

PPK 174/05/2013 (032756)

# STA REVIEW

Monthly Magazine of Sarawak Timber Association



pg. **3**

STA Council Meeting  
No.2/2023

pg. **4**

Workshop on Post-Pilot  
Project of Environmental  
Compliance Audit for  
Forestry Sector

pg. **16**

Presentation of  
STA Prizes



# TABLE OF CONTENT

03	STA Council Meeting No. 2/2023
04	Workshop on Post-Pilot Project of Environmental Compliance Audit for Forestry Sector
05	59 <sup>th</sup> Session of the International Tropical Timber Council
08	Sarawak Timber Industry Commodity Trek
09	Engagement Session on National MSMEs Digitalisation Roadmap Study
10	Global Legal & Sustainable Timber Forum 2023
11	Briefing Session on the Implementation of DF Circular No. 2/2019
11	STA Membership Renewal
12	Signing of MoU for Samalaju Greening Project and Supply of Raw Material Through Bamboo Cultivation
13	Study on Integrated River Basin Management Plan for Batang Rajang Basin
13	Briefing Session on Carbon Credits
14	Hari Alam Sekitar Negara 2023
14	Training on "Getting SMEs Onboard the ESG Journey"
15	Update on Upcoming Trade & Policies in the European Union
16	Presentation of STA Prizes
16	ESG Outreach Programme
17	UNIMAS Students' Visit to STA
17	STIDC Industry Update 2023
18	MEF Industrial Conference 2023
19	Technical Committee Meeting No. 1/2023 of MTIB Plywood Certification Standard
20	Statistics
32	Operator Training Programme

Printed by

Lee Ming Press Sdn Bhd | Lot 2050, Jalan Swasta, Pending Industrial Estate, 93450 Kuching, Sarawak, Malaysia | Tel: (082)253 303 | Email: sales@leeming.com.my

On the Cover



Cover photo by Wong Muh Lung.

## STA REVIEW

is a monthly magazine published by Sarawak Timber Association (STA) for its members. While every effort has been made to ensure that the information printed in this magazine is accurate and correct, neither STA nor its Council Members, Officers or Employees shall assume any responsibility or be made liable for any inaccuracies and errors printed; nor is such publication, unless otherwise stated, necessarily the views of STA, its Council Members, Officers or Employees.



The contents of the STA Review may be reprinted with prior written permission from STA.

## EDITORIAL BOARD

### Editor

Annie Ting

### Members

Flora Eliza Saban  
Freda Emmanuel  
Jaime Chan  
Miriam Hong

Tchin Boon Ling  
Wong How Chu  
Yii Yien Yien

## CONTACT US



++ (60 82) 332 222 (Phone)  
++ (60 82) 487 888 (Fax)



sta@sta.org.my



www.sta.org.my



11 Floor Wisma STA, 26, Jalan Datuk Abang Abdul Rahim, 93450 Kuching, Sarawak, Malaysia

# STA Council Meeting No. 2/2023



Dato Henry Lau, Chairman of STA (centre) chairing the Council Meeting.

The STA Council held its Meeting No. 2/2023 on 2 November 2023 at Wisma Kuching. The Meeting was presided over by Dato Henry Lau Lee Kong, the STA Chairman and attended by Vice Chairman Dato' Sri Patrick Wong Haw Yeong, Honorary Treasurer Mr Philip Choo and fourteen members of the Council.

During the meeting, reports were presented by various Category Committees and Working Committees. The Council was also briefed on the progress in the industrial tree plantation research projects funded by STA. As the tissue-cultured propagated clonal materials and mutant clones of Kelampayan as well as genetically improved varieties of *Falcataria moluccana* are currently undergoing field trials, the Council had approved the proposals to continue these research projects, carried out by Universiti Malaysia Sarawak and GP Pusaka Sdn Bhd, over the next two (2) years.

The Council also approved the budget for STA and its subsidiary companies to facilitate and carry out the activities and work for year 2024. Among the planned initiatives are the organisations of an international conference in March 2024 and a members' dinner on 25 March 2024.

The Council also decided that effective 1 January 2024, the STA Training Sdn Bhd shall charge the training and assessment course fees at RM750.00 per day per skills set for STA member and RM1,500.00 per day per skills set for non-member's including contractors and sub-contractors of STA members.

The Annual General Meeting for year 2024 is scheduled to take place on 26 March 2024, during which the election of Council members for the new term of 2024 and 2025 shall take place.

*Semasa Mesyuarat Majlis STA Bil. 2/2023, yang dipengerusikan oleh Pengerusinya Dato Henry Lau Lee Kong, meluluskan penerusan projek penyelidikan perladangan pokok industri, mengesahkan bajet 2024 termasuk rancangan untuk mengadakan persidangan antarabangsa dan menjadualkan Mesyuarat Agung Tahunan pada 26 Mac 2024, antara lain-lain.*

In accordance with Clause 8(3)(a) of the STA Constitution, the Council had appointed five (5) members to form an Election Committee, whose appointment shall take effect on 26 February 2024. The Council resolved to resume the collection of annual subscription fees starting from year 2024.

Upon reviewing the annual subscription fees for all categories, the Council had increased the annual subscription fee for the Timber Products Marketing category. The annual subscription fees for all the nine categories of membership are as follows:

Category	Annual Subscription Fee (RM)	Annual Listed Fee (RM)
Forest Plantation	500.00	50.00
Furniture & Other Woodworking	100.00	10.00
Hill Logging	500.00	50.00
Moulding	100.00	10.00
Log Marketing	1,000.00	100.00
Panel Products	1,000.00	100.00
Sawmilling	500.00	50.00
Swamp Logging	500.00	50.00
Timber Products Marketing	200.00 (from RM100.00)	20.00 (from RM10.00)

As the election of Council members shall take place next year, members are advised to pay the annual subscription fees by 31 January 2024 in order to be eligible to stand for election and to vote at the Annual General Meeting.

