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# STA dan Rakan2

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 GFS' Legal Verification Services (LVS) and Wood Tracking Programme (WTP)



*Photo (Top): Group photo and (Right) Briefing in progress*



As world markets are demanding greater transparency and verification of the legal origin of timber, Sarawak Timber Association (STA), together with Global Forestry Services (GFS) organised a two-day Workshop on GFS' Legal Verification Services (LVS) and Wood Tracking Programme (WTP) on 26 – 27 October 2015 at Wisma STA, Kuching.

Since 2004 GFS has been working with the timber industry around the world to develop systems that meet the needs of the market and reflect the local conditions in many different countries. GFS has worked with government agencies in Ghana, Laos and Cambodia and private sector companies and associations in Philippines, Indonesia, China and other producing countries to establish verification systems. GFS provides means to demonstrate compliance to legal requirements for Sarawak under

the Legal Verification Services based on existing local regulations for forestry operations and the Wood Tracking Program for manufacturing and trade of wood products. GFS has already had the opportunity to work with clients in Sarawak to access and maintain markets in Japan, in 2014 GFS went to Japan to explain to buyers how their system of legal verification met the third party requirements.

The two-day Workshop commenced today was attended by 66 participants comprising STA members as well as senior officers from the State forestry agencies, namely Forest Department Sarawak, Sarawak Forestry Corporation, Sarawak Timber Industry Development Corporation and Harwood Timber Sdn Bhd.

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## Postgraduate Diploma in Applied Science (Sustainable Tropical Forest Management/Sustainable Tropical Plantation Management) - Wood Processing and Planning

*Wood Processing and Planning*, the sixth subject of the Fourth Cohort of the Postgraduate Diploma in *Applied Science (Sustainable Tropical Forest Management / Sustainable Tropical Plantation Management)* Course (Course) was conducted from 10 to 16 October 2015 in two venues; Kemena Plaza Hotel in Bintulu and Tanahmas Hotel in Sibul.

The Course was attended by nineteen (19) postgraduate students and two (2) participants taking the subject on a Continuing Education basis i.e. taking a single subject only. This subject was conducted by Professor Hugh Bigsby from Lincoln University, Christchurch in New Zealand.

This subject provided an overview of the wood processing industry, concepts as well as tools for planning resources and processing in the forest products sector. The topics included in the subject cover the demand for wood products, wood processing sectors and technology, engineered wood products, substitution in wood products, resource planning and employment impacts.

The objectives of this subject are to (1) Discuss the main wood-using processes and their log requirements; (2) Understand the key elements of industrial planning; (3) Discuss the process of technological change and the link this has with end-product markets and fibre demand; and (4) Carry out calculations related to wood conversion using relevant inputs and recovery factors.

Apart from the classroom style lectures conducted at both venues, students also visited eight (8) factories, which gave them the opportunity to gather data for their project study in terms of processing and manufacturing of timber products on a commercial basis. The factories visited by the group are as follows:

- (1) Cipta Briquettes Sdn Bhd, Bintulu
- (2) Daiken Sarawak Sdn Bhd, Bintulu
- (3) Forescom Plywood (Bintulu) Sdn Bhd, Bintulu

- (4) Magna Foremost Sdn Bhd, Bintulu
- (5) Polima Compressed Wood (Bintulu) Sdn Bhd, Bintulu
- (6) Koh Ying Industrial Sdn Bhd, Sibul
- (7) Subur Tiasa Particleboard Sdn Bhd, Sibul
- (8) Tropical Wood Processing Sdn Bhd, Sibul

In this subject, students were assigned into groups and were required to conduct a study based on the information collected from each of the factory visits for an integrated wood processing complex, which comprises the following five (5) components:

- (1) Suitability of the resource in Sarawak for the proposed products, general characteristics of the resource and advantages/disadvantages for processing the resource;
- (2) Resource flow i.e. internal by-product production and required external inputs of logs;
- (3) Locational consideration i.e. log and output transport, labour supply and access to inputs such as electricity, water and glue;
- (4) Resource-handling issues which includes a schematic plan showing the location of mills and log yards;
- (5) Schematic flow of wood through the mill and the production process

In conclusion, this subject emphasised on the process of planning in the wood products industry and how this affects the flow of raw materials such as logs, chips, slabs and other wood waste to various end products. It also underlines how the wood products industry uses wood, the effect that these properties have on end uses of wood products and links to commercial utilisation of timber species.

The next subject, *Log Grades and Wood Quality* will be held next year from 5 to 11 March 2016 at Wisma STA, Kuching.



