisory and managerial levels. Concurrently, STA through its subsidiary company, STA Training Sdn Bhd, the approved Training Provider, is also actively promoting upskilling for the industry's workforce by

conducting training of various skill sets such as (i) Certificate in Tree Felling-Chainsaw (*Natural Forests*), (ii) Certificate in Log Extraction-Tractor (*Natural Forests*), (iii) Certificate in Log Loading-Front End Loader (*Natural Forests*), (iv) Certificate in Clear-fell Site Preparation-Chainsaw (*Forest Plantation Establishment*), and (v) Certificate in Mechanical Site Preparation-Excavator (*Forest Plantation Establishment*) in accordance with Section 51(1) of the Forest Ordinance, 2015.

Simultaneously, Professor James McWha, Pro-Chancellor, immediate past Vice-Chancellor of Lincoln University, New Zealand, in his brief address said that what the graduates had achieved is important to the forestry industry as well as the State of Sarawak. In line with this, Professor Dr Hugh Bigsby, Dean of the Faculty of Agribusiness and Commerce, added that the PGDip is specifically designed for Sarawak in recognising that of many of the people who work in the industry do not have formal training in forestry. To address this need, the degree covers all aspects of forestry, including silviculture, harvesting, planning, economics, and social factors. It is also recognised that many managers in the forest industry do not have a degree and hence the programme includes a number of ways to help these managers to develop skills for postgraduate study.

On this momentous day, twelve (12) of the sixteen (16) graduates of the Fourth Cohort of the PGDip received their scrolls and handshakes from the Pro-Chancellor. During the Ceremony, two (2) best student awards were presented to Ms Deborah Elaine Tai Hwe Lan of Subur Tiasa Holdings Bhd for the Top Student (Overall), and Ms Amy Wong Mee Ting of Shin Yang Forestry Sdn Bhd for the Top Student (Without First Degree).



Courtesy visit to Tuan Yang Terutama Yang di-Pertua Negeri Sarawak, Tun Pehin Sri Abdul Taib Mahmud (Photo courtesy from Information Department Sarawak)

Prior to this event, a courtesy call was made to Tuan Yang Terutama Yang di-Pertua Negeri Sarawak, Tun Pehin Sri Abdul Taib Mahmud by Professor James McWha, Professor Dr Hugh Bigsby, Mr Philip Choo Kwong Hui and two (2) representatives from the STA Secretariat on 25 January 2019 at his residence.

应用科学研究生文凭(可持续热带森林管理/可持续热带人工林管理) (PGDip)颁发典礼于2019年1月26日假古晋STA大厦举行。

本会荣誉财政朱光辉先生致词时强调PGDip专为林业以及在该领域和伐木营工作的监督和管理层毕业生创设。

同时，纽西兰林肯大学副校监暨前校长詹姆麦华教授（译音）致词时表示毕业生获得的成就对林业和砂拉越都很重要。与此同时，农业企业和商业学院院长修格比斯比教授（译音）补充说PGDip是专门为砂拉越设计的，因意识到许多在砂州林业工作的人士没有接受过正式的林业培训。

16位第4届PGDip毕业生当中的12位从副校监手中领取他们的卷轴。典礼上也颁发两个优等生奖。

The Malaysian Timber Council Industry Retreat 2019

Majlis Penyampaian Sijil kepada Graduan Diploma Pascasiswazah dalam Sains Gunaan (Pengurusan Mampam Hutan Tropika / Pengurusan Mampam Ladang Tropika) (PGDip) telah diadakan pada 26 Januari 2019 di Wisma STA, Kuching.

Dalam ucapan alu-aluannya, Encik Philip Choo Kwong Hui, Bendahari Kehormat Persatuan Kayu Kayan Sarawak (STA) menegaskan bahawa PGDip telah dirangka khusus bagi penyelia dan / atau pengurus industri perhutanan.