本会理事会在主席拿督刘利康主持的本年度第二次会议上, 批准了继续工业树林种植研究项目, 批准2024年预算案, 包括举办国际研讨会计划, 并预定2024年3月26日为年度会员大会等事项。





Mr Jack Anak Liam, Controller of Environmental Quality Sarawak (seated, 4<sup>th</sup> from left) and Ms Annie Ting, CEO of STA (seated, 5<sup>th</sup> from left) posed for photos with participants of the Workshop

## Workshop on Post Pilot Project of Environmental Compliance Audit for Forestry Sector

Following the success of two (2) pilot projects of environmental compliance audit (ECA) involving STA members, the Natural Resources and Environment Board (NREB) and STA jointly organised a workshop on 6 November 2023 at Wisma STA, Kuching.

The purpose of the workshop was to revisit and refine findings from the pilot projects with the objective of enhancing the Guidelines for the Natural Resources and Environment (Audit) Rules, 2008 (NRE (Audit) Rules, 2008), ultimately facilitating the full implementation of the Rules.

In her welcoming speech, Ms Annie Ting, Chief Executive Officer of STA, expressed gratitude for the collaborative journey initiated in November 2017 through the signing of Memorandum of Understanding between the NREB, STA and its members aimed at preparing the industry for full implementation of the NRE (Audit) Rules, 2008.

She further emphasised the pivotal role played by regular working committee meetings between the NREB and STA, a commitment that resulted in the conduct of numerous training sessions that trained 112 internal environmental auditors and 95 personnel in environmental quality monitoring. She expressed optimism that these endeavours, coupled with guidance provided by the NREB throughout the pilot projects, have significantly improved environmental stewardship practices among participating companies. She hoped that the NREB will consider delegating compliance monitoring responsibilities to companies within

a financially viable framework. Such move would not only encourage broader industry participation but also advance environmental sustainability goals.

The workshop was officially opened by Mr Jack Anak Liam, the Controller of Environmental Quality Sarawak, who shared that the NRE (Audit) Rules, 2008 was formulated to compel project proponents to undertake internal ECAs, thus enhancing accountability in adhering to Environmental Impact Assessment (EIA) Terms and Approval Conditions. Mr Jack credited the successful pilot projects to the close cooperation and strong support from STA, the first association in Sarawak to take up the pilot project, and its members.

Mr Mathew Anak Losey, Head of Forestry and Environmental Audit Unit, NREB presented findings and feedback from the pilot projects of ECA in the forestry sector. He reported that the majority of stakeholders acknowledged that ECA had improved environmental stewardship among project proponents, contributing to improved compliance with EIA terms and approval conditions. Notwithstanding that, issues such as frequency of internal and external ECA and professional audit fees were common throughout the pilot projects.

These were among some of the focal points discussed by the two (2) groups, namely participating companies and external auditors. The group of participating companies urged the NREB to develop a transparent fee structure matrix to effectively streamline and clarify the charges involved in ECA, ensuring

that the companies' transition towards self-regulated compliance is not hindered by high costs.

Both groups also highlighted the limited number of internal and external environmental auditors available to facilitate the transition towards ECA. Additionally, the groups also evaluated the suitability and applicability of terms and conditions outlined in the EIA approvals for both natural forests and planted forests, with the aim of ensuring clarity and a consistent understanding among different auditors.

In his concluding remarks, delivered by Mr Kenny Poon, Assistant Controller (Compliance & Enforcement), Mr Jack affirmed all parties of NREB's commitment to finding a balance so that the cost of ECA is acceptable and feasible to both project proponent and auditors.

*Berikutan kejayaan 2 projek perintis audit pematuhan alam sekitar (ECA) yang melibatkan ahli-ahli STA, Lembaga Sumber Asli dan Alam Sekitar (NREB) dan STA bersama-sama menganjurkan bengkel pada 6 November 2023 untuk menyemak semula dan memperhalusi penemuan daripada projek-projek perintis.*

*Kekerapan audit, yuran juruaudit dan bilangan juruaudit alam sekitar yang terhad adalah antara beberapa isu yang dibincangkan dalam bengkel tersebut.*

继本会会员参与的两项环境合规审计(ECA)试点项目取得成功,天然资源和环境局(NREB)与本会于2023年11月6日联合举办为期1天的工作坊,以重新审视和完善试点项目的调查结果。工作坊讨论的一些课题包括审核频率、审核员收费和环境审核员数量有限。



# 59<sup>th</sup> Session of the International Tropical Timber Council



*Ms Annie Ting (6<sup>th</sup> from left), with the Malaysian delegation headed by Dato' Zailani Bin Haji Hashim, Deputy Secretary General (Plantation & Commodities) (7<sup>th</sup> from left), Dr Mohammad Nurudeen Iddrisu, Chair of 59-ITTC (centre) and Ms Sheam Satkuru, ITTO Executive Director (7<sup>th</sup> from right)*

The 59<sup>th</sup> Session of the International Tropical Timber Council (59-ITTC) and the Associated Sessions of four (4) Committees were held from 13 to 17 November 2023 in Pattaya, Thailand. The International Tropical Timber Council (the Council) is the governing body of the International Tropical Timber Organisation (ITTO).

Dr Mohammed Nurudeen Iddrisu, the Chair of 59-ITTC highlighted at the opening that tropical forests sit in the eye of a global storm and the lack of funding for their sustainable management is a major concern. He hoped that more donors will come forward with funding for sustainable tropical forest management.

He also called for consensus on a new International Tropical Timber Agreement (ITTA) and more efforts to achieve ITTO's mission. Other distinguished speakers at the opening included Mr Thawatchai Srithong, Governor, Chonburi Province, Thailand; Mr Surachai Ajalaboon, Director-General, Royal Forest Department, Thailand; and Ms Sheam Satkuru, Executive Director of ITTO.

