

# STA Review

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May 2008

## JLIA/ JPMA/ MPMA/ STA Joint Meeting

Mesyuarat bersama Persatuan Pengimport Balak Jepun (JLIA), Persatuan Pekilang Papan Lapis Jepun (JPMA), Persatuan Pekilang-pekilang Produk Panel Malaysia (MPMA) dan STA telah diadakan di Bangkok, Thailand pada 21 April 2008. Mesyuarat ini dihadiri oleh empat wakil dari Jepun dan tujuh wakil dari Malaysia.

Mesyuarat dimulakan dengan ucapan alu-aluan oleh Ketua Delegasi Jepun dan Malaysia, Encik Shoichi Takahashi (Pengerusi, JLIA) dan Encik Stephen Lau Lee Kong (Setiausaha, MPMA dan Pengerusi, Jawatankuasa Hasil Panel STA).

Antara perkara-perkara yang dibincangkan termasuk keadaan bekalan kayu balak Rusia, kayu mampan, keadaan bekalan kayu balak di Sabah dan Sarawak dan penyertaan APKINDO dalam Mesyuarat Bersama.

■ A Joint Meeting between the J a p a n L u m b e r Importers' Association (JLIA), the Japan Plywood Manufacturers' Association (JPMA), the Malaysian Panel-Products Manufacturers' Association (MPMA) and STA was held in Bangkok, Thailand on 21 April 2008. The Japanese delegation had four representatives and the Malaysian delegation seven.

The Meeting started with introductory remarks by the Head of Delegation of both the Japanese and Malaysian Delegation, Mr.

Shoichi Takahashi (Chairman of JLIA) and Mr. Stephen Lau Lee Kong (Honorary Secretary of MPMA and Chairman of STA Panel Products Committee).

The Japanese delegation stated that after July 2007, the market in Japan became very confused and it experienced uncertainties. After hitting rock bottom towards the end of December 2007 and January 2008, prices had been expected to improve but there had actually been no demand for plywood.

The Malaysian delegation

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Picture: The Joint Meeting in progress

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expressed regret that the Indonesian Wood Panel Association (APKINDO) had decided not to attend the Joint Meeting as APKINDO is a very important part of the coalition of the various organisations. Speculative buying is not conducive to this market situation and Sarawak had been trying to prevent the situation by controlling output in the months after July 2007. It is hoped that plywood demand and price will improve. However, these controls can be affected by the increasing Japanese import of plywood from China and the Japanese domestic production with the end result of

having a volatile market. Thus, the Meeting was requested to look for solutions to stabilise supply and demand. Sarawak, while trying to exercise control in production, has looked into diversifying her markets to other regions.

The Meeting also expressed grave concern on the price of all other construction materials have increased, those of timber products have not. Other matters that were discussed during the Meeting included the Russian log supply situation, sustainable timber and the log supply situation in Sabah and Sarawak. ❁

## **MPMA/ STA Meeting With Sabah Plywood Manufacturers & STIA**

■ The Malaysian Panel-Products Manufacturers' Association (MPMA) and STA had a meeting with the Sabah Plywood Manufacturers and Sabah Timber Industries Association (STIA) in Kota Kinabalu, Sabah on 12 May 2008.

In his opening remarks, Dato' Sheikh Othman Rahman, Chairman of MPMA, expressed hope that the frank discussion and exchange of information during the Meeting would bring about closer rapport among manufacturers in the three regions of Malaysia. Mr. Stephen Lau, MPMA's Honorary Secretary

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Picture: Participants of the Meeting

Persatuan Pekilang-pekilang Produk Panel Malaysia dan STA telah mengadakan mesyuarat dengan Pengeluar Papan Lapis Sabah pada 12 Mei 2008 di Kota Kinabalu, Sabah.

Dalam mesyuarat ini, ahli-ahli telah bertukar maklumat mengenai pengeluaran kilang, pasaran eksport dan pembangunan pasaran.

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cum STA Panel Products Committee Chairman, in his remarks, emphasised the purpose of the meeting was to get in touch with the relevant plywood manufacturers to discuss specific issues and how to co-operate and share information so that appropriate actions can be taken. This is because tropical hardwood plywood market made up only 8% of the global market. The President of STIA, Datuk James Hwong, highlighted that plywood is a major contributor to the Sabah State Government's revenue with total plywood export amounting to approximately 1.3 million m<sup>3</sup> in 2007.