Pada masa yang sama, Profesor James McWha, Pro-Canselor Universiti Lincoln di New Zealand, dalam ucapan ringkasnya mengatakan bahawa apa yang telah dicapai oleh graduan adalah penting untuk industri perhutanan di Sarawak. Manakala, Profesor Dr Hugh Bigsby, Dekan Fakulti Agrobisnis dan Perdagangan pula berkata PGDip telah direka khusus untuk Sarawak bagi mengiktiraf pekerja-pekerja industri perhutanan yang tidak pernah menerima latihan formal dalam bidang ini.

12 daripada 16 graduan Kohort Ke-4 PGDip menerima skrol dari Pro-Canselor. 2 anugerah pelajar terbaik turut disampaikan semasa Majlis.

The Malaysian Timber Council (MTC) organised its industry retreat from 23 to 25 January 2019 at the Avani Sepang Goldcoast Resort, Selangor. The purposes of this retreat were to strategise fresh new ideas and approaches for the timber industry to breakthrough to the next frontier as well as to position MTC as the industry's foremost trusted companion in this journey.

The retreat was attended by approximately 100 participants comprising MTC management team and staff, four (4) moderators, timber industry players and other

invited guests from government agencies and non-governmental organisations. This time, under the chairmanship of Dato' Low Kian Chuan, MTC had extended the invitation to the timber trade associations not only in Peninsular, but also in Sabah and Sarawak which include Sabah Timber Industries Association (STIA), Timber Association of Sabah (TAS) and Sarawak Timber Association (STA).

Participants of the Retreat were clustered into 4 groups based on 4 focus areas; namely (i) Market Intelligence & Development, (ii) Stakeholder Engagement, (iii) Industry Development & Empowerment, and (iv) Enablers. The discussions by the 4 groups were held parallelly with each group discussion led and guided by a moderator. The outcomes of each group were presented at the plenary session which received active contributions and suggestions from the participants of the Retreat.

MTC will devise a framework to take on board all relevant key suggestions and proposals when charting MTC's work for the next five (5) years. MTC is committed to continue in engaging stakeholders in their future work.

马来西亚木材理事会 (MTC) 于2019年1月23日至25日在雪兰莪的雪邦黄金海岸阿瓦尼度假酒店举行木材业退修会。此次退修会目的是为木材业制定新的意见和方向, 以突破未来前沿, 并将MTC定位为行业中最委托的伙伴。

参与者根据4个议题被分为4组; 即 (i) 市场情报与发展, (ii) 利益相关者的参与, (iii) 行业发展与赋权, 以及 (iv) 促成者。每个小组的议论结果都呈现在全体会议上, 该会议得到了参与者的积极贡献和建议。

MTC在制定未来5年的事务时, 将策划一个容纳所有相关建议和提议的架构。

Majlis Kayu Kayan Malaysia (MTC) telah menganjurkan sesi pengasingan industri dari 23 hingga 25 Januari 2019 di Avani Sepang Goldcoast Resort, Selangor. Tujuan pengasingan adalah untuk mencorak idea dan pendekatan baru bagi melonjakkan industri perkayuan ke tahap seterusnya serta meletakkan MTC sebagai peneraju utama di dalam industri ini.

Peserta Pengasingan terbahagi kepada 4 kumpulan berdasarkan 4 bidang tumpuan; iaitu (i) Perisikan & Pembangunan Pasaran, (ii) Penglibatan Pihak Berkepentingan, (iii) Pembangunan dan Pemberdayaan Industri, dan (iv) Pemangkin. Hasil kerja daripada setiap kumpulan dibentangkan pada sesi mutlak dan telah menerima cadangan aktif daripada para peserta Pengasingan.

MTC akan merangka rangka kerjanya untuk 5 tahun akan datang dengan mengambil kira kesemua saranan dan cadangan utama yang berkaitan.