Throughout the 5-day session, the Council and its committees discussed matters related to new ITTA; strategies to address financial arrears; administrative and financial aspects of ITTO and its Biennial Work Programme; collaborative works with other organisations such as Collaborative Partnership on Forests (CPF), Food and Agriculture Organisation (FAO) and Convention on Biological Biodiversity (CBD). They also explored issues related to the legal trade of tropical timber, sustainable management of tropical forests as well as the crucial role of tropical forests in climate change mitigation and adaptation.

On the second day of the 59-ITTC, the Joint Session of Committee addressed shared agenda items as well as trade and markets issues. Both the Civil Society Advisory Group (CSAG) and Trade Advisory Group (TAG) held their annual discussions and expressed concerns about the European Union Deforestation-free Regulation (EUDR).

Some comments raised by the delegates include lack of consultation with tropical timber producing countries; who has the authority to determine level of risk; no exemption for Forest Law Enforcement, Governance and Trade (FLEGT), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), or certification compliance; challenges of geo-locating all materials in composite timber products. TAG issued a statement following their session and was well received and supported by the producer caucus.

The ITTO Secretariat provided updates on forest certification in ITTO producer member countries. In 2022, the total area of certified forests by the Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) in ITTO producing member countries was 38.1 million hectares, an increase of 2% from 2021, accounting for 8.5% of the world's total.

Out of the total, FSC certified forests areas recorded 22.4 million hectares which was 14% of global FSC certified forest areas, while PEFC certified forest areas recorded 15.7 million hectares which was 5.4% of global PEFC certified forest areas. Among some of the nine (9) national certification schemes endorsed by PEFC as of 2022 are the Malaysian Timber Certification Scheme, Indonesian Forestry Certification Cooperation, Vietnam Forest Certification Scheme and Thai Forest Certification Scheme.

It was noted that Malaysia will soon be implementing a project on the promotion of sustainable wood use in domestic market following the implementation in Viet Nam, Thailand and Indonesia which are all funded by the Government of Japan. ITTO recognises the importance of understanding the use of wood in domestic market in order to have a complete picture of the usage of wood. The Sixtieth Session of the Council is tentatively scheduled for 1 to 6 December 2024 in Yokohama, Japan.



# TRADE STATEMENT 2023 by the Trade Advisory Group

Chairman  
Ladies and Gentlemen

Our Trade Statement focuses on the “EU Regulation 2023/1115 Of the European Parliament and of the Council”, or EUDR for short. This regulation will have a significant impact on the tropical timber trade in EU, and it also has serious implications in tropical timber producing countries.

The principle behind the EUDR is one that the tropical timber trade supports. Deforestation is anathema to an industry built on sustainable use of tropical forests.

TAG welcomes the acknowledgement in the preamble to EUDR that the major driver of deforestation is not demand for wood products, but that, in the words of EU, “agricultural expansion drives 90% of global deforestation”.

However, TAG is deeply concerned that the law fails to acknowledge, either explicitly in the text or by implication in the measures it imposes, that the sustainable production and consumption of timber promotes forest conservation and mitigates climate change.

Timber is the only commodity within the scope of EUDR for which an increase in demand can enhance the value of forests, actively discourage deforestation, and promote increased investment in sustainable forest management, as well as help address climate change.

And, as stated in the Ministerial Call on Sustainable Wood issued at the 15th World Forestry Congress held in Seoul in May 2022, “scaling-up bio-economies by using sustainable wood replacing carbon-intensive materials has high potential to become a cost-effective and innovative contribution at scale to achieve carbon neutrality and build more resilient economies”.

In light of this, there is a significant responsibility on the part of EU and the architects of similar regulations in other consumer markets to ensure that laws developed with the best of intentions to help reduce deforestation, do not inadvertently increase barriers to the trade in legally sourced wood products as such regulations are more likely to undermine than enhance the value of standing forests.

TAG is somewhat reassured that the definitions of “deforestation” and “degradation” in the EUDR do, by implication, recognise the continuing role for selection harvesting in natural tropical forest. However, TAG believes that some aspects of EUDR have the potential to create unnecessary barriers to the sustainable development of tropical forest resources and trade in tropical timber products:

First, the regulation does not differentiate between illegal deforestation and legal forest conversion, thereby undermining the ability of tropical countries to make their rational decisions as to the appropriate balance between forest land and agricultural land within their own borders. The regulation seems to conflict with the Charter of the United Nations and the principles of international law, as referenced in the ITTA, that “States have the sovereign right to exploit their own resources pursuant to their own environmental policies.”

Second, the lack of adequate consultation with trade partners before the regulation was passed, and the continuing apparent unwillingness of the EU to engage in dialogue on the regulation through a multilateral organisation like the ITTO.

TAG decided to focus this trade statement on the EUDR only after we learned that there would be no separate agenda item on EUDR during this Council session. TAG believes this lack of dialogue has been a major factor contributing both to the inclusion of inappropriate technical requirements in EUDR and to unfortunate misunderstandings surrounding the scope and objectives of the regulation.

Third, the definition of “forest degradation” contained in the EUDR, which is not internationally recognised, prohibits EU trade in timber products from plantations established after 2020 on land converted from natural forests. This seems particularly perverse when it is considered that the development of globally competitive forest products industries in the EU during the course of the last century has been heavily dependent on conversion of degraded natural forest into more intensively managed plantations.

Fourth is the requirement that scientific names be used to identify all tree species contained in products placed on the EU market. This requirement could have a negative impact on a trade which historically has been based on the genus of the tree rather than the very specific species. In fact, trade names are more commonly used and well understood by both producers and consumers. This requirement for scientific names begs the question: are there enough tropical dendrology experts to do this?

Fifth, the obligation to provide geolocation data for all individual plots of land, defined as “within a single real estate property”, from which all timber contained in a consignment may have derived will be particularly challenging for all products derived from smallholders, for composite products such as furniture, and for products such as panels where there may be widespread use of mill co-products and other waste material.



