



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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WORKSHOP ON FORMALDEHYDE EMISSION TESTING OF WOOD BASED PANEL PRODUCTS

A Workshop on Formaldehyde Emission Testing of Wood based Panel Products was organised by Sarawak Forestry Corporation (SFC) on 21 October 2010 at Timber Research and Technical Training Centre (TRTTC), SFC. The opening remark was delivered by the Acting Deputy General Manager of Applied Forest Science and Industry Development (AFSID), Ms Lucy Chong. This Workshop was aimed to provide basic information and techniques on formaldehyde emission testing as SFC is the service provider for such testing for the timber industry. She also said that consumers today are more aware and hence, more concerned of the health effects of formaldehyde emission from using wood products.

The following are the two presentations during the Workshop.

Current Issues Regarding the Rules and Regulations on Formaldehyde Emission from Wood Based Products by Mr Nicholas Andrew Lisse, Manager of Industrial Planning, STIDC

The main points of the

presentation are as follows:

- Formaldehyde has been widely used in the timber industry in Sarawak since 1990s
- The emission of formaldehyde needs to be controlled as it has substantial effects on health (it is carcinogenic to human)
- Formaldehyde emission creates health hazards, sick-house syndrome. It may potentially affect and reduces the market ability of the product thus affecting the economy
- Emission control, guidelines and regulations, implementation of measures and compliances to measures and standards were introduced to promote products utilising formaldehyde
- The compliance requirements of formaldehyde emission differ from country to country

Testing of Formaldehyde Emission by Puan Siti Hanim Sahari, SFC

The speaker provided an overview of formaldehyde and its emission concerns

and noted that formaldehyde is naturally occurring in wood. She informed the participants that an amount not exceeding 0.1 mg per m³ or 0.08 ppm of formaldehyde in ambient air was recommended by the World Health Organization (WHO).

Testing methods offered at TRTTC are:

- Desiccator Method JIS A-1460 (2001), JAS Notification 233 (2003)
- Perforator method DIN EN 120 (1992)
- Gas Analysis Method EN 717-2
- Small Chamber Method (JIS A 1901:2003)

The Workshop ended with a hands-on opportunity on testing for formaldehyde guided by Puan Siti Hanim and her assistant.

DIALOGUE ON REQUIREMENT FOR TIMBER LEGALITY VERIFICATION IN THE GLOBAL MARKET AND MTC GLOBAL WOODMART 2010

Did you know that...

One of the first PEFC-certified sawn timber consignments from Malaysia has arrived at the port of Antwerp in Belgium. Since the endorsement of the Malaysian Timber Certification Scheme (MTCS) by the PEFC Council, seven FMUs representing 3.97 million hectares of PFR in Malaysia have been awarded the PEFC *Certificate for Management*, while 146 timber companies have been awarded the PEFC *Certificate for Chain of Custody*. 40 of these companies have signed the PEFC Logo Usage Licence Agreement with MTCC which allows them to use the PEFC Logo on their MTCS-certified timber products.

Source: PEFC Belgium newsletter



Picture: (above) The presenters answering questions from the participants and (right) some of the exhibitors in the MTC Global Woodmart

The Dialogue on Requirement for Timber Legality Verification in the Global Market and MTC Global Woodmart 2010 was organised by the European Forest Institute (EFI) and Malaysian Timber Council (MTC) with support from the UK Timber Trade Federation (UK TTF), the Netherlands Timber Federation (VVNH) and the German Technical Corporation (GTZ) at Nikko Hotel, Kuala Lumpur on 18 October 2010. The Dialogue provided updates on the requirements for verified legal timber, brought together representatives of Timber Trade Associations from local, USA and EU to talk about the changing ways in timber business and how to approach the situation in the market.

Moderated by Dato' Shaharuddin Mohamad

Ismail, Institute for Environment and Development (LESTARI), UKM, the Dialogue had six presentations covering market overview, changing of market requirements and responding to legislative and market requirements. Papers and the presenters are as follows:

1. **Southeast Asia Market Overview & Performance** by Mr. Chen Hin Keong, Global Forest Trade Programme Leader, TRAFFIC
2. **EU Timber Regulation, FLEGT VPAs and New Market Requirements** by Mr. Vincent van den Berk, Programme Coordinator, EFI FLEGT Asia Regional Programme
3. **Changing Market**

Requirements in the US by Ms. Caitlin Clarke, Research Assistance, World Resources Institute

4. **Implementing Due Diligence – Buyer's View** by Ms. Rachel Butler, Head of Sustainability, UK Timber Trade Federation
5. **Verification of Legal Origin and Legal Compliance** by Mr. Christian Sloth, Verification Services Manager, SmartWood Program of the Rainforest Alliance
6. **Certification and Verification Developments in Malaysia** by Mr. Chew Lye Teng, CEO, Malaysian Timber Certification Council.