Group photo taken during the Retreat
(Photo courtesy from MTC)

Licence for Planted Forests Holders' Quarterly Meeting No 1/2019

Forest Department Sarawak (FDS) called a Licence for Planted Forests (LPF) Holders' Quarterly Meeting No 1/2019 on 25 January 2019 at Nu Hotel in Bintulu. The Meeting, chaired by Mr Wong Siong Kuan, Senior Assistant Director, FDS was attended by the representatives of LPF holders and staff of LPF Division, FDS.



Meeting in progress

Mr Wong informed the Meeting that the planting target set by the State Government in year 2018 was not met. Therefore, he advised the LPF holders to speed up their tree planting plan and to do proper maintenance throughout the planting period to maximise the productivity during harvesting. He also advised the LPF holders to convert the unplanted area to forest timber licence. In this Meeting, Mr Wong clarified that the Key Performance Indicator (KPI) for the LPF holders are laid in the LPF's licence condition i.e. the Tree Planting Plan. Meanwhile, the planting target set by the State Government is the KPI to be achieved by the staff of FDS.

Mr Wong also informed the Meeting that FDS will be engaging Universiti Putra Malaysia (UPM) to come up with the standing tree volume tables for royalty assessment on the major tree species planted in Sarawak; namely *Acacia mangium*, *Falcataria moluccana* (Batai), *Eucalyptus pellita* and *Neolamarckia cadamba* (Kelampayan).

The Meeting then discussed at length issues related to forest landscape restoration (FLR) as well as other matters related to forest plantation such as the study on pests and diseases in forest plantations in Sarawak, and the Finance Act 2018 which restricts the carry forward of the unabsorbed business losses, unutilised reinvestment allowances and investment allowances to seven (7) years only. Such restrictions in the Finance Act 2018 will have significant impact to the companies involved in forest plantations as these companies may not be able to offset future income against the unabsorbed business losses accrued during the long gestation period of tree planting.

砂州森林局（FDS）于2019年1月25日假民都鲁利优酒店召开人工造林许可证（LPF）持有者季度会议1/2019。该会议由FDS高级助理局长黄祥冠先生主持。

黄先生在会议上汇报了由州政府设定的2018年种植目标未达标。因此他劝勉LPF持有者加快其树木种植计划以及在种植期间采取妥善保养，以便在收割时达至最佳产量。他也劝告LPF持有者将无种植区转换成森林木材执照区。

会议深入讨论有关森林景观修复以及其它与人工造林种植相关课题如2018年财政法案。

Jabatan Hutan Sarawak (FDS) telah mengadakan Mesyuarat Suku Tahunan Bil. 1/2019 bagi Pemegang Lesen Hutan Tanaman (LPF) pada 25 Januari 2019 di Hotel Nu di Bintulu. Mesyuarat dipengerusikan oleh Encik Wong Siong Kuan, Penolong Pengarah Hutan Kanan, FDS.

Encik Wong memaklumkan kepada Mesyuarat bahawa sasaran penanaman yang ditetapkan oleh Kerajaan Negeri pada tahun 2018 tidak dipenuhi. Oleh itu, beliau menasihatkan para pemegang LPF untuk mempercepatkan penanaman pokok dan melakukan penyelenggaraan yang sewajarnya sepanjang tempoh penanaman bagi memaksimumkan produktiviti semasa penuaian. Beliau turut menasihatkan pemegang LPF untuk menukarkan kawasan yang tidak boleh ditanam kepada lesen hutan asli.

Mesyuarat kemudiannya membincangkan tentang pemulihan landskap hutan serta hal-hal lain yang berkaitan dengan perladangan hutan seperti Akta Kewangan 2018.

Stakeholders Consultation on the Proposed Forestry Policies



Group photo taken during the opening ceremony of the Stakeholders Consultation

A Stakeholders Consultation on the Proposed Forestry Policies was jointly organised by the Ministry of Urban Development and Natural Resources (MUDeNR), Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC), Sarawak Timber Industry Development Corporation (STIDC), Harwood Timber Sdn Bhd (HTSB) and supported by Sarawak Timber Association (STA) from 22 to 23 January 2019 at Imperial Hotel, Kuching.