The EUDR requirements have potential to discriminate against small and medium sized enterprises, of which there are many tens of thousands, and in some cases, hundreds of thousands in the tropical timber sector. It threatens to roll back years of work, in the interests of sustainability, to add value to timber products prior to export from tropical countries, and to ensure the most efficient utilisation of all wood material.

TAG recognises the importance of demonstrating the legal and sustainable provenance of all products placed on the international market, and as such has long advocated for the development and promotion of timber legality assurance and forest certification systems in tropical countries.

However, the successful implementation of these systems is critically dependent on dialogue and the active engagement of stakeholders. Attempts to impose systems by outside agencies without adequate engagement have failed in the past.

In view of this, TAG welcomes the EU commitment in Article 30 of EUDR to evolve Forest Partnerships with tropical countries that “allow the full participation of all stakeholders”, alongside the recent announcement of “Team

Europe Initiative on Deforestation-free Value Chains” which aims to “facilitate an inclusive transition to deforestation free and legal supply chains to the EU.”

In developing these forest partnerships, TAG would urge that the EU takes full and proper account of the concerns raised in this statement, and of the significant positive contribution of the legal trade in tropical forest products to mitigate the risks of deforestation.

Members of TAG stand ready to work with EU so as to ensure a smooth implementation of a simple and practical system to address the aims of the EUDR.

Would the EU accept our hand of cooperation?

Thank you.

--- --- ---  
14 Nov 2023, Pattaya.  
TAG can be contacted at: [ti@itto.int](mailto:ti@itto.int)

**The Statement was well received and supported by the producer caucus.**

*Sesi ke-59 Majlis Kayu Tropika Antarabangsa (ITTC-59) dan Sesi Bersekutu 4 Jawatankuasanya telah diadakan dari 13 hingga 17 November 2023 di Pattaya, ITTC-59 menekankan keperluan mendesak untuk pembiayaan dalam pengurusan hutan tropika yang mampan. Sesi itu juga memaparkan kenyataan bersama oleh CSAG dan TAG yang menyatakan kebimbangan mengenai Peraturan Bebas Penyahutanan EU (EUDR). Kenyataan mereka diterima baik oleh kaukus pengeluar, menyatakan kebimbangan mengenai potensi kesan negatif EUDR terhadap perdagangan kayu tropika, termasuk keperluan yang bersifat diskriminasi dan perundingan yang tidak mencukupi.*

第59届国际热带木材理事会(59-ITTC)及其四个委员会的联合会议于2023年11月13日至17日在泰国芭堤雅召开。59-ITTC强调可持续热带森林管理迫切需要资金。会议还包括民社咨询小组(CSAG)和贸易咨询小组(TAG)发表的联合声明,表达了对欧盟无毁林法规(EUDR)的担忧。他们的声明受到生产国核心小组的好评,表达了对EUDR对热带木材贸易潜在负面影响的担忧,包括歧视性要求和协商不足。

The Annual Market Discussion 2023 with theme “*Tropical Timber Industry: Challenges and Opportunities from Changing Priorities*” was organised by the ITTO TAG and chaired by its Co-coordinator, Mr Rupert Oliver.

The followings are presentations made in the Discussion:-

1. **“Thailand Timber Industry: Challenges and Opportunities from Changing Priorities”** by Dr Preecha Ongprasert of the Royal Forest Department, Thailand
2. **“The Role of Forests and Forest Products in a Bioeconomy Transition - Supply and Demand Perspectives”** by Dr Lyndall Bull of FAO, Italy
3. **“Community Engagement and Smallholders as Pillars for Southeast Asian Forest Investment and Regional Wood Supplies”** by Mr Stephen Midgley of the Salwood Asia-Pacific, Australia
4. **“Mass Timber in the Building Industry”** by Mr Nobutaka Isoda of Sumitomo Forestry Co., Ltd., Japan
5. **“Smallholder Timber Supply for Domestic and Regional Markets in Central Africa: Importance and Challenges”** by Dr Richard Eba’a Atyi of Centre for International Forestry Research and World Agroforestry (CIFOR-ICRAF), Cameroon
6. **“EU Deforestation-free Regulation (EUDR): Implications for Producers and Importers”** by Mr Franz-Xaver Kraft of the GD Holz Service GmbH, Germany
7. **“EUDR and Actions Taken by the European Timber Trade Federation”** by Mr Nils Olaf Petersen of the GD Holz/European Timber Trade Federation, Germany





Group photo with Dato' Sri Haji Fadillah (seated, 8<sup>th</sup> from left). Also seen in picture are Datuk Haji Len Talib Salleh, Deputy Minister for Urban Planning, Land Administration and Environment (seated, 7<sup>th</sup> from left); Datu Haji Hamden bin Haji Mohammad, Director of Forests (seated, 4<sup>th</sup> from right); Haji Zainal Abidin Bin Haji Abdullah, General Manager of STIDC (seated, far right) and Ms Annie Ting, CEO of STA (seated, 3<sup>rd</sup> from right)

## Sarawak Timber Industry Commodity Trek

In line with the Commodity Trek Sarawak Zone programme, coordinated by the Ministry of Plantation and Commodities (KPK), the Deputy Prime Minister and Minister of Plantation and Commodities, Dato' Sri Haji Fadillah bin Haji Yusof, led a delegation to visit to the Industrial Forest Model Project located at the Sabal Forest Reserve on 26 November 2023.

The project is a collaborative endeavour between the Forest Department Sarawak (FDS) and the Malaysian Timber Industry Board, initiated in 2010, to offer guidance for the management and development of industrial forests in Sarawak.

Datu Haji Hamden bin Haji Mohammad, Director of Forests, in his welcoming remarks, addressed the close engagement opportunity that the event provides to Sarawak's industrial forest stakeholders and the local communities. He revealed that as of 30 June 2023, an area of 578,774.16 hectares of industrial forests has been developed in the region, crucial in ensuring a sustainable supply of raw materials for the timber-based industry.