At the meeting, Members exchanged information on mill production, export markets and market developments.

Currently, tropical hardwood plywood production from Indonesia

(4.5 million m<sup>3</sup>) and Malaysia (5 million m<sup>3</sup>) totalled over 9.5 million m<sup>3</sup>.

Plywood demand in Japan had declined substantially due to the decline in housing starts from 1.22 million units in 2006 to 1.06 million units in 2007 or a demand of 7 million m<sup>3</sup> of plywood of which about 4 million would be tropical hardwood plywood.

Demand from China is expected to be in the region of 600,000 m<sup>3</sup>, Middle East region at between 1.2 to 1.8 million m<sup>3</sup>, USA about 1.2 million m<sup>3</sup>, Korea 1.2 million m<sup>3</sup> and Europe at about 900,000 m<sup>3</sup>, hence total demand for tropical hardwood plywood would be in the region of 9 million m<sup>3</sup>.

Market developments in Japan which is a major consumer of plywood will have an effect on price levels in other major markets. ❁

## STA Timber Certification Committee Meeting

■ The STA Timber Certification Committee met on 14 May 2008 at Wisma STA, Kuching. The meeting was chaired by Dato Henry Lau, the Committee

Chairman.

Amongst some of the issues deliberated during the meeting were EU FLEGT-VPA, EIA, timber

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Jawatankuasa Pensijilan Kayu STA telah bermesyuarat pada 14 Mei 2008 di Wisma STA, Kuching. Antara isu-isu yang dibincangkan termasuk EU FLEGT-VPA, EIA, pensijilan kayu (MC&I 2002), Syarat dan Garis Panduan untuk sumbangan kewangan oleh STA untuk ahli-ahlinya dan permohonan untuk sumbangan kewangan bagi tujuan berkaitan pensijilan hutan. Ini diikuti oleh taklimat draf pertama 'Toolkit' Malaysia untuk Hutan Pemeliharaan



Picture: The Certification Committee Meeting chaired by Dato Henry Lau in progress

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certification (MC&I 2002), Terms and Guidelines for Financial Contribution by STA to its Members and applications for Financial Contributions for matters related to Forest Certification.

Following the meeting, there was a briefing on the first draft of the High Conservation Value Forest (HCVF) Toolkit for Malaysia by Ms. Ivy Wong Abdullah of WWF-Malaysia. This toolkit will be the national guide to forest managers and other stakeholders to identify, manage and monitor HCVFs as specified by various

national and international standards for forest management. The toolkit is intended to help forest managers comply with the 9<sup>th</sup> Principle of the Malaysian Criteria & Indicators (MC&I) for forest management. ❁



Picture: Briefing on HCVF Toolkit for Malaysia by Ms. Ivy Wong Abdullah of WWF-Malaysia giving a presentation

Bernilai Tinggi oleh Puan Ivy Wong dari WWF-Malaysia.

## Measurement of Logs for Royalty Assessment D. F. Circular No. 2/2008

■ STA received a D.F. Circular No. 2/2008 dated 28 May 2008 from the Sarawak Forestry Corporation with regard to the measurement of logs for royalty assessment.

With effect from 1 July 2008, all measurements of logs for the purpose of the assessment of royalty and other payments due under the Forests Ordinance (Cap. 126), SHALL be based on the actual measurements of the logs as follows:

- Length measurement shall be measured to two (2) decimal points
- Diameters, taken at the mid point, shall be measured to one (1) decimal point

There shall be no rounding downward of the log

measurements.

This directive is in accordance to Rule 22(3) of the Forest Rules and replaces the Director of Forests Circular No. 1/86 dated 17 February 1986.

For the actual measurement of logs for royalty assessment, a CD containing Round Log Volume Table and Display Round Log Volume Programmed is available from the STA Secretariat upon request. It can also be downloaded from the STA Website at [www.sta.org.my](http://www.sta.org.my). This New Round Log Volume Table consist 5580 pages for diameter range of 20.0 - 199.9 cm and length 0.51 - 16.00 m. ❁

Note: The above announcement will be made through the STA Grapevine in June 2008.

Mulai 1 Julai 2008, semua ukuran kayu balak untuk tujuan taksiran royalti dan bayaran lain di bawah Ordinan Hutan (Bab 126), haruslah berasaskan ukuran sebenar kayu balak. Ukuran kayu balak tidak dibenarkan untuk dibundarkan. Satu CD yang mengandungi Jadual Isipadu Kayu Balak dan Program Isipadu Kayu Balak boleh didapati dari Urusetia STA atas permintaan.