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

The Chairman of the Indonesian Furniture and Crafts Producers, Lisman Sumardjan said that the country's timber furniture exports have reached USD 2.70 billion (EUR 2.44 billion) following the implementation of the legal timber certification. Exports in 2015 are projected to reach USD 3 billion, compared to USD 1.8 billion in 2014. The export markets for the country's timber furniture are South Korea, Australia, Japan and the USA

Source: MTIB News Extracts (Vol.44/11/15)

**Did you also know that...**

In Japan, for the year 2014, total demand of wood including wood chip for biomass fuel, wood for charcoal, wood for export is 75,814,000 cubic metres for which domestic production is 23,662,000 cubic metres, therefore a degree of self-sufficiency is 31.2%. This is the first time that the degree recovered over 30% in 26 years since 1988. Japan Forestry Agency has set a target of lifting the self-sufficiency rate to 50 % by 2020 to ensure a stable supply.

Source: Japan Times, 27 October 2015



**State Task Force on Illegal Logging Meeting No 2/2015**



Photo: Meeting in progress

Meeting No 2/2015 of the State Task Force on Illegal Logging was held on 23 October 2015 at Wisma Sumber Alam, Kuching. The Meeting was chaired by Datuk Amar Haji Awang Tengah bin Ali Hasan, the Second Minister of Resource Planning and Environment. The Chairman mentioned that illegal logging must be eradicated or it would have an adverse impact on the environment, tarnish the image of Sarawak and cause great loss in royalty collection to the State. He also mentioned that actions

taken by the Government in fighting against illegal logging should not be seen as attempt to sabotage the logging industry in Sarawak. It is the State's effort in ensuring sustainable timber industry in Sarawak as this industry provide employment opportunities to locals, contribute to the State's revenue as well as improving accessibility for rural and remote areas through the construction of logging roads by licensed operators.

The Meeting went through the minutes of the first meeting. Some of the concerns raised by STA were the extension of a copy of Export Clearance Certification (ExCC) issued by Harwood Timber Sdn Bhd to the master of the export vessel which may cause delay, the leading agency in ground operation and registration of contractor and sub-contractors to Forest Department Sarawak. The Meeting raised concern of the destruction of height metal barriers installed along Bakun and Murum roads by 'phantom lorries' (lorry hantu). The Association was tasked to come up with a solution on this matter.

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The two-day Workshop aimed to give participants a clear understanding of current requirements of the market and international regulations regarding trade of legal logs and timber products as well as to understand GFS' LVS and WTP by going through the Checklists against the State's forestry laws and regulations.

The three Directors of GFS, Dr Kevin Grace, Mr Bill Maynard and Mr Jason Lim as well as Mr Daim Balingi, Deputy Head of FLEGT Unit, Sabah Forestry Department spoke at the Workshop. They covered on the market requirements for legality, in particular the due diligence obligations imposed by the consumer countries under the US Lacey Act; the Australian

Illegal Logging Prohibition Act 2012; the Japan Goho-Wood and EU Timber Regulations, and two international timber certification schemes, namely Forest Stewardship Council (FSC) and Programme for the Endorsement of Forest Certification (PEFC); legality requirements for forest management in Sarawak as well as in Sabah and Peninsular and GFS LVS Checklist. The Workshop also covered topics related to legality requirements for Chain of Custody for Wood Processing and Trade, production control system and GFS WTP Checklist. The experience of GFS can be used to support Sarawak in the context of developing a local standard that reflects the legal systems for forestry in the State and demonstrates how this system can meet global requirements.



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## **Proposed Number of Workers Required for Plywood Production by Sarawak Timber Association**

A survey was conducted by the Secretariat of Sarawak Timber Association (STA) amongst the STA Panel Products Committee members due to a concern on the delay in the approval for the application of the Approval in Principle (AP) for the recruitment of foreign workers for the plywood manufacturing sector. Following that, STA had written to the State Secretary's Office, to propose the number of workers required per line for the plywood production.

In order to verify and confirm the proposed number of workers, the State Secretary Office has requested STA to arrange for mills visits. Hence, STA arranged visits to Shin Yang Plywood Sdn Bhd at Kuala Baram in Miri and Ta Ann Plywood Sdn Bhd in Sibu on 1 October 2015 for a delegation of fifteen (15) officers headed by Mr Kho Chiong Pun of the State Secretary Office. The delegation comprised representatives from the State Secretary Office, Immigration Department, Labour Department, the Sarawak Timber Industry Development Corporation (STIDC) as well as STA Secretariat.

These visits were important for Mr Kho Chiong Pun, Mr Stanley Bennet of Labour Department and Mr Dahrawi Muhammad of STIDC, who are the Committee members in

the State Authority processing the application of the AP, to understand the process flow of plywood production as well as veneer production in order for them to make the right decision with regard the proposal submitted by STA.

After the visits, the delegation reached a consensus on the proposed number of workers required per line for the veneer and plywood productions as a matrix for AP for the recruitment of foreign workers by members of STA. These matrices shall be recommended to the State Authority for approval.