Recognising the importance of continued progress, Datu Haji Hamden underscored the necessity for concerted efforts and initiatives, especially in research and development, to expedite the development of the industry. He stressed the importance of establishing a robust database system to manage and analyse the industrial forest related data and urged the industrial forest stakeholders to explore new opportunities within the green economy. Datu Haji Hamden also shared FDS' proposal to empower the expansion of the Sabal Industrial Forest Model project.

The proposal entails broadening the functions and scope of the project through several strategic measures, including the establishment of a dedicated research centre and additional planting sites, enhancement of existing infrastructures, and the procurement of necessary facilities for the forest nursery.

He sought support and financial assistance from the Federal Government to aid in the development of the research centre and the formation of a proficient forest firefighting team, crucial for ensuring the project's success and resilience.

In his speech, Dato' Sri Haji Fadillah expressed his full support for the proposal put forward by the FDS and underscored the need for collaborative efforts among all stakeholders to collectively steer a path toward a more robust and strategically progressive future for the development of the industrial forest and timber-based industry.

Recognising Sarawak's extensive potential in offering sustainable raw materials through its industrial forests for downstream industries, he highlighted the significance of this sector for the region's economic growth. He urged the local community to actively engage in tree planting activities within their respective areas, fostering a culture of environmental stewardship and contributing to the overall sustainability of Sarawak's forests.

During the event, Dato' Sri Haji Fadillah and his entourage planted 60 belian seedlings as a symbolic completion of Le Tour De Restoration 2.0, which is the Greening Sarawak Campaign organised by the FDS in conjunction with the 60th anniversary of Sarawak Independence.



Symbolic planting of belian seedlings by Dato' Sri Haji Fadillah.



Dato' Sri Haji Fadillah also witnessed the handing over of contributions by several corporate companies and STA forest plantation members to the FDS to support the implementation of the Greening Sarawak Campaign in line with the 100 Million Tree Planting Campaign at the national level.

Among the contributing STA forest plantation members were WTK Holdings Berhad, Ta Ann Plywood Sdn Bhd, Samling Reforestation (Bintulu) Sdn Bhd, Shin Yang Group of Companies, Pusaka KTS Forests Plantation Sdn Bhd, Jaya Tiasa Holdings Berhad and Limba Jaya Timber Sdn Bhd. This financial support demonstrates their commitment to sustainable forestry practices and the preservation of Sarawak's environmental landscape.

副首相兼种植及原产业部部长拿督斯里哈芝法迪拉尤索夫率领代表团参观萨巴尔森林保护区的工业林示范项目，作为原产品之旅砂拉越区的其中一项行程，强调工业林在维持木材工业方面的重要作用，并支持砂拉越森林局提出的发展建议。



STA Forest Plantation Members and STA Secretariat at the event.

*Timbalan Perdana Menteri merangkap Menteri Perladangan dan Komoditi, Dato' Sri Haji Fadillah bin Haji Yusof, mengetuai delegasi ke Projek Model Hutan Industri di Hutan Simpan Sabal sebagai sebahagian daripada program Commodity Trek Zone Sarawak, menekankan peranan penting hutan perindustrian dalam mengekalkan industri berasaskan kayu dan menyokong cadangan pembangunan yang dibentangkan oleh Jabatan Hutan Sarawak (FDS).*

## Engagement Session on National MSMEs Digitalisation Roadmap Study

Organised by the Ministry of International Trade, Industry and Investment (MINTRED) Sarawak, the Malaysia Digital Economy Corporation (MDEC) hosted an engagement session with representatives and stakeholders from the Sarawak's Micro, Small and Medium Enterprises (MSMEs) on the development of National MSME Digitalisation Roadmap (NMDR) Study on 21 November 2023 at the Pullman Hotel in Kuching.

In his opening remarks, Mr Azham Akhtar Abdullah, the Project Manager of MDEC outlined the study's objectives. The primary focus is on overcoming the challenges posed by fragmented initiatives to digitalise MSMEs, spearheaded by both federal and state agencies, as well as the private sector.

The study aims to propose interventions, solutions and digitalisation guidelines. A crucial aspect is the establishment of an effective governance structure to facilitate implementation processes. The study also seeks to foster a shared vision, mission, and set of goals, defining national-level targets

that will propel the digitalisation journey for MSMEs. This involves tailoring the approach based on diverse personas and the unique needs of these enterprises, thereby ensuring an end-to-end digitalisation journey that is both inclusive and impactful.

Mr John Chang, Director, Business Consulting of Ernst & Young Consulting Sdn Bhd (EY), the company appointed by MDEC to conduct this study, guided the session. He shared with the participants about the Malaysian government's recognition, as reflected in national policies, on the diverse challenges confronting MSMEs in their adoption of digital solutions. These challenges encompass financial barriers, lack of digital talents, lack of clear direction, a plethora of agencies and regulatory hurdles.

At the start of the session, participants were engaged in a survey aimed at assessing the digital maturity of the company that they represented. Based on the survey results, participants were divided into three (3) breakout groups, each reflective of their level of digital maturity.

Within these breakout groups, participants embarked on a series of three (3) breakout sessions, each facilitated by an expert from EY. The objectives of these breakout sessions were to validate challenges faced by MSMEs to digitalise, identify the digital priorities of MSMEs and identify the support and assistance required by MSMEs.

*Kementerian Perdagangan Antarabangsa, Industri dan Pelaburan Sarawak dan Malaysia Digital Economy Corporation terlibat dengan wakil-wakil daripada perusahaan mikro, kecil dan sederhana Sarawak mengenai pembangunan Kajian Hala Tuju Pendigitalan MSME Kebangsaan di Hotel Pullman, Kuching pada 21 November 2023.*

*Para peserta menilai kematangan digital mereka, mengenal pasti cabaran dan keutamaan digital.*

砂拉越国际贸易、工业和投资部和马来西亚数字经济机构于2023年11月21日在古晋铂尔曼酒店与砂拉越微型、小型和中型企业的代表就制定国家中小微企业数字化路线图研究进行了对话。参与者评估了他们的数字化成熟度，识别所面临的挑战和数字优先事项。



# Global Legal & Sustainable Timber Forum 2023



Malaysian delegation at the Forum

The Global Legal & Sustainable Timber Forum 2023 (GLSTF 2023) was co-organised by the International Tropical Timber Organisation (ITTO) and the Macao Trade and Investment Promotion Institute (IPIM).