The Stakeholders Consultation was carried out two (2) years after the State forestry agencies led by MUDeNR undertook to review and enhance the existing key forestry and timber policies to incorporate current and future needs of forestry and timber industry in Sarawak. In doing so, this Stakeholders Consultation aims to engage the forestry and timber industry players to ensure that the proposed forestry policies and its implementation mechanism are sound and feasible.

The two-day Stakeholders Consultation was officiated by the Chief Minister of Sarawak, Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg. In his Opening Speech, the Chief Minister highlighted the importance of forestry and timber industry to the State's socio-economic development and reiterated that the State is committed to continue to manage its forests in a sustainable manner for the present and future generations. Amongst some of the initiatives undertaken to achieve this goal was the requirement for all long-term Forest Timber Licences (FTLs) in the State to obtain Forest Management Certification (FMC) status by the year 2022.

The Chief Minister also mentioned that the State Government is rigorously pursuing the transformation of forestry and timber industry in Sarawak by reviewing its existing laws and policies, particularly laws and policies that are obsolete, to be consistent with the current development and best practices. He assured all the participants present in the Stakeholders Consultation session that the revised laws and policies will be comprehensive and will take into consideration of the interest of all stakeholders involved. He hoped this Stakeholders Consultation will be able to generate useful suggestions to further improve the proposed new policies that the State Government intends to introduce.

The Stakeholders Consultation session was conducted in 2 parts, namely (i) Policies presentations and (ii) Breakout groups. Eight (8) proposed forestry policies were presented during the first day of Stakeholders Consultation session and they were as follows:

1. Revised Sarawak Forestry Policy
2. Sarawak Timber Industry Transformation
3. Forest Management Certification
4. Planted Forest Policy
5. Raw Materials for Downstream Timber Industry and Value Added Product
6. Forest Revenue and Other Potential Forest Related Income
7. Proposal to Impose Fee for Export of Timber Products
8. Policy and Mechanism on Rubberwood Extraction

The Breakout groups were held on the second day of Stakeholders Consultation to obtain feedback and comments from stakeholders on the abovementioned 8 proposed forestry policies.

During the Stakeholders Consultation session, the stakeholders acknowledged the need to review the existing laws and policies to be consistent with the current development and best practices. However, the stakeholders were very concerned on the lack of baseline data such as State-wide forest inventory, clear land use policy as well as feasibility study on developing furniture industry in Sarawak, to enable comprehensive forestry policies to be formulated for implementation.



The Chief Minister delivering his Opening Speech

logs or (ii) imposition of fees on sale, distribution and marketing of timber products from Sarawak. Most of the forest concession areas are located in remote areas, which are often hundreds of kilometres away from the nearest log pond/mill/export point, resulting in higher production and operational costs; this situation is aggravated by lower log production due to their commitment to FMC.

The upstream and downstream stakeholders highlighted that the incidence of costs through higher royalty rates and the imposition of export fees will surely see an increase in prices of logs and timber products. This may have an adverse effect on the Government's objective to further develop the downstream timber industry and value added products. The State also risks losing its competitiveness in the global market with the imposition of royalty rates and export fees. With the suggestion made earlier for a study to be conducted to ascertain the accurate and updated baseline data, all stakeholders urged the relevant forestry agencies to revise the proposed royalty rates to be based on the results from the study to ensure the continuous relevancy of the timber industry as well as its ability to still contribute to the State's revenue collection.

