

STA Review

Volume 178 PPK 174/4/2009(020969) Monthly Magazine of the Sarawak Timber Association

July 2008

STA in Sustainable Forest Management Partnership

Peranan STA dalam mempromosikan Pengurusan Hutan Secara Mampan di Sarawak diperkukuhkan dengan menjadi rakan terbaru untuk SFM bersama masyarakat di Unit Pengurusan Hutan (FMU) Anap-Muput di daerah Tatau, Bintulu melalui sumbangan berjumlah RM200,000.00.

Sebuah Toyota Hilux truk "pickup" 4x4 telah diserahkan kepada Zedtee Sdn Bhd yang mengurus Anap-Muput FMU dalam satu majlis di Wisma STA pada 14 Julai 2008.

Sumbangan ini juga memberi dasar kapital untuk syarikat kecil yang dibangunkan oleh masyarakat dengan pembukaan akaun di bank antarabangsa di Bintulu pada 14 Julai 2008.

■ Sarawak Timber Association's role to promote Sustainable Forest Management (SFM) in Sarawak is significantly enhanced as it has become the latest partner for SFM with the communities of the Anap-Muput Forest Management Unit (FMU) in the Tatau District of Bintulu Division through the contribution of

a total sum of RM200,000.00 towards Anap-Muput Community (AMC) Enterprise Development project. The fund included allocations for the development of the eco-tourism infrastructure of "Sarawak Rainforest and SFM Discovery Centre - Bukit Kana" and the purchase of a pick-up truck to provide transportation service as a

(Continue on Page 2)



Picture: Hand over ceremony of a Toyota Hilux by Datuk Wong Kie Yik, Chairman of STA to Mr. Wong Ing Yung of Zedtee Sdn Bhd. Witnessing the event were Dato Henry Lau, Honorary Secretary of STA, Mr. Philip Choo, Honorary Treasurer of STA, Dr. Lee Hua Seng and Ms. Annie Ting

(Continued from Page 1)

Community enterprise.

A brand new Toyota Hilux 4x4 double cab pickup truck was handed over to Zedtee Sdn Bhd as manager of Anap - Muput FMU in a simple ceremony at Wisma STA on 9 July 2008 by STA Chairman Datuk Wong Kie Yik witnessed by the Honorary Secretary Dato Henry Lau Lee Kong, Honorary Treasurer Mr. Philip Choo Kwong Hui and

staff of the STA Secretariat.

The fund also provides venture capital for small enterprises initiated by the community with the opening of an AMC account at an international bank in Bintulu on 14 July 2008.

The pickup truck will complete its chain-of-custody to the Anap Muput Community at Bukit Kana in August 2008. ❁



Picture: Community representatives at the opening of an AMC account at an international bank

MTA Annual General Meeting & Sixth Executive Committee Meeting

■ The Malaysian Timber Association (MTA) held its Annual General Meeting (AGM) and Sixth Executive Committee Meeting on 30 June 2008 in Kuala Lumpur. Both meetings were presided by its President, Dato' Sheikh Othman Rahman.

The nine Members of MTA are the Association of Malaysian Bumiputra Timber & Furniture Entrepreneurs (PEKA), the

Malaysian Furniture Industry Council (MFIC), the Malaysian Panel-Products Manufacturers' Association (MPMA), the Malaysian Wood Industries Association (MWIA), the Malaysian Wood Moulding & Joinery Council (MWMJC), the Sarawak Timber Association (STA), the Sabah Timber Industries Association (STIA), the Timber Association of Sabah (TAS) and the Timber

(Continue on Page 3)

Persatuan Kayu Kayan Malaysia (MTA) telah mengadakan Mesyuarat Agung Tahunan dan Mesyuarat Jawatankuasa Eksekutif (ExCo) Ke-enam pada 30 Jun 2008 di Kuala Lumpur. Ahli-ahli MTA adalah terdiri dari Persatuan Pengusaha Kayu- Kayan dan Perabot Bumiputra Malaysia, Majlis Industri Perabot

Malaysia, Persatuan
 Pekilang Produk Panel
 Malaysia, Persatuan Industri
 Kayu Malaysia, Majlis Kayu
 Kumai & Kayu Halus
 Malaysia, STA, Persatuan
 Industri Kayu Sabah,
 Persatuan Kayu Kayan
 Sabah dan Persatuan
 Pengeksport Kayu
 Malaysia. Dalam mesyuarat
 ExCo, ahli-ahli telah
 membincang isu-isu
 berkenaan dengan
 perladangan hutan,
 cadangan Kesatuan Eropah
 untuk menyertakan
 spesifikasi ketahanan dalam
 EN636 dan isu-isu berkaitan
 dengan kewangan
 Persatuan.