Coordinated by the Secretariat of the Global Green Supply Chains Initiative (GGSC), the forum was held on 21 – 22 November 2023 at the Galaxy International Convention Centre in Macao. The two-day event, themed “Connect, Co-operate and Share to Promote the Recovery of the Global Tropical Timber Market” attracted 400 guests from 36 countries and regions.

The Malaysian delegation at the Forum, led by the Ministry of Plantation and Commodities was joined by representatives from Malaysian Timber Council (MTC), MTC Youth Circle Committee, Forestry Department of Peninsular Malaysia, Sabah Forestry Department, Malaysian Timber Certification Council, Sabah Timber Industries Association and STA.

The event consisted of four (4) parallel sessions, sub-forums on trade, technology, green financing and raw material, side events on women empowerment and youth leadership, as well as an exhibition featuring wood producers, exporters and furniture companies from countries such as China, Malaysia, and Brazil.

During the sessions, speakers discussed key issues such as the world timber trade, forest carbon sinks, green finance, advancement in timber technology and equipment, climate change, and explored the major challenges hindering the

prosperity and revival of the global timber industry. They also made proposals for establishing a co-operation platform for the global timber industry, building partnerships, and further improving the legal and sustainable timber supply chains.

On the co-operation platform, the forum witnessed the signing and exchange of documents for the second phase of Global Timber Index platform for building legal and sustainable forest products supply chains. The platform aims to facilitate business information, data exchange and collaboration among stakeholders, with a view to increase international trade in legally and sustainably produced forest products. MTC is the focal point for Malaysia in this exercise.

Dato Henry Lau, Chairman of STA, presented a paper on ‘The Key Challenges and Difficulties of International Cooperation in Timber Supply Chains’ during Session III: Global Cooperating and Sharing Platform for the Timber Industry. He began his presentation by highlighting that the world experienced a global loss of 4.1 million hectares of tropical primary forests in 2022, 10% more than that in 2021.

This is happening despite decades of efforts to combat forest loss through various initiatives and pledges by global leaders to halt and reverse forest loss through international platforms such as the New York Declaration on Forests in 2014 and the 2021 Glasgow Leaders’ Declaration on Forests and Land Use. He underscored that deforestation in the tropics is the result of

expansion of commercial agriculture, timber extraction, forest fires and infrastructure development. Notwithstanding that, the timber industry is often unfairly characterised as driven solely by economic motives, with a tendency to neglect broader environmental concerns. The perception is that timber industry players are frequently labelled as culprits, especially in instances of illegal activities, reinforcing assumptions that they prioritise economic gains over the well-being of forests and the environment.

This perspective, if unaddressed, could lead to negative consequences such as global warming and potential climate disasters. Apart from that, he also highlighted uncertainties in tenure security faced by the timber players. Timber players require long and secure tenure to implement sustainable forest management in preventing deforestation, in line with the 17 Sustainable Development Goals of the United Nations. He expressed a hopeful desire for the Forum to serve as an ideal platform for addressing issues related to tropical forests.

Ms. Annie Ting, Chief Executive Officer of STA, was also actively engaged at the Forum, as panellist in Sub-Forum 4: Green Finance and Innovative Facilitating Measures for Green Supply Chain. She discussed the possibility of extending green finance to Asian countries, particularly Malaysia, for implementing sustainable forest management and ensuring the supply of legal and sustainable timber.



Ms Ting was honoured with the title of Global Wood Ambassador by the Forum organiser.

Ms Ting also presented a paper titled “Women Power: Breaking Barriers, Inspiring Change” where she shared insights into her journey working in a male-dominated industry. She elaborated on some of the policies and programmes implemented within STA and the need to balance between work and family responsibilities.

*Forum Kayu Sah & Mampan Global 2023 anjuran Pertubuhan Kayu Tropika Antarabangsa dan Institut Penggalak Perdagangan dan Pelaburan Macao, bersidang di Macao menampilkan sesi mengenai cabaran perdagangan kayu, kewangan hijau dan teknologi. Dato Henry Lau, Pengerusi STA membentangkan ‘Cabaran Utama dan Kesukaran Kerjasama Antarabangsa dalam Rangkaian Bekalan Kayu’ dan Cik Annie Ting, Ketua Pegawai Eksekutif STA berkongsi pandangan tentang perjalanan kerjayanya dalam industri yang didominasi oleh lelaki.*

由国际热带木材组织和澳门贸易投资促进局主办的“2023年全球法律与可持续木材论坛”在澳门举行，论坛主题包括木材贸易挑战、绿色金融和技术。本会主席拿督刘利康发表题为“木材供应链国际合作的主要挑战和困难”的论文而本会首席执行官陈燕贞小姐分享她在男性主导业工作的经历。



Dato' Henry Lau, Chairman of STA presented at the event.

## Briefing Session on the Implementation of DF Circular No. 2/2019

A briefing session on the implementation of DF Circular No. 2/2019, Enrichment Planting, took place on 30 November 2023 at the Forest Department Sarawak (FDS) Headquarters in Kuching, attended by licensees and STA.

Mr Arifin Bin Awang Zulkifli, from the Licensing Division of FDS, informed the participants that guidelines for Enrichment Planting had been developed to facilitate the implementation of DF Circular No. 2/2019. The guideline was distributed to licensees on 1 November 2023. He further shared that, starting January 2024, the enrichment planting quota for all licensees would be determined based on the number of trees felled in 2023.

