



# STA dan Rakan2

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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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## 11th Meeting of the Working Group on a Pan ASEAN Timber Certification Initiative



Photo: Group photo

The 11th Meeting of the Working Group on a Pan ASEAN Timber Certification Initiative was held from 22 to 23 May 2012 in Luang Prabang, Lao People's Democratic Republic (PDR). The Meeting was attended by delegates from Brunei Darussalam, Indonesia, Lao PDR, Malaysia, Myanmar, Thailand, the ASEAN Secretariat and the representative from European Union (EU) FLEGT Asia Programme.

Mr Khamkhanh Chanthavisouk, the Vice Governor of Luang Prabang Province, on behalf of the Provincial Governor of Luang Prabang Province and Government of Lao PDR, in his welcoming remarks highlighted that Luang Prabang Province is targeting to increase its forest cover up to 65% by the year 2015. In addition, it has the largest area in terms of Teak plantations in the country, covering more than 30,000 hectares. Some of these areas are certified to international standards and will be extended in the future.

Mr Khamphay Manivong, the Deputy Director General, Department of Forestry of the Lao PDR in his opening remarks stressed the importance of

the Meeting, which marked the strong commitment and active engagement to build a stronger ASEAN in supporting sustainable forest management in the region. He highlighted that being among world's major timber producers, ASEAN has been persistent in its efforts to harmonise measures and cooperation in forestry among its member states, particularly in the development of a regional reference framework on phased-approaches to forest certification; promoting Sustainable Forest Management and actions for the Forestry sectors to contribute towards the realisation of an ASEAN Community.

Mr Chew Lye Teng, the Chief Executive Officer of Malaysian Timber Certification Council (MTCC), on behalf of Malaysia as the Lead Country for this Initiative, highlighted the key recommendations agreed at the last meeting, including the ASEAN Guidelines for Chain-of-Custody of Legal Timber and Sustainable Timber, which had been

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endorsed by the 32nd AMAF Meeting; the possibility or necessity of appointing a consultant to take stock of the existing initiatives for ensuring legal and sustainable timber that is already undertaken within ASEAN Member States (AMS), as preparations to meet the target set within the AEC Blueprint for trade in legal and sustainable timber within the AEC by the year 2015.

The ASEAN Secretariat, lead by Ms Pouchamarn Wongsanga informed the delegates the outcomes of the 14th ASEAN Senior Officials on Forestry (ASOF) Meeting, Special Senior Official Meeting (SOM)-32nd ASEAN Ministers on Agriculture and Forestry (AMAF), SOM-33rd AMAF, 33rd AMAF Meeting, particularly on the matters related to ASEAN Cooperation in Forestry and a Pan ASEAN Timber Certification Initiative. She updated the Meeting on the recent developments in ASEAN and the decisions made by the ASEAN Leaders during the ASEAN Summits, ASEAN Economic Community (AEC) Council, ASEAN Economic Ministers (AEM), and Senior Economic Officials Meeting (SEOM) on issues related to integration initiatives to support trade facilitation.

The Meeting discussed the draft Terms of Reference (ToR) for the consultant to take stock of the existing initiatives and to consider these initiatives as references to meet the targets set in the AEC Blueprint. The Meeting agreed that the requirements would need to take into account and give due recognition of the various existing initiatives for ensuring legal and sustainable timber that are already undertaken within the AMS.

The Meeting took note of the progress of the implementation of the ASEAN Roadmap and the Strategic approaches, actions, and schedule concerns for each AMS. The Meeting was also informed that the "ASEAN Guidelines for Chain-of-Custody of Legal and Sustainable Timber" had been published at the end of 2011, and the soft copy is available in the ASEAN Website.

Each AMS updated the delegates on the country reports and the development of C & I for Legality of Timber, Sustainable Forest Management or Forest Management

Certification, as well as the implementation of Timber Certification. The AMS also exchanged information and shared experiences in negotiating with the EU on a Voluntary Partnership Agreement (VPA).

Dr Alexander Hinrichs, European Forest Institute (EFI) presented the outcome of the Second Sub-Regional Training Workshop on Timber Legality Assurance that was held from 25 to 27 October 2011 in Kota Kinabalu, Sabah, Malaysia. He proposed a Third Sub-Regional Training Workshop on Timber Legality Assurance for the Mekong region as well as a proposal on a study on customs cooperation.

The Meeting was informed that the 12th Working Group on a Pan ASEAN Timber Certification Initiative will be held in Malaysia in 2013.



Photo: Field trip to a certified forest and mill



### **Did you know that.....**

In Indonesia, paper producers aims to make 10 million tons of product in 2012, up by 20%. The production of pulp is estimated to reach 7.3 million tons, up by 20%. The export of pulp and paper will reach USD 6 billion during 2012, up by 4%. In 2011, the sector's export reached USD 5.73 billion, up by 1.27%.