(Continued from Page 2)

Exporter's Association of Malaysia
 (TEAM).

At the AGM, the meeting accepted the resignation from Datuk Leo Chai as the Honorary Secretary to the Association and resolved to appoint Datuk Wong Kie Yik, the Chairman of STA, to this post. The meeting further appointed Dato' Tan Chin Huat from the MFIC as an Executive Committee Member of the Association.

The nine Executive Committee Members of the Association are as follows:

President:

Dato' Sheikh Othman Rahman
 Chairman, MPMA

Vice President:

Datuk James Hwong You Chuaang
 President, STIA

Honorary Secretary:

Datuk Wong Kie Yik
 Chairman, STA

Honorary Treasurer:

Mr. Lee Lee Yew
 Committee Member, TEAM

Committee Members:

Dato' Low Kian Chuan, MWIA
 Dato' Tan Chin Huat, MFIC
 Tuan Haji Ir. Wahid bin Jaafar,
 PEKA
 Mr. William Yeoh Keat Hin,
 MWMJC
 Mr. Raymund Tan Get Seng, TAS

The Sixth Executive Committee Meeting (ExCo) was held immediately after the conclusion of the Annual General Meeting. At the ExCo Meeting, the Committee Members deliberated on issues pertaining to planted forest, the European Union's proposal to include durability as one of the specifications in EN636 as well as the Association's financial matters.

The Committee Members were briefed by representatives from the Malaysian Timber Industry Board (MTIB) on the current status of the Malaysia - European Union Forest Law Enforcement Governance and Trade (FLEGT)-Voluntary Partnership Agreement (VPA). The Committee Members raised their concerns and reiterated the importance of market access for our timber products. ❁



Picture: MTA Executive Committee

STA Fifth Wood Residues Committee Meeting

■ The STA Wood Residues Committee met for the fifth time on 10 July 2008 in Sibuluan. The meeting was chaired by Dr. Yasuo Yoshida. At this meeting, Committee members exchanged information on wood residues to ensure cooperation among all industries using wood residues as raw materials. Among some of the issues discussed were the export of wood residues, the current scenario of wood residues supply, the increase in the price of diesel and logs.

For the first four months of 2008, log production from the natural forests was reported to decrease by 10 to 20 percent. A 20-percent decrease in log supply would mean that the supply of wood residues would be reduced by 40 percent. Thus, there is a need for alternative source of residues. STA is currently given the task of compiling data on stock level and the price range of wood residues. ❁

Briefing by MTCC on the Malaysian Timber Certification Scheme

■ The implementation of the new institutional arrangement for the Malaysian Timber Certification Scheme (MTCS) operated by the Malaysian Timber Certification Council (MTCC) is an important requirement for the endorsement of the MTCS by the Programme for the Endorsement of Forest Certification (PEFC) Council and is also a requirement of the public procurement policies of many key

timber importing countries, especially those in Europe. The new institutional arrangement for the MTCS has taken effect from 1 July 2008.

Thus, a briefing on this matter was organised for STA Members on 8 July 2008 at Wisma STA, Kuching. The session was attended by 27 representatives from STA Member Companies. On hand to

(Continue on Page 5)



Picture, from right: Mr. Chew Lye Teng, Mr. Yong Teng Koon and Mr. Harnarinder Singh, officers from MTCC

Jawatankuasa Sisa Kayu STA telah bermesyuarat kali ke-lima pada 10 Julai 2008 di Sibuluan. Antara isu-isu yang dibincangkan ialah pengeksporan sisa kayu, sisa kayu dan kenaikan harga diesel dan kayu balak.

Perlaksanaan susunan institusi baru Skim Pensijilan Kayu Malaysia (MTCS) yang dikendalikan oleh Majlis Pensijilan Kayu Malaysia (MTCC) adalah syarat penting bagi pengesahan MTCS oleh Majlis Program Pengesahan untuk Skim-Skim Pensijilan Hutan (PEFC) dan adalah satu keperluan untuk dasar perolehan awam bagi kebanyakan negara pengimport kayu utama, terutamanya di Eropah. Susunan institusi baru ini berkuatkuasa pada 1 Julai 2008.