The stakeholders acknowledged the importance of attaining FMC in long-term FTLs and seek continuous support from the State Government towards achieving the said target. They raised their concerns on the State Land within FTLs that are required to obtain FMC and proposed that all the State Land within FTLs must be gazetted as Permanent Forest Estate (PFE) to ensure security of land usage, in line with the requirement of Malaysian Criteria & Indicators for FMC (Natural Forest) [MC&I(Natural Forest)]. The stakeholders also highlighted their concerns over the gaps between the present domestic laws and the international labour standard in the MC&I (Natural Forest). They appealed to the State Government to set up a working committee comprising relevant State forestry agencies, STA and industry players to resolve issues related to certification i.e. labour, land-use conflict, etc.

The stakeholders supported the decision by Sarawak Government to extend the target date from 2020 to 2025 in achieving 1 million hectares of planted forest. However, they felt that shifting the target date alone will not resolve existing problems faced by Licence for Planted Forests (LPF) holders on the ground i.e. unresolved land claim issue by natives and labour issues. Hence, to expedite the tree planting progress, the LPF holders sought assistance from the State Government to resolve land issues in a speedy and effective manner to ensure the plantable areas are free from encumbrances and available for forest plantation development. Instead of encouraging the planting of other non-timber species such as bamboo and rattan, the LPF holders sought the understanding from the State Government to maintain the existing allowable oil palm plantation in their LPF because income from oil palm component has proven to be able to partially support the tree planting activities. Moreover, the oil palm trunk is also one of the potential alternative raw materials in producing veneer and plywood.

Hence, stakeholders called for an accurate and updated baseline study which reflects actual situation of forestry and timber industry in Sarawak to be carried out, so that the relevant forestry agencies could formulate comprehensive and feasible forestry policies based on the accurate data and study result. This is to ensure the proposed forestry policies are able to support the continuous development of forestry and timber industry.

Besides that, the stakeholders were also informed of the State Government's intention to increase the State's revenue amidst declining log production from the natural forests. However, both upstream and downstream stakeholders felt that it should not be done through (i) drastic increase in the royalty rates for natural



*Group photo taken during one of the breakout session
(Photo courtesy from Forest Department Sarawak)*

LPF holders also raised issue on labour shortage. They appealed to the State Government to revise the State's labour policy to allow the extension of current Work Permit from five (5) years to ten (10) years and beyond. During the consultation session, a one-stop centre to coordinate the recruitment of foreign workers to reduce bureaucracies and recruitment costs as well as to ensure the availability of workers to the timber industry was proposed by the LPF holders.

The stakeholders were also informed of the State Government's intention to develop the furniture industry in Sarawak. However, not all logs from natural forests are suitable to be used for furniture production due to the varying characteristics such as colour, density and hardness of the different timber species available in the State. Utilisation of planted logs is also minimal due to lack of Research and Development (R&D). Some participants pointed out the importance of having supporting industries to supply items such as fittings, finishing and packaging material, skilled carpenters as well as port facility for the furniture industry to develop.

There were also enquiries about the markets which furniture manufacturers from Sarawak could sell to and the level of the State's competitiveness as compared to countries such as Vietnam and China. The State's intention to increase royalty rates for natural logs also makes this outcome seemingly impossible. Provision of subsidy instead of imposition of higher royalty rates for logs was suggested to encourage the industry players to invest further downstream. In view of the various factors that need to be considered to develop the furniture industry, a comprehensive study in particular on the availability and suitability of raw materials in Sarawak as well as the markets and competitiveness of the furniture from Sarawak was proposed to be conducted.



*Breakout session in progress
(Photo courtesy from Forest Department Sarawak)*

The stakeholders also appealed to the State Government to reconsider its intention to ban the export of logs produced from the natural forests in the near future. They opined that the ban on the export of natural logs will not address the shortage of raw materials faced by the downstream industry, in particular furniture industry due to various reasons. Amongst the reasons were (i) not all timber species are suitable for downstream processing; (ii) it is not economically viable for local manufacturers to pay export price level for export quality logs which will make their products uncompetitive; and (iii) most of the companies are subsidising their manufacturing division through log exports.

