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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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MOU SIGNING AND CHEQUE PRESENTATION CEREMONY



Picture: (left) Exchange of the Memorandum of Understanding between Datu Haji Len Talif Salleh (Deputy Permanent Secretary, Ministry of Planning and Resource Management cum Director of Forests, CEO/MD Sarawak Forestry Corporation and General Manager, STIDC) and Datuk Wong Kie Yik, Chairman STA witnessed by Y.B. Dato Sri Haji Awang Tengah Ali Hassan

Picture: (right) Cheque presentation to Sarawak Forestry Corporation



On 18 June 2008, STA had a Memoranda of Understanding Signing and Cheque Presentation Ceremony at Wisma STA, Kuching. The event was witnessed by Y. B. Dato Sri Haji Awang Tengah Ali Hassan, the Second Minister of Planning and Resource Management. Three Memoranda were signed.

The first one was an Addendum to the Memorandum of Understanding (MoU) which was signed on 30 September 1996 between

the Association and the Government of Sarawak, represented by the Forest Department Sarawak with regard to collaborative work on timber utilisation research and training activities that will bring benefit to the State's timber industry. This Addendum extends the period of the MoU to 17 June 2011.

The second MoU signed was also between STA and the Government of Sarawak, represented by the Forest Department Sarawak on the

implementation of a project on the reassessment of the conservation status of three genera of Dipterocarpaceae (*Dipterocarpus*, *Dryobalanops* and *Shorea*) in Sarawak. The state government will collaborate with STA in an effort to correct the wrong perspective by overseas buyers pertaining to the 113 species out of the 166 species of the three genera that are placed under the International Union for Conservation of

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Did you know that...

According to the data released by the United States Department of Agriculture (USDA) in 2008, the import of US hardwoods into Southeast Asia in 2007 stood at US\$ 194.4mn (EUR 125.78mn). It rose 25% from 2006's US\$ 155.9mn figure. Malaysia's total import of US hardwoods in 2007 amounted to US\$ 28.867mn, an increase of 16% from US\$ 24.961mn in 2006. Lumber was the most imported US hardwood to Malaysia, constituting US\$ 19.085mn. Nevertheless, Malaysia increased its log imports by 55% from the US to US\$ 6.150mn in 2007 from US\$ 3.976mn in 2006. Meanwhile, veneer imports from the US into Malaysia stood at US\$ 3.632mn in 2007.

Source:
Asian Timber,
Mar/Apr 2008

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Nature and Natural Resources (IUCN) Red List of Threatened Species 2007. Y. B. Dato Sri Haji Awang Tengah Ali Hassan in his speech said that better research was needed in order to differentiate the species of timber available in Sarawak. The project consists of collection of scientific data on the endemic species of the Dipterocarp in a systematic manner from production forests throughout Sarawak and aspires to refute claims by NGOs that the majority of the Dipterocarpus timber species in Sarawak are threatened.

The final MoU was between STA and six groups of Timber Companies, namely, KTS, Rimbunan Hijau, Samling, Shin Yang, Ta Ann and WTK on Forestry Labour

Remuneration Package (FLRP). STA, through a Working Group, formed after the announcement of the amendment to the Sarawak Labour Ordinance (SLO) on 1 October 2005, had conducted a review on the impact of the newly amended Labour Ordinance and found that seven provisions of the SLO to be impractical and inappropriate for the forestry and timber industry in Sarawak. Thus, STA duly applied to the Ministry of Human Resources for exemption of the seven provisions namely Section 11 (Guaranteed Week), Section 104 (Holidays), Section 105 (Hours of Work), Section 105A (Shift Work), Section 105B (Rest Day), Section 105C (Work on Rest Day) and Section 105D (Annual Leave). The FLRP was formulated in place of the seven provisions of the

SLO and document the entrenched practices of the forestry industry in Sarawak.

In conjunction with this occasion, two cheques were presented to the Forest Department Sarawak and Sarawak Forestry Corporation for the project entitled "Reassessment of Conservation Status of Three Genera of Dipterocarpaceae (*Dipterocarpus*, *Dryobalanops* and *Shorea*)" and "Viability Assessment of Indigenous Tree Species and Propagation Techniques for Planted Forest Development in Sarawak" respectively.

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DIALOGUE ON FORESTRY MATTERS

A dialogue session was organised on 18 June 2008 at Wisma STA, Kuching amongst representatives of the Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC), Sarawak Timber Industry Development Corporation, Harwood Timber Sdn Bhd and STA Members pertaining to forestry and timber industry matters. The meeting was jointly chaired by Datu Haji Len Talif Salleh, and Datuk Wong Kie Yik.