Sehubungan itu, satu taklimat mengenai perkara ini telah diadakan oleh MTCC bagi ahli-ahli STA pada 8 Julai 2008 di Wisma STA, Kuching yang dihadiri oleh 27 peserta.

(Continued from Page 4)

conduct the session were Mr. Chew Lye Teng, the Chief Executive Officer, Mr. Harnarinder Singh and Mr. Yong Teng Koon from MTCC.

The topics covered in the briefing were:

- Accreditation Programmes for Forest Management Certification and Chain-of-Custody (CoC) Certification which covered the criteria, process and maintenance of the accreditation and transfer of accredited certification of management systems.
- Overview of New Institutional Arrangement for MTCS for the National Governing Body and the Certification Bodies covering the Programme for the Endorsement of Forest Certification Schemes, recognition of PEFC, the current and new institutional arrangement for MTCS, roles of MTCC, the accreditation body and certification body.
- Use of International Chain-of-Custody Standard (PEFC Annex 4) where CoC standard will be based on Annex 4 of PEFC Council Technical Document: Chain of Custody of Forest Based Products – Requirements used by majority PEFC endorsed schemes.
- Accreditation Programmes for Forest Management System Certification and Chain-of-Custody System Certification
- Use of MTCC and PEFC Logos under the New Institutional Arrangement
- Transition and Implications of Implementation of New Institutional Arrangement for Forest Management Certification and Chain-of-Custody Certification. ❁



Left: Briefing in progress



Right:
A group photo of participants at the briefing

Field test for MC&I (Forest Plantation)

■ The field test of the Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations) or in short MC&I (Forest Plantations) was carried out from 21 to 25 July 2008 at a site of Grand Perfect Sdn Bhd, Bintulu. 23 participants from the Sarawak Planted Forest Sdn Bhd, Grand Perfect Sdn Bhd, the Malaysian Timber Certification Council, SGS (Malaysia) Sdn Bhd, Forest Department Sarawak (Planted Forest Unit), the Sarawak Forestry Corporation (SFC), Orang Ulu National Association and STA attended this field testing.

A series of briefings and presentations were given by staff of Grand Perfect Sdn Bhd on various topics, i.e. Planted Forest Project, Training, Research and Development, Conservation,

Community Development Project and Nursery at their head office.

During the field test, participants visited the Samarakan Nursery where they were briefed on the set-up of the nursery and the training provided by Grand Perfect Sdn Bhd. The group toured the Research and Development site where they inspected experimental plot of *Acacia* species of different provenances. A visit was also made to a local community project on bee-keeping in Tatau.

Intensive discussions were held on the draft MC&I (Forest Plantations), especially the indicators and verifiers for Sarawak. The auditors will take what had been discussed and debated into consideration and they will come out with a report within a month of the field test. 🌸



Left: Discussion on the draft MC&I (Forest Plantation)



Right: A visit to the local community

Ujian lapangan Kriteria dan Indikator Malaysia untuk Pensijilan Pengurusan Hutan (Ladang Hutan) atau singkatannya "MC&I (Forest Plantation)" telah dijalankan dari 21 hingga 25 Julai 2008 di satu tapak Grand Perfect Sdn Bhd, Bintulu. 23 peserta dari Sarawak Planted Forest Sdn Bhd, Grand Perfect Sdn Bhd, Majlis Pensijilan Kayu Malaysia, SGS (Malaysia) Sdn Bhd, Jabatan Hutan Sarawak (Unit Ladang Hutan), Sarawak Forestry Corporation, Persatuan Nasional Orang Ulu dan STA menyertai ujian ini. Sepanjang ujian ini, para peserta telah melawat tapak semaian Samarakan di mana mereka diberi taklimat tentang penubuhan tapak semaian dan latihan yang dijalankan oleh Grand Perfect Sdn Bhd. Peserta-peserta juga melawat tapak Penyelidikan dan Pembangunan untuk meninjau plot ujian spesis *Acacia* dari wilayah lain. Mereka juga melawat projek masyarakat tempatan iaitu pemeliharaan lebah di Tatau.