## STA Media Appreciation Night

STA telah mengadakan Malam Penghargaan Media pada 23 Mei 2008 di Wisma STA, Kuching untuk ahli-ahli media.

Datuk Wong Kie Yik, Pengerusi STA, dalam ucapan beliau berterima kasih kepada pihak Media yang telah memberi sokongan penuh kepada semua acara dan peristiwa Persatuan. Beliau berharap Persatuan akan terus memupuk hubungan kerjasama dengan pihak media untuk projek bersama berdasarkan komuniti pada masa akan datang yang akan membawa manfaat kepada masyarakat melalui anak-anak syarikatnya, STA Mutual Sdn Bhd dan STA Training Sdn Bhd.

Pada malam ini juga, Persatuan memberi sumbangan sebanyak RM5,000.00 kepada tabung Persatuan Wartawan Bahagian Kuching.

■ STA organised a Media Appreciation Night for Kuching members of the Media on 23 May 2008 at Wisma STA. This event was graced by Datuk Wong Kie Yik, Chairman of STA, Datuk Leo Chai, the Immediate Past Chairman, Mr. Philip Choo, Honorary Treasurer and Mr. Philip Lau Buong Hoo, Chairman of Moulding Category. Approximately 70 representatives from the media and Secretariat staff attended the event.

Datuk Wong, in his welcoming speech thanked the Media for their support in covering

all the Association's events. He hoped that the Association and the Media will continue to foster closer networking and co-operate in future community-based projects to bring greater benefits to the society through its wholly-owned companies, STA Mutual Sdn Bhd (STAM) and STA Training Sdn Bhd (STAT). STAT had been set up to assist in the development of trained human resource in the forest industries while STAM provided services to communities, not only in urban areas but also in rural areas. STAM had made financial contributions to various charitable

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Left: Datuk Wong Kie Yik, Chairman of STA presenting a mock cheque to Mr. Nganten Sukit, Vice President of the Kuching Division Journalists Association, in the presence of Dr. Lee Hua Seng, Chief Executive Officer of STA and Mr. Sulok Tawie, Secretary of the Kuching Division Journalists Association



Above, from left: Mr. Philip Choo, Honorary Treasurer, Datuk Leo Chai, Immediate Past Chairman, Datuk Wong Kie Yik, Chairman, Mr. Philip Lau Buong Hoo, Chairman of Moulding Category and Mr. Dennis TeTuh, STAT Trainer at the function

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trusts and organisations. It also made financial contributions to support community service projects implemented by its member companies for the benefit of communities residing in the vicinity of timber concessions. STAM is currently providing scholarships to students pursuing degree courses related to forestry and the timber industry at the Universiti Putra Malaysia (UPM) and Universiti Malaysia Sarawak (UNIMAS).

During the function, the Association made a donation of

RM5,000.00 to the Kuching Division Journalists Association's.

Kuching Division Journalists Association (KDJA) Vice President, Mr. Nganten Sukit in his speech thanked the Association for hosting the event and for the donation. He assured STA that the fund would be fully utilised in activities that would enrich members and the public.

Participants were entertained to an evening of games, karaoke sessions and lucky draws. ❁



Left: One for the album



Right: The lucky draw prizes



Left: Guests helping themselves to the sumptuous buffet



Right: The sporting volunteers participating in one of the many games played during that night

## International Symposium and Workshop on Tropical Peatland

Universiti Malaysia Sarawak dan MARDI dengan sokongan CARBOPEAT dan *International Peat Society* akan menganjurkan Simposium dan Bengkel Antarabangsa Kawasan Gambut Tropika (Kuching 2008) bertemakan "Pembangunan Kawasan Gambut: Penggunaan yang Baik dan Impak Pengurusan" dari 19 hingga 22 Ogos 2008 di Kuching. Satu lawatan selepas symposium juga akan diadakan pada 23 Ogos 2008.

Bengkel-simposium ini bertujuan untuk memberi peluang untuk membincangkan hasil penemuan dan maklumat mengenai kawasan gambut tropika dan penggunaannya dengan menitikberatkan kepentingannya dalam kitaran karbon dari perspektif nasional, serantau dan sedunia.