The Association voiced its grave concern on the proposed forestry policies, should they be implemented without any considerations to allow continuous development of forestry and timber industry, the industry will soon become irrelevant. Although the industry players had benefitted from the harvesting of logs from natural forest since 1970s, it should be noted that the industry had contributed significantly to the State's economy through contributions of premiums and royalty, creation of hundreds of thousands of jobs, assistance rendered to thousands of students to further their studies, building of countless roads to connect with the interior, creation and improvement of accessibility and various opportunities, upgrading of people's livelihood, built rural roads and bridges, etc.

The State Government should protect the interests of forestry and timber industry and safeguard the needs of the industry players, so that contributions from the sector to the State's future revenue remain intact. This will certainly ensure the overall development of the State and that the people of Sarawak will continue to benefit from the industry. The effect of the proposed new policies will be State-wide and therefore, the Association is appealing to the State Government to thoroughly consider the gravity of these changes to all stakeholders.

The Stakeholders Consultation was declared closed by Datuk Amar Awang Tengah Ali Hasan, the Deputy Chief Minister of Sarawak. In his Closing Remark, he was pleased to note that the stakeholders articulated their issues and proposals. He gave his assurance that the inputs received would be considered and further deliberated in follow-up workshops involving all relevant forestry agencies, forestry industry players and STA.

He stressed the need to strike a balance as both the State Government and forestry and timber industry share a common agenda of ensuring the timber industry remains relevant and will continue to contribute to the State's development and the well-being of the peoples of Sarawak.

As the State Government is embarking on forest plantation to ensure adequate supply of raw materials in the future, the Deputy Chief Minister urged all stakeholders to synergise their efforts and collaborate on R&D programmes and information sharing. He also hoped for a strong collaboration between the forestry agencies and STA to ensure sustainable development of forestry and timber industry in the State.

砂城市发展与天然资源部（MUDeNR）与相关砂林业机构，并由砂拉越木材公会（STA）支持，于2019年正月22至23日假古晋帝宫酒店举办了一场林业政策建议与相关利益者咨询会。

两年前，MUDeNR带领相关砂林业机构，以纳入砂森林及木材工业当前和未来需求为考量，对现有主要森林及木材政策展开审查和提升。此咨询会旨在通过森林与木材工业者的参与，以确保林业政策建议及其实施机制的可行性。

为期两天的咨询会由本州首席部长拿督巴丁宜阿邦佐哈里（译音）主持开幕仪式。首席部长在致词中表示，州政府为了积极转变砂森林及木材工业，对现有的法律和政策，特别是那些不合适的，进行审查以符合目前的发展与良好作业方式。他向该咨询会的参与者保证，修改过后的法律和政策将会是全面的，同时也会考虑到各方相关者的权益。

咨询会分为两部分进行，分别是政策介绍和分组讨论。所提出的林业政策建议一共有八项。

相关利益者们均十分关注基准数据的不足，例如全州性的森林资源调查，明确的土地使用政策以及针对砂州家具工业进行可行性研究，这些数据能制定全面性的林业政策并加以落实。因此，相关利益者们呼吁进行一项准确和最新的基准研究报告，以便反映砂森林及木材工业的实际情况。

此外，相关利益者们获悉，在自然森林原木生产力不断下降之际，州政府有意增加其州收入。然而，上游和下游相关利益者们认为，急剧增加自然原木税率或向来自砂拉越的木材产品征收销售、运销以及行销费，是不应该被采取的。上游和下游相关利益者们强调，由于成本率的影响，更高的税率和征收出口费会导致木材和木材产品的价格上涨。这对于政府所定的进一步发展下游木材工业以及附加值产品之目标构成不利效果，此举也会让砂州在全球市场失去其该有的竞争力。