35th Anniversary Dinner of the Malaysian Timber Industry Board

Majlis Makan Malam Sempena Ulang Tahun ke-35 Lembaga Perindustrian Kayu Malaysia (MTIB) telah diadakan di Kuala Lumpur pada 28 Julai 2008. Sebelum majlis makan malam bermula, satu pameran oleh 22 pengeluar hasil kayu diadakan. Majlis ini dihadiri oleh kira-kira 300 tetamu yang mewakili persatuan perdagangan kayu-kayuan di Malaysia dan pegawai-pegawai dari agensi kerajaan dan badan berkanun berkaitan dengan perhutanan dan industri kayu.

Pada malam tersebut, STA merupakan salah satu dari tujuh persatuan perdagangan kayu kayuan yang telah diberi pengiktirafan oleh MTIB atas peranan dan sumbangan demi pembangunan industri perkayuan in Malaysia. Persatuan masing-masing dianugerahkan cenderahati Kenang-kenangan oleh Y.B. Datuk Peter Chin Fah Kui, Menteri Perindustrian Perlindungan dan Komoditi.

■ The event was held in Kuala Lumpur on 28 July 2008. Prior to the dinner there was an exhibition by 22 timber product manufacturers. The dinner was attended by some 300 people representing almost all timber trade associations from Malaysia and officers from government agencies and statutory bodies related to the forest and timber industry. The Guests of Honour were Y.B. Datuk Peter Chin Fah Kui the Minister of Plantation Industries and Commodities and his Deputy Y.B. Senator Kohilan Pillay. Datuk Wira Ismail Saleh, the Secretary - General of the Ministry of Plantation Industries and Commodities and Chairman of MTIB, was also present.

After a welcoming speech by Y. Bhg. Dato' Mohd. Nazuri Hashim Shah, Director - General of MTIB, a keynote address was delivered by the Minister. During the evening the Minister launched a publication entitled 'Reflection of a Journey' (a record of the history and achievements of MTIB since its establishment) which is put out to commemorate its 35th Anniversary. The Minister also launched a

Programme to Promote the Use of Local Timbers.

During the evening's programme, there was an item entitled 'Appreciation to Timber Industry'. The Sarawak Timber Association was one of seven timber trade associations chosen by MTIB to receive Commemorative Plaque of Appreciation because of their roles and contributions towards the development of the timber industry in Malaysia. The other associations are:

- Association of Malaysian Bumiputera Timber & Furniture Entrepreneurs
- Malaysian Panel-Products Manufacturers' Association
- Malaysian Wood Industries Association
- Malaysian Wood Moulding & Joinery Council
- Timber Exporters' Association of Malaysia, and
- Sabah Timber Industries Association.

Dr. Lee Hua Seng CEO received the recognition on behalf of our Association from the Minister. ❁



Picture: Dr. Lee Hua Seng receiving the Recognition from Y.B. Datuk Peter Chin Fah Kui in the presence of the Deputy Minister Y.B. Senator Kohilan Pillay, Secretary - General of the Ministry Y. Bhg. Datuk Wira Ismail Saleh and MTIB DG Y. Bhg. Dato' Mohd. Nazuri Hashim Shah

(Photo courtesy of MTIB)

Sarawak Investment and Trade Dialogue and Seminar on the Manufacturing and Services Sectors

■ The Ministry of Industrial Development, Sarawak together with the Malaysian Industrial Development Authority (MIDA) and the Small and Medium Industry Development Corporation (SMIDEC) organised the Sarawak Investment and Trade Dialogue and Seminar on the Manufacturing and Services Sectors from 17 to 18 July 2008 in Kuching.

The Seminar aimed to:

- Provide the latest updates on government policies, incentives, facilities and support services available to the business community in Malaysia;
- Highlight the investment opportunities available to investors in Malaysia;
- Increase awareness on the functions of agencies relating to industrial development, and
- Provide a forum for the business community to network with key government agencies.

The Dialogue and Seminar attended by approximately 500 participants comprising local industrialists, businessmen and the public sector, was officially launched by the Chief Minister of Sarawak, Y.A.B. Pehin Sri Haji Abdul Taib Mahmud.

The keynote address was delivered by Y.B. Tan Sri Muhyiddin Hj. Mohd. Yassin, the Minister of International Trade and Industry. In his address, the Minister urged local businessmen to venture into new products, expand their market networking

and upgrade their technology. He added that the efforts will continue to be made to improve the business environment in Sarawak which will include the reduction in the cost of business in the country and provide public service delivery system.