■ The Universiti Malaysia Sarawak (UNIMAS) and the Malaysian Agricultural Research & Development Institute (MARDI) in collaboration with CARBOPEAT and the International Peat Society will jointly organise the International Symposium and Workshop on Tropical Peatland (Kuching 2008) with the theme "Peatland Development: Wise Use and Impact Management". The Symposium will be held from 19 to 20 August 2008 while the Workshop will be 21 to 22 August 2008. There will also be a Post-Symposium Tour on 23 August 2008.

The Symposium cum Workshop aims to provide an opportunity to discuss findings and information on tropical peatlands and their wise use with major focus on their important role in the carbon cycle from the national regional and global perspectives.

The symposium will address issues related to tropical peatland,

its use or development and mitigation of the impacts thereof, looking at the complete scenario from the science to implementation of wise use of tropical peatland. There will be seven thematic sessions. The scientific programme will include sessions on ecology and biodiversity of peat swamp forest, soils and hydrology, land use (conservation, forestry, agriculture, settlement and other uses), carbon storage, climate change and air quality, rehabilitation and restoration of degraded peatland, livelihood: social and economic perspectives, and awareness, policies, and legal and institutional framework.

The workshop sessions will cover the wise use of tropical peatland, knowledge gaps and impact mitigations, utilisation, restoration, stakeholder engagement, and C-accounting and trading/ financial mechanisms.

Registration fees are as follows:

Registration Category	Before 30 June 2008	After 1 July 2008
National Participants and ICREPE Members	RM600	RM700
International Participants	USD300	USD400
Students	RM300	RM300
Accompanying Family Members	RM350	RM350

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## Managing for Sustainable Forestry in the Tropics

■ Forest management is becoming increasingly complex as forest industries move towards sustainable management practices and the need to meet multiple objectives from their forestry activities. This is especially so in the Tropics.

Forest and logging managers are now being called on to deal not only with the financial aspects of forest operations, but as well, to deal with difficult environmental and social issues.

As a result, developing the appropriate skills to successfully manage logging operations that meet the goals of sustainable tropical forestry, which includes social and environment elements, has become an important requirement for managers involved in the logging industry.

To meet the skill needs of managers, the Sarawak Timber Association and Lincoln University in New Zealand, with the cooperation of the Sarawak Forestry Corporation and the Forest Department Sarawak, have developed a Postgraduate Diploma for managers in the logging industry.



Picture: Measuring sawntimber

The Postgraduate Diploma in Applied Science (Sustainable Tropical Forest Management) consists of six subjects offered by Lincoln University, and will take two years to complete, with three subjects being offered each year. The subjects cover all aspects of forestry, including silviculture, harvesting, planning, economics, and social factors, and are taught using a mixture of Lincoln University lecturers and local Malaysian forestry specialists.

The teaching format of the Postgraduate Diploma is designed around the needs of working managers. All subjects are taught in Sarawak, usually Kuching, and are offered as intensive one-week block courses. Students are given course materials that will be used during the block courses and for self-study at other times. Students also have access to online resources from the Library at Lincoln University, as well as access to the STA Resource Centre.

A typical teaching week will involve a mix of lectures, tutorials, group work, field trips and projects. All students must have a laptop computer as much of the programme involves analysis using computer packages or require access to the internet for research. In Kuching, lecture facility includes wireless internet. Some teaching weeks may be spent in other locations, such as Bintulu.

Students who successfully complete all subjects will be awarded a Lincoln University Postgraduate Diploma.

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Pengurusan hutan menjadi semakin rumit ketika industri hutan sedang menuju ke arah praktis pengurusan mampan dan keperluan untuk memenuhi pelbagai objektif melalui aktiviti-aktiviti hutan mereka. Pengurus hutan dan kayu balak sekarang perlu menghadapi bukan sahaja dari aspek kewangan operasi hutan tetapi juga isu-isu alam sekitar dan sosial.

Oleh kerana ini, pembangunan kemahiran yang sesuai diperlukan untuk pengurusan operasi kayu berkesan bagi mencapai matlamat hutan tropika mampan termasuk elemen sosial dan alam sekitar untuk pengurus yang terlibat dalam industri kayu balak.

Untuk memenuhi keperluan ini, STA dan Lincoln Universiti New Zealand dengan kerjasama *Sarawak Forestry Corporation* dan Jabatan Hutan Sarawak, menawarkan Diploma Lepas Ijazah kepada pengurus-pengurus industri balak.