相关利益者支持州政府为达至100万公顷的人工造林种植区而延长种植目标期限，即原本从2020年延长至2025年。即便如此，他们认为仅延长目标日期未能解决森林种植执照（LPF）持有者实际上正面对的问题，包括未能解决的原住民土地要求问题及劳工问题。LPF持有者寻求州政府的理解，以便继续允许他们在LPF种植油棕种植园，原因是由油棕组成所获得的收入被证实可部分用来支持植树活动。

相关利益者也呼吁州政府可从新考虑撤销在不远将来对自然森林原木输出实施的禁令。他们认为，禁止出口天然原木不能解决下游工业特别是家具工业所面对的原料短缺问题，因还有其它的各种因素。

本公会对所拟议的林业政策表示至关切，若在实施这些政策时不把林业和木材工业的持续发展纳入考量，该行业很快就会变得无关紧要。纵观所拟议的新政策将在全州性范围内产生效应，本公会呼吁州政府进行全面性考量这些变化对所有利益相关者的严重性。

此相关利益者咨询由砂州副首席部长拿督阿玛阿旺登雅（译名）主持闭幕。他保证将所收集的意见纳入考量并进一步在后续的研讨会上与所有相关林业机构、从事林业者及STA审议。他强调，州政府与林业以及木材工业须取得平衡，共享一项确保木材工业仍然具有相关性以及继续为砂州人民的发展及福祉贡献的议程。

Perundingan Pihak Berkepentingan mengenai Cadangan Dasar Perhutanan telah dianjurkan secara bersama oleh Kementerian Pembangunan Bandar dan Sumber Asli (MUDeNR), agensi perhutanan negeri dan disokong oleh Persatuan Kayu Kayan Sarawak (STA) dari 22 hingga 23 Januari 2019 di Hotel Imperial, Kuching.

Perundingan Pihak Berkepentingan ini dilaksanakan selepas 2 tahun agensi perhutanan Negeri yang diketuai oleh MUDeNR melakukan kajian semula bagi memperkasakan dasar perhutanan dan perkayuan yang sedia ada dengan mengambilkira keperluan semasa dan masa depan untuk industri tersebut di Sarawak. Perundingan Pihak Berkepentingan ini bertujuan untuk melibatkan peserta industri bagi memastikan dasar-dasar perhutanan dan perkayuan yang dicadangkan serta mekanisme pelaksanaannya adalah wajar dan sesuai.

Perundingan Pihak Berkepentingan selama 2 hari itu telah dirasmikan oleh Ketua Menteri Sarawak, Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg. Dalam ucapan pembukaannya, beliau mengatakan bahawa Kerajaan Negeri komited dalam mentransformasikan industri perhutanan dan perkayuan di Sarawak dengan mengkaji semula undang-undang dan dasar-dasar sedia ada, terutamanya yang tidak lagi relevan, selaras dengan perkembangan terkini dan mengikuti amalan terbaik. Beliau memberi jaminan kepada semua peserta bahawa undang-undang dan dasar-dasar yang disemak semula adalah komprehensif dan akan mengambil kira kepentingan semua pihak yang terlibat.

Sesi Perundingan Pihak Berkepentingan telah dilaksanakan melalui 2 bahagian, iaitu (i) Pembentangan dasar-dasar dan (ii) Sesi perbincangan berkumpulan. 8 dasar-dasar perhutanan yang dicadang telah dibentangkan.

Pihak berkepentingan sangat prihatin terhadap kekurangan data asas seperti inventori hutan negeri, dasar jelas penggunaan tanah serta kajian pembangunan industri perabot di Sarawak dalam membentuk dasar perhutanan yang komprehensif. Oleh itu, pihak berkepentingan menyeru agar kajian dasar yang tepat dan terkini dilaksanakan untuk mencerminkan keadaan sebenar industri perhutanan dan perkayuan di Sarawak.