From January to May 2008, a total of 16 projects had been approved in Sarawak with investments amounting to RM13.0 billion, accounting for 49.6% of total investment of RM26.2 billion approved in the manufacturing sector in the same period. Major investments were basic metal products (RM12.9 billion), wood and wood products (RM78.8 million) and food manufacturing (RM61.3 million). These three major sectors accounted for 99% of the total approved investments of RM13 billion in Sarawak for the same period.

A Dialogue session with the Minister followed.

The Seminar was divided into two sessions covering the following topics:

- **An Update on Free Trade Agreement** by Ministry of International Trade and Industry (MITI)
- **Development in Sarawak and SCORE** by State Planning Unit, Chief Minister's Department Sarawak (SPU)
- **An Update on Investment Opportunities in the Manufacturing and Services Sectors** by Malaysian Industrial Development Authority (MIDA)

(Continue on Page 19)

Kementerian Pembangunan Perindustrian bersama Lembaga Kemajuan Perindustrian Malaysia dan Perbadanan Pembangunan Industri Kecil dan Sederhana menganjurkan Dialog Pelaburan dan Perdagangan Sarawak dan Seminar mengenai Sektor Perkilangan dan Perkhidmatan dari 17 hingga 18 Julai 2008 di Kuching. Dari Januari hingga Mei 2008, sebanyak 16 projek telah diluluskan di Sarawak dengan jumlah pelaburan sebanyak RM 13.0 bilion, dimana 49.6% daripada jumlah tersebut iaitu RM 26.2 bilion diluluskan untuk sektor pembuatan dalam tempoh yang sama. Selain itu, pelaburan juga diberikan keutamaan bagi produk berasaskan logam (RM12.9 bilion), produk kayu (RM 78.8 juta) dan pembuatan makanan (RM61.3 juta). Ketiga-tiga sektor utama ini merangkumi 99% daripada jumlah keseluruhan pelaburan yang diluluskan di Sarawak iaitu sebanyak RM13 bilion pada tempoh yang sama.

(Continued from Page 19)

- **Developing Innovative-Led and Technology-Driven SMEs** by Small and Medium Industries Development Corporation (SMIDEC)

- **Exploring Export Opportunities with MATRADE** by Malaysia External Trade Development Corporation (MATRADE)

A Workshop on Developing Competitive SMEs through Innovation and Technology was also organised. This workshop was divided into two sessions covering the following topics:

- **Harnessing Business Efficiency through Productivity and Quality Initiatives** by Malaysia Productivity Corporation (MPC)
- **Solar Energy - Outlook and Opportunities (Global and Malaysian Situation)** by Pusat Tenaga Malaysia (PTM)
- **Financial Services of MIDF** by Malaysian Industrial Development Finance Berhad
- **The Financial and Services**

Assistance by Bank Pembangunan Malaysia Berhad

- **SME Bank's Role in Promoting the Establishment and Growth of SME's in Malaysia** by SME Bank
- **Investment Opportunities through Labuan International Business and Financial Centre (IBFC)** by Labuan Offshore Financial Services Authority (LOFSA)
- **EXIM Bank - Your Partner in Globalisation** by Export Import Bank of Malaysia Berhad (EXIM Bank)
- **Empowering Your Business with RHB Bank** by RHB Bank Berhad
- **Assisting SMEs Through Research and Technology** by SIRIM Berhad
- **TM Product Awareness for SME/SMI** by TELEKOM Malaysia ☼

Note: Papers presented at the Seminar are available for viewing at the STA Exhibition Centre, Wisma STA, Kuching.

Berikut adalah waktu operasi Kastam DiRaja Malaysia untuk Pelabuhan Senari dan Bintulu mulai 1 Ogos 2008.

Operation Hours of the Royal Customs Malaysia at Senari and Bintulu Port

STA had received a letter from the Royal Customs Malaysia (RCM) regarding the operation hours of RCM at Senari and Bintulu Ports. Effective 1 August 2008, the operation hours are as follow;

| <u>Day</u> | <u>Senari Port</u> | <u>Bintulu Port</u> |
|---------------------------|--------------------|---------------------|
| Mondays - Fridays | 8.00 am - 8.00 pm | 8.00 am - 8.00 pm |
| Saturdays | 8.00 am - 5.00 pm | 8.00 am - 1.00 pm |
| Sundays & Public Holidays | Closed | Closed |