Kumpulan pelajar pertama yang diambil pada 2006 akan menyempurnakan programnya tahun ini. Sesi pengambilan pelajar yang kedua sedang dijalankan.

Untuk maklumat lanjut, sila hubungi Dr. Peter Kho, Persatuan Kayu Kayan Sarawak (Tel: (082) 332 222, Fax: (082) 487 888, Email: sta@sta.org.my).



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For those who are interested in further study, the Postgraduate Diploma provides entry to a Masters degree at any university.

Normal entry to the Diploma course is based on a good first degree from a recognised university. However experience and/or other qualifications can also be considered for entry, and a number of current students have entered on this basis. In addition, lectures and assessment will be in English so evidence of English language proficiency will be required. For those who require it, in addition to IELTS and TOEFL tests a new Lincoln University English language test for written material only will be available on Tuesday, 19 August 2008 and during the Orientation week. Successful completion of these tests will be accepted as evidence of English language proficiency for entry to the Postgraduate Diploma.

The Postgraduate Diploma is open to any employee of an STA Member Company. All tuition costs for the Postgraduate Diploma are covered by STA Training Sdn. Bhd. Travel, accommodation and meal costs must be met by sponsoring companies.

The first intake of students started in 2006 and will be finishing later this year. Students for the second intake are now being recruited. The second intake will have an orientation week in Kuching, tentatively scheduled for 11 to 15 August 2008, and the first subject will start on 22 September 2008. Actual dates will be advised when they have been finalised.

For further information please contact Dr. Peter Kho of Sarawak Timber Association (Tel: (082) 332 222, Fax: (082) 487 888, Email: [sta@sta.org.my](mailto:sta@sta.org.my))



Left: Field work, part of the Course syllabus



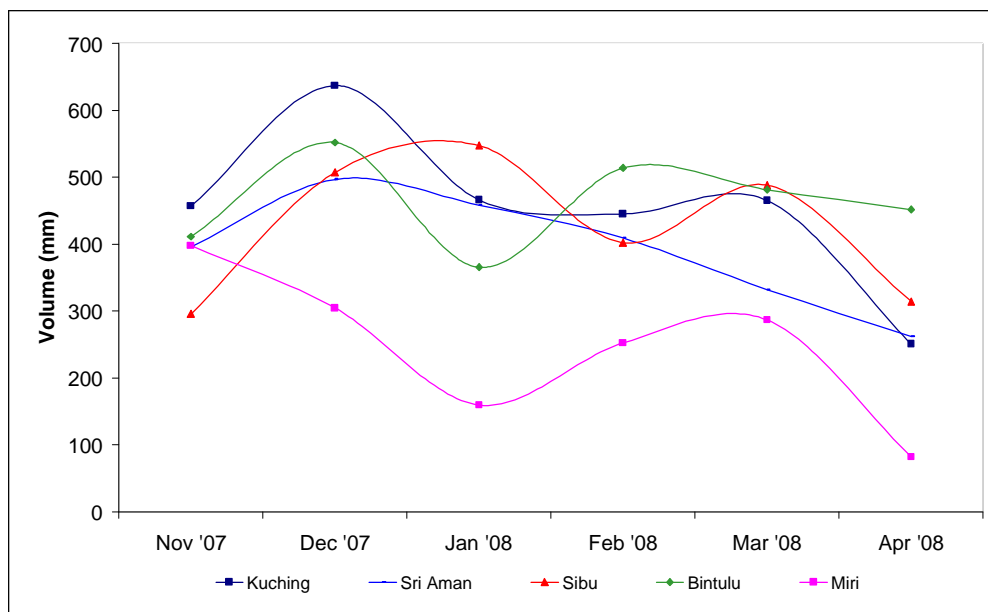
Right: Presentation of field work results in class

## **Implementation of New Institutional Arrangement for 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 PEFC Council, which operates the Programme for the Endorsement of Forest Certification schemes (PEFC). The new institutional arrangement for the MTCS will take effect from **1 July 2008**.

Susunan baru Skim  
Pensijilan Kayu Malaysia  
yang dijalankan oleh Majlis  
Pensijilan Kayu Malaysia  
akan berkuatkuasa mulai **1  
Julai 2008**.

## **Rainfall : November '07 - April '08 Kadar Hujan Bulanan**



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