Planting locations, methods, species selection, and indicators for passing marks were explained to the

participants by Mr Baher @ Biha Bin Razali and Mr Joshua Deri.

Some of the comments received during the briefing session included the suggestion to form a task force as a platform to discuss matters related to enrichment planting, the inclusion of the species kelampayan, GPS marking on skid trails or log landing sites instead of individual planted trees, and a revision of the form.

*Pada 30 November 2023, Jabatan Hutan Sarawak telah menganjurkan sesi taklimat di ibu pejabatnya, mengemas kini pemegang lesen dan STA mengenai pelaksanaan Pekeliling DF Bil. 2/2019 berkaitan Penanaman Pengayaan.*

砂拉越森林局于2023年11月30日在其总部举办简报会，向持证人和STA通报DF Circular No. 2/2019相关富集种植的实施。

## STA Membership Renewal

Members are reminded that all STA Membership will expire on 31 December 2023. Notices for renewal of STA Membership had been sent out to all members on 3 November 2023.

All payments are due on **1 January 2024**. However, in accordance to Clause 6(4) of STA Constitution, members are given a grace period of 30 days that is, by **31 January 2024** to effect payment.

STA Membership will only be renewed once all the required supporting documents and payment are received.

温馨提醒，所有STA会员资格将于2023年12月31日期满，会员更新通知书已在2023年11月3日发出。

所有会员更新付款将于2024年1月1日截止。然而，根据公会章程第6(4)章，会员将给予30天的宽限期，至2024年1月31日缴付更新费。STA会员资格只有在收到所需的支持文件和付款后才会获得更新。

*Ahli diingatkan bahawa semua Keahlian STA akan tamat pada 31 Disember 2023. Notis pembaharuan Keahlian STA telah dihantar kepada semua ahli pada 3 November 2023.*

*Semua bayaran perlu dijelaskan pada 1 Januari 2024. Walau bagaimanapun, selaras dengan Perkara 6(4) perlembagaan STA, ahli-ahli diberi tempoh tangguh selama 30 hari iaitu sehingga 31 Januari 2024 untuk membuat pembayaran.*

*Keahlian STA hanya akan diperbaharui apabila semua dokumen sokongan yang diperlukan dan bayaran diterima.*





Symbolic bamboo planting ceremony by the Premier of Sarawak  
(Photo credit: STIDC)



Launching of the Coffee Table Book titled "Bamboo Found In Sarawak: The Plants & Uses" (Photo credit: STIDC)

## Signing of MoU for Samalaju Greening Project and Supply of Sustainable Raw Material Through Bamboo Cultivations

Sarawak Timber Industry Development Corporation (STIDC), Bintulu Development Authority (BDA) and Pertama Ferroalloys Sdn Bhd signed a memorandum of understanding (MoU) at Fairfield Hotel by Marriot, Bintulu on 1 November 2023, witnessed by Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Tun Abang Haji Openg, Premier of Sarawak.

The MoU marks a committed initiative to enhance collaboration among the involved parties in greening the Samalaju area through the cultivation of sustainable bamboo species. Concurrently, it aims to foster active participation from the local community, encouraging them to engage in bamboo planting activities that will not only contribute to environmental conservation but also uplift their socio-economic well-being.

The MoU establishes a robust and all-encompassing partnership dedicated to ensuring a sustainable supply of bamboo material.

Among some of the key elements of the collaboration are the provision of high-quality bamboo seedlings, the establishment of bamboo nurseries and the identification of community members interested in engaging in bamboo planting initiatives at Samalaju.

Datuk Amar Haji Awang Tengah Ali Hasan, Deputy Premier of Sarawak and Chairman of STIDC Board of Management conveyed in his speech that was read by Datuk Haji Len Talif Salleh, Deputy Minister for Urban Planning, Land Administration and Environment, that the collaboration targets degraded areas where conventional trees can hardly grow.

The initiative encourages both community and commercial planters to contribute to bamboo planting, ultimately supplying bamboo materials for Pertama Ferroalloys' bamboo pellet production which, in turn, will serve as a sustainable fuel source for furnaces used in alloy product manufacturing.

He further disclosed that about 3,000 hectares of bamboo plantations are needed to ensure a consistent bamboo supply to Pertama Ferroalloys' mill for energy generation. He expressed hope that STIDC, BDA and the resident office could facilitate Pertama Ferroalloys in ensuring the success of this project.

He added that under this initiative, BDA has already identified about 100 hectares in the Samalaju area for bamboo plantation, with an additional 40 hectares allocated at the Pertama Ferroalloys' mill site for cultivation.

During his address, Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari highlighted Sarawak's ambition to increase its bamboo export value from RM1.2 million recorded last year to RM10 million annually. He expressed confidence in the prospects of technology-driven bamboo cultivation and its potential for successful outcomes. Stressing the role of industrial forest plantation development in Sarawak for renewable energy production, particularly in biomass pellets, bamboo emerged as a viable species for this purpose.

Also launched during the ceremony was a Coffee Table Book titled "Bamboo Found In Sarawak: The Plants & Uses" published by STIDC.

*Perbadanan Kemajuan Perusahaan Kayu Sarawak, Lembaga Kemajuan Bintulu dan Pertama Ferroalloys Sdn Bhd menandatangani MoU untuk mengusahakan penanaman buluh mampan di Samalaju.*

*Inisiatif ini bertujuan untuk menyokong pengeluaran pelet buluh Pertama Ferroalloys untuk tenaga mampan, dengan Sarawak bercita-cita untuk meningkatkan eksport buluh.*

砂拉越木材工业发展机构、民都鲁发展局和Pertama Ferroalloys有限公司签署一份谅解备忘录，在三马拉如种植可持续竹子。该倡议旨在支持Pertama Ferroalloys的竹颗粒生产以获取可持续能源，有望促进砂拉越竹子出口。

# Study on Integrated River Basin Management Plan for Batang Rajang Basin

The Department of Irrigation and Drainage, Malaysia (DID), commissioned KTA (Sarawak) Sdn Bhd to conduct a study on the Integrated River Basin Management (IRBM) plan for Batang Rajang Basin, Sarawak, from 1 September 2023 to 28 February 2026.