Amongst some of the issues discussed were:

- Functions of each units of SFC & FDS
- Logging in terrain 4 if the log fisher system is used
- NCR claims by communities in living in vicinity of timber concession areas
- Tenure rights
- Illegal shifting cultivation and settlement
- Measurement of logs for royalty assessment
- Forest Law Enforcement Governance and

Trade-Voluntary Partnership Agreement (VPA)

- Issuance of certificates and the implication on training rules

STA Members also raised other issues such as submission of statutory declaration for export of logs, rights in a communal forest, shortage of logs in mills and EIA requirements.

STIDC INDUSTRY BRIEFING SESSION

The Sarawak Timber Industry Development Corporation (STIDC) organised a second Industry Update Briefing on 24 June 2008 at the STIDC Theatre, Wisma Sumber Alam Kuching. The session was attended by more than 100 participants comprising timber exporters, importers, manufacturers and those involved in the production and marketing as well as individuals who are interested to update their knowledge on the timber trade.

The briefing informed and updated the timber industry on issues related to the findings of a review on the Sarawak Chain of Custody CoC), e-Permit System, Policy on Importation of Timber as well as topics on the current international timber trade.

Seven papers were presented at the briefing namely;

- **Review of Chain of Custody in Sarawak - Findings** by Mr. Grahame Applegate, Technical Advisor, PT. URS Indonesia
- **ePermit for Timber Industry** by Mr. Tagat Jimbat, Assistant General Manager, Domestic Trade, STIDC
- **Global Aspects of the Timber Industry and Market Development Grant (MDG)** by Ms. Tira Banau ak Gilbert Taylor, Assistant Director, MATRADE Sarawak
- **Import of Timber from Indonesia** by Mr. Mohd Hinri Abdullah, Assistant General Manager, Preventive &

Enforcement, STIDC

- **Malaysia's Involvement in Free Trade Agreements** by Mr. Peter Brian Wang, FTA Policy and Negotiations Coordination, Ministry of International Trade and Industry (MITI)
- **Timber Trade Action Plan Programme** by Ms. Aida Adnan, Project Officer, Tropical Forest Trust
- **Design of Automatic Wood Species Recognition System** by Professor Marzuki Khalid, Director Malaysia-Japan University Centre

Note: The papers presented at the Briefing are available upon request and for reference at the STA Exhibition Centre

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BRIEFING ON ENVIRONMENTAL IMPACT ASSESSMENT

A Briefing Session on the matters pertaining to Environmental Impact Assessment (EIA) was held on 18 June 2008 at Wisma STA. This session was attended by approximately 55 people from representatives from the Natural Resources and Environment Board (NREB), the Forest Department Sarawak, the Sarawak Forestry Corporation, the Sarawak

Timber Industry Development Corporation, Harwood Sdn Bhd and members of STA and was moderated by Datu Haji Len Talif Salleh. Among the issues discussed were the procedures, processes and requirements on EIA for forest management.

Dr. Penguang Manggil, the Controller of Environmental Quality

Sarawak NREB was on hand to deliver the presentation on EIA. During the question and answer session, members of STA were able to seek clarifications on EIA issues which they are currently facing.

Did you also know that...

Danish timber wholesaler DLH's subsidiary Congolaise Industrielle des Bois (CIB) has increased its FSC-certified forest area from 300,000 to 750,000 hectares.

According to the company, this is the biggest connected FSC-certified area in the world for tropical natural forests.

*Source:
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Printed Matter



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STA TEA TALK

STA organised a Tea Talk on 28 June 2008 at Wisma STA, Kuching. The invited speaker was Dr. Clem Kuek, Associate Professor with the School of Engineering & Science, Swinburne University of Technology, Sarawak Campus. The talk was attended by about 70 people. He talked on Biotechnology and gave a lot of interesting examples of biotechnology in our every day life.

Biotechnology is a diverse collection of technologies where *"the application of science and technology to living organisms, as well as parts, products and models*

thereof, to alter living or non-living materials for the production of knowledge, goods and services (OECD, 2005)" is practised. An equally good definition is: *"the application of scientific and engineering principles to the processing of materials by biological agents to provide goods and services"*. The application of Biotechnology is wide-ranging from processed food, medicine to detergents, toilet cleaners, etc.

Examples of how biotechnology is put to use commercially are:

- Soya sauce is made

from cooked soya beans fermented with a fungus.

- Farmed eggs are able to maintain the healthy looking orange colour because chicken breeders add beta-carotene into the chicken feed producing this color.
- In the pharmaceutical industry, antibiotics are sourced from fungi, actinomycetes or bacteria.

Note: Presentation slides from the Talk are available for viewing at the STA Exhibition Centre