Source: Jakarta Post, 30 May 2012

## Did you also know that....

China's furniture production volume has increased by 14.87% to 166 million units during January-March 2012. The export of furniture from producers above designated level has increased by 8.05% to USD 532 million, while import increased by USD 9.4 billion. The industrial output of these producers has increased by 19.42% to CNY 120.80 billion (USD 19.04 billion). In addition, the profit of furniture makers above designated level increased by 12.26% to CNY 5.78 billion, while income increased by 16.3% to CNY 115.98 billion.

Source: MTIB News Extracts (Vol.23/06/12)



## Regional Workshop on the Australian's Draft on Illegal Logging Prohibition Bill 2011

The Regional Workshop on the Australian Draft on Illegal Logging Prohibition Bill 2011 was organised by Department of Agriculture, Fisheries and Forestry of Australia on 20 June 2012 at the Australian High Commissioner, Kuala Lumpur. Approximately twenty five (25) participants from various industries, government agencies, international organisations, timber associations and Non-Governmental Organizations (NGOs) attended the workshop.

The objectives of the workshop were to update on the progress of the Bill and to provide an opportunity to discuss the development of the regulations as well as the relevant timeframes. Mrs Jane Duke, the Acting Australian High Commission to Malaysia, in her welcoming speech mentioned that the Australian Government has conducted extensive consultation on the Illegal Logging Policy and the subsequent Bill outlines the high-level legislative framework. The Australian Government is now commencing detailed discussions with the various stakeholders to facilitate the development of the regulations.

The Assistant Secretary of Forestry Branch, Climate Change Division, Mr Paul McNamara said that the illegal operations are carried out by sophisticated criminal networks and the Australian Government has drafted the Bill to restrict the importation of illegally logged timber as in the Lacey Act and the European Timber Regulation (EUTR). The Bill aims to promote the trade of legally logged timber and provide assurances for consumers in the legality of timber products. The prohibition on the importing and processing of raw logs that have been illegally logged will be enforced immediately after the passing of the Bill by the Australian Parliament, and due diligence requirements for the regulated timber products, processors of raw logs and import of regulated timber products containing illegal logged timber will come into force two years later. He also informed the participants that the current Bill is consistent with the World Trade Organization (WTO) and relevant Free Trade Agreements

(FTAs). The major exporters of forest products into Australia in 2010 were the United States of America, Italy, China, New Zealand, Indonesia and Malaysia.

Mr Tom Keary and Ms Alexandra Banks, the Policy Officers of International Forest Policy Forestry presented the draft list of regulated timber products that are still under consideration. The regulated timber products are divided into three groups namely; (i) solid timber and wood products, (ii) partially processed / processed timber and wood products, and (iii) complex products. Eight matters were taken into consideration when analysing the list of regulated timber products. The Australian Government has identified the products which are to be or not to be regulated, and those which are still under consideration. The Australian Government is seeking feedback from the key trading partner's exporters including Malaysia on this matter.

The draft Bill requires the importers and processors to pass through the due diligence process. The importers and processors need to assess, identify and mitigate the risk of importing or processing illegally logged timber. They are also required to report, provide and publish information relating to their due diligence. These requirements are only for Australian importers of selected timber products and Australian processors of domestically grown raw logs. The Australian Government will not be imposing any requirements or restrictions on sovereign nations or exporters from trading partners.

An importer of a regulated timber product or a domestic processor of raw logs must utilise a system which will be created by the Australian Government to minimise the risk of sourcing illegally logged timber. The draft system shall contain three steps namely; (i) Information that should be gathered, (ii) Risk assessment, and (iii) Risk mitigation. The draft Bill is in the consultation stage and is set to gather feedback from the industry.



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## STA Tea Talk



*Photo: The invited speakers*

The Sarawak Timber Association (STA) held a Tea Talk on 'Coral Reefs: Their Importance and Stresses Faced' on 23 June 2012 at Wisma STA, Kuching. This Talk attracted approximately forty (40) participants from the general public.

Coral reefs are teeming with life; fishes playing around the colourful corals and anemones. They are among the most diverse and productive ecosystems on this planet. Besides being pretty to see, many people rely on coral reefs; Fishermen for example, depend on harvests derived from coral reefs as their major source of protein and income;

Coral reefs also act as natural protection between the open seas and coastlines by acting as wave breakers, thus effectively protecting coastal areas from storm floods and the consequences of rising sea levels. In addition, revenue earned from tourism, recreation, education and research are of major importance to our national economy.

Unfortunately, coral reefs are under threat from a variety of stresses which include global warming and human pollution among others.

The two speakers namely, Dr Moritz Müller, Doctor of Philosophy in Oceanography (Biogeochemistry), Associate Head of Science, Swinburne University of Technology, Sarawak Campus and Dr Aazani Mujahid, Department of Aquatic Science, Faculty of Resource Science & Technology, University Malaysia Sarawak (UNIMAS), provided an introduction to coral reefs, their importance to mankind, threats to the coral reefs and also their potential use for biotechnological applications.

The talk was presented in the form of an interactive workshop where participants were asked questions and encouraged to have a hands-on experience on the sample specimens which were on display. The speakers also gave a demonstration on the effects of pH on corals.