Selain itu, pihak berkepentingan juga dimaklumkan mengenai hasrat Kerajaan Negeri untuk meningkatkan kutipan hasil Negeri ketika penurunan pengeluaran kayu hutan asli. Walau bagaimanapun, kedua-dua pihak berkepentingan industri hulu dan hiliran merasakan bahawa ia tidak boleh dilaksanakan melalui (i) peningkatan drastik kadar royalti kayu balak hutan asli atau (ii) mengenakan cukai penjualan, pengedaran dan pemasaran produk perkayuan dari Sarawak.

Pihak berkepentingan menyokong keputusan Kerajaan Sarawak untuk melanjutkan tarikh sasaran dari 2020 kepada 2025 dalam mencapai 1 juta hektar ladang hutan. Walau bagaimanapun, mereka merasakan bahawa pelanjutan tarikh sasaran sahaja tidak akan dapat menyelesaikan masalah sedia ada yang dihadapi oleh pemegang lesen hutan ladang (LPF) seperti isu tertunggak tuntutan tanah oleh orang asal dan isu-isu tenaga kerja. Pemegang LPF turut berharap Kerajaan Negeri dapat mengekalkan kawasan ladang kelapa sawit yang dibenarkan di LPF. Pendapatan dari komponen kelapa sawit telah terbukti dapat menyokong sebahagian aktiviti penanaman pokok.

Pihak berkepentingan juga meyeru Kerajaan Negeri untuk mempertimbangkan semula hasratnya untuk melarang eksport balak hutan asli dalam jangka masa terdekat. Mereka berpendapat bahawa larangan eksport kayu asli tidak akan menyelesaikan masalah kekurangan bahan mentah yang dihadapi oleh industri hiliran, khususnya industri perabot kerana pelbagai faktor.

Persatuan telah menyuarakan keprihatinannya terhadap dasar-dasar perhutanan yang dicadangkan Pelaksanaan tanpa sebarang pertimbangan boleh menyebabkan industri perhutanan dan perkayuan menjadi tidak relevan di masa hadapan. Dasar-dasar baru yang dicadangkan ini akan memberi kesan ke atas seluruh Negeri. Oleh itu, Persatuan merayu kepada Kerajaan Negeri untuk mempertimbangkan kesan perubahan ini ke atas semua pihak berkepentingan.

Penutupan Perundingan Pihak Berkepentingan telah disempurnakan oleh Datuk Amar Awang Tengah Ali Hasan, Timbalan Ketua Menteri Sarawak. Beliau memberi jaminan bahawa input yang diterima akan dipertimbangkan dan dibincangkan secara lebih lanjut dalam bengkel susulan yang akan melibatkan semua agensi perhutanan yang relevan, pemain industri perhutanan dan STA. Beliau menegaskan perlunya keseimbangan di antara Kerajaan Negeri dan industri perhutanan dan perkayuan kerana kedua-duanya berkongsi agenda yang sama dalam memastikan industri perkayuan tetap relevan dan akan terus menyumbang kepada pembangunan dan kesejahteraan rakyat Sarawak.

Announcement

Append herewith, an announcement made by the Corporate Affairs Department of the Employees Provident Fund (EPF):

Minimum EPF Rates of Contribution for Employees above the Age of 60 Years

The Employees Provident Fund (EPF) has announced on 7 January 2019 that effective January 2019, the statutory contribution rate for employees who are above the age of 60 years has been revised.

Employers will now contribute a minimum of 4% instead of 5.5% previously while the employees will not be required to contribute anything.

Employees above the age of 60 years who intend to contribute towards the EPF may still do so by completing Form KWSP 17A (AHL) or form KWSP 17AA (AHL), which can be downloaded from EPF's website at www.kwsp.gov.my.

以上公告为大马雇员公积金局（EPF）之企业事务部所发布。

Diterangkan dengan ini, pengumuman yang telah dibuat oleh Jabatan Hal Ehwal Korporat Kumpulan Wang Simpanan Pekerja (KWSP).