An inception report meeting was held on 16 November 2023 at Raia Hotel & Convention Centre, Kuching. The meeting, chaired by Ir Dr Wong Chee Loong, Head of Senior Assistant Director of DID, was attended by various stakeholders in Sarawak, including STA.

The study aims to formulate an IRBM plan for the Batang Rajang river basin, addressing key objectives such as ensuring sufficient and clean water, reducing flood risk, and enhancing environmental conservation.

The consultant shall carry out a number of assessments such as water resources assessment, water quality assessment, flood risk assessment, river morphology assessment and environment flow assessment.

During the meeting, the consultant presented their preliminary findings, covering the existing conditions, main issues identified in the basin, and their proposed approach and methodology. They also outlined their work schedule and plans for the study.

*Jabatan Pengairan dan Saliran, Malaysia, menugaskan KTA (Sarawak) Sdn Bhd untuk menjalankan kajian mengenai rancangan Pengurusan Lembangan Sungai Bersepadu bagi Lembangan Batang Rajang, Sarawak.*

*Mesyuarat laporan permulaan melibatkan pihak berkepentingan daripada pelbagai agensi di Sarawak telah diadakan pada 16 November 2023, menggariskan objektif utama seperti memastikan air mencukupi dan bersih, mengurangkan risiko banjir, dan meningkatkan pemuliharaan alam sekitar.*

马来西亚灌溉和排水部委托KTA(砂拉越)有限公司对砂拉越拉让江流域的综合流域管理计划进行研究。砂拉越各机构的利益相关者参加的启动报告会议于2023年11月16日举行，概述了确保充足和清洁的水源、减少洪水风险和加强环境保护等关键目标。

## Briefing Session on Carbon Credits

The Youth Circle Committee under the Malaysian Timber Council (MTC MYCC) invited speakers from Malaysia Forest Fund (MFF) to provide insights into the concept of carbon credit in its recent webinar on 30 November 2023. MFF is an agency formed in June 2021 under the purview of Ministry of Natural Resources, Environment and Climate Change to, among many others, develop and implement innovative finance initiatives for forest.

The speakers, Ir. Ts. Hartini Azmi, Deputy Director of Standards & Certification and Mr Muhammad Omar Haatim Harris, Deputy Director – Programme Management & Business Development highlighted that the Government has developed a number of policies and regulations to achieve its goals of maintaining more than fifty percent (50%) forests cover, climate targets and policy on biological diversity. Among these policies is the National Reducing Emissions from Deforestation and Forest Degradation (REDD) Plus Strategy which aims to ensure the forest resources and their ecosystem services are secured, and the benefits are shared fairly among all stakeholders.

He added that the REDD Plus Finance Framework (RFF) was developed as a finance mechanism to incentivise activities that help keep forests standing by bringing together different actors such as Government agencies, private sectors and non-governmental organisations. The two (2) offerings under the RFF are Forest Carbon Offset (FCO) and Forest Conservation Certificate (FCC).

The FCO is a market-based mechanism that provides corporations with forest emissions reductions units (carbon credits) for offsetting their emissions or selling on the carbon credit market, open to both domestic and international investors. On the other hand, the FCC is a non-market-based mechanism that emphasises non-carbon benefits, serving as an incentive for environmental and social contributions to ecosystem conservation. The FCC is generated following the REDD Plus requirements agreed under the United Nations Framework Convention on Climate Change. Among some of the eligible activities under the FCC are gazettement of new forest and restoration of existing forests.

The concept of additionality was also underscored along with examples of how forest carbon credits are generated. It was learned that improvement of management practices through the adoption of reduced impact logging instead of a clear-felling approach for extraction is one of the activities that can reduce greenhouse gas emissions.

*Jawatankuasa Lingkar Belia Majlis Perakayuan Malaysia menganjurkan webinar yang menampilkan penceramah Dana Hutan Malaysia pada 30 November 2023, membincangkan Rangka Kerja Kewangan REDD Plus, dan tawarannya, iaitu Forest Carbon Offset dan Sijil Pemuliharaan Hutan yang bertujuan untuk memberi insentif kepada aktiviti pemuliharaan hutan.*

马来西亚木材理事会青年团委员会于2023年11月30日举办线上研讨会，邀请马来西亚森林基金的官员讲解并讨论减少全国毁林和森林退化所致排放量(REDD) Plus的金融框架及其提供的机制，即旨在激励森林保护活动的森林碳抵消和森林保护证书。





Prof Dr Sim Kui Hian, Deputy Premier of Sarawak cum Minister for Public Health, Housing and Local Government (seated, 5<sup>th</sup> from right); Datuk Haji Len Talif Salleh, Deputy Minister for Urban Planning, Land Administration and Environment at the Ministry of Natural Resources and Urban Development, Sarawak cum Deputy Chairman of the NREB (seated, 4<sup>th</sup> from right); and Mr Jack Anak Liam, Controller of Environmental Quality Sarawak (seated, 6<sup>th</sup> from right) posed for a group photo at the event.

## Hari Alam Sekitar Negara 2023

National Environment Day, known as *Hari Alam Sekitar Negara* (HASN) is an annual event that has been celebrated on 21 October since 1989 to promote environmental education and awareness on a broader scale.

The State level celebration of HASN 2023 in Sarawak was jointly organised by the Natural Resources and Environment Board (NREB) Sarawak, the Department of Environment (DOE) Sarawak, Trienekens Sdn Bhd (Trienekens), ZHA Environmental Sdn Bhd, and SAR-ALAM Indah Sdn Bhd. With theme “*Shared Responsibility for the Environment*”, the celebration aligns with the government’s