Administrative Order for Export of Wood Wastes/Mill Residues

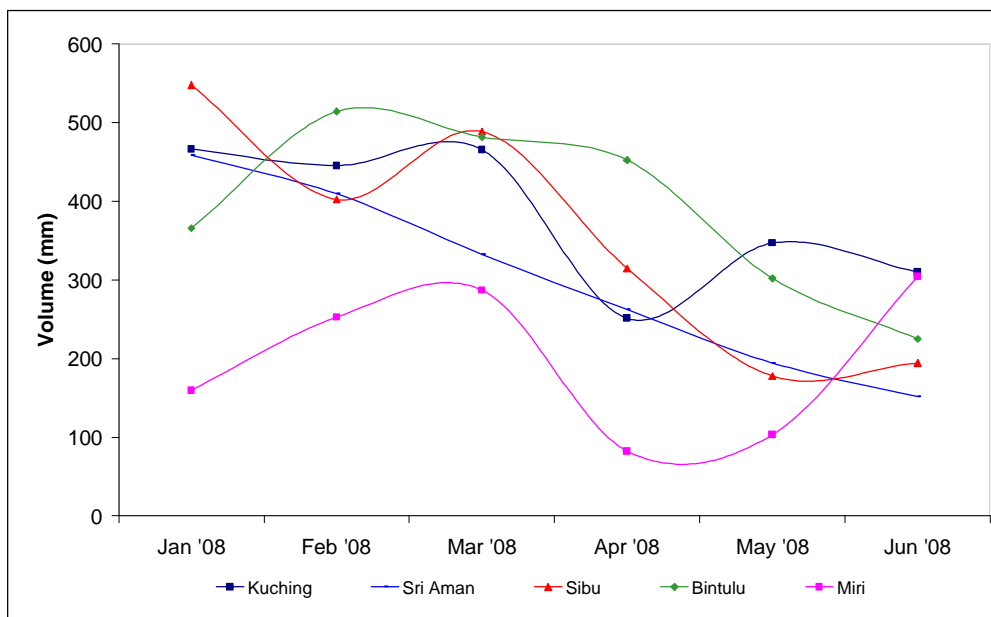
STA received a Domestic Trade Circular No. 1/2008 ref. STIDC.20.PD.03.1(18) dated 28 July 2008 from Sarawak Timber Industry Development Corporation (STIDC) informing that with effect from 1 August 2008, Exporters of Wood Wastes/Mill Residues from Sarawak must obtain written approval from STIDC prior to export. This is in compliance to Para 4.6.1, The Sarawak Timber Industry (Registration) Regulation 2008: Conditions and Restrictions (8th Amendment dated 1 August 2008).

STIDC will take necessary action against any parties who fail to comply with the above Administrative Order.

Mulai 1 Ogos 2008, pengeksport sisa kayu dari Sarawak perlu mendapatkan kelulusan secara bertulis dari PUSAKA sebelum mengeksport. Tindakan akan diambil oleh PUSAKA terhadap pihak yang melanggar perintah ini.

Rainfall : January - June '08

? ? /Kadar Hujan Bulanan



Source : Malaysian Meteorological Services.

STA Review is a monthly magazine published by Sarawak Timber Association (STA) for its members. While every effort has been made to ensure that the information printed in this magazine is accurate and correct, neither STA nor its Officers, Members or Employees shall assume any responsibility or be made liable for any inaccuracies and errors printed; nor are such publication, unless otherwise, stated, necessarily the views of STA, its Officers, Members or Employees. The contents of the Review may be reprinted with prior written permission from STA.

STA Review is mailed free of charge to all STA Members. Paid subscription is also available to non-members. An annual subscription fee of RM 200.00 is charged to organization within Malaysia, and US\$ 300.00 to foreign organizations in other Asian countries, Australia and New Zealand, and US \$ 500.00 to foreign organizations in American and European countries respectively. The subscription fee is inclusive of courier charges. STA reserves the right to change the subscription fees from time to time to reflect currency fluctuations. Paid subscription is non-refundable.

Editorial Board

Chief Editor: Dr. Lee Hua Seng
Editor/ Secretary: Jenny Chen
Members: Dr. Peter C. S. Kho
 Annie Ting
 Jaime Chan
 Erin Tan
 Miriam Hong
 Safa Kamazura

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

Diterbitkan oleh:
Persatuan Kayu Kayan Sarawak ■

Printed by: Lee Miing Press Sdn Bhd
 No. 48, Ellis Road, 93300 Kuching, Sarawak, Malaysia ■ Tel: ++ (60 82) 253303