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DIALOGUE ON TAX INCENTIVES ON FOREST PLANTATION DEVELOPMENT WITH MALAYSIAN TIMBER INDUSTRY BOARD (MTIB) AND INLAND REVENUE BOARD (IRB)

A dialogue session was carried out between Sarawak Timber Association's (STA) Working Committee on Tax Incentives and Malaysian Timber Industry Board (MTIB) and Inland Revenue Board (IRB) on 14 October 2010 at Wisma STA, Kuching. Present at the Dialogue were Puan Asmah Hussein of IRB, Tuan Haji Mohd Kassim bin Wasli of Forest Department Sarawak (FDS), Tuan Haji Mahpar bin Atan of MTIB, Puan Azizah Abdul Rahman of MTIB, Encik Hasdi Mahmood of Malaysian Industrial Development Authority (MIDA) Sarawak, Encik Nizam Abdullah of Sarawak Timber Industry Corporation (STIDC) and

committee members.

Mr Philip Choo, the Chairman of the Working Committee on Tax Incentives for Forest Plantation Development in his opening remarks informed all those present that the purpose of the dialogue is to clarify doubts and questions arising from the two (2) new tax incentives that will be executed by IRB, namely Income Tax (Deduction for Investment in an Approved Forest Plantation Project) Rules 2009 and Income Tax (Exemption) (No. 10) Order 2009. One of the main issues that were of concern to those who attended was the technical interpretation of these two (2) Gazette

Orders.

After a lengthy discussion, Tuan Haji Mahpar bin Atan agreed to organise a meeting with the Ministry of Finance and the Ministry of Plantation Industries and Commodities to discuss the issues brought up during the Dialogue. Participants to the Dialogue were hopeful that the issues raised could be resolved speedily as these two (2) tax incentives would go a long way in addressing the difficulties faced by some of the companies engaging in forest plantation due to the heavy initial capital outlay and long gestation period.

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The Dialogue highlighted the amended US Lacey Act, which states that it is illegal to import wood products derived from plants illegally harvested in the country of origin. It also touched on the European Union's Timber Regulation. It required all first players of timber in the EU market to exercise strict due diligence in their business conduct. A Panel discussion ensued the

presentations.

Over 150 participants attended the Dialogue. Among them were representatives from the Government, Timber Trade Associations, industry members and Non-Governmental Organisations from the UK, the US, The Netherlands, Japan, China, Vietnam, Indonesia, Cambodia, Thailand, Myanmar, Singapore, Laos, Ghana and Malaysia.

The launching of the MTC Global Woodmart 2010, a trade exhibition was held on 19 October 2010 at the Kuala Lumpur Convention Centre. This inaugural trade exhibition was for buyers and sellers of wood and wood products to meet and do business. It was launched by YB Tan Sri Bernard Giluk Dompok, Minister of Commodity and Plantation Industries (MPIC).

Did you also know that...

The EU Council has voted in favour of a law that is to fight illegal felling both in and outside the EU. The law will impose due diligence on companies in this matter. Member states have 27 months to draft national versions of the law.

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NATIONAL WORKING COMMITTEE (NWC) AND BOARD OF DIRECTORS (BOD) MEETING

The 6th National Working Committee (NWC) and Board of Directors (BoD) Meeting of the Forest Stewardship Council National Initiative (FSC NI) was held in Kuala Lumpur on 14 October 2010.

The purposes of this joint Meeting were to endorse the setting up of the National Standards Development Group (SDG), to sort the issues related to the Regional Working Group in the 3 regions and to discuss any matters related to FSC NI.

The meeting discussed on Forest Sustainability (M) Sdn Bhd, FSC circular on roles and responsibilities of the FSC NI members at the national level, update from the three regions, accreditation process, identity of FSC NI, secretarial roles and services, FSC Standards development for Malaysia and accounts matter.

It was reported that HSBC Bank Malaysia Bhd (HSBC) will provide financial support of RM150,000 in partnership with Forest Sustainability (M) Sdn Bhd to develop

FSC-accredited National Standards for natural forest certification applicable to Malaysian conditions. The launching of this Initiative was on 13 October 2010.

The meeting also encouraged members of NWC and BoD to be FSC members. The 6th FSC General Assembly will be held in Kota Kinabalu, from 27 June to 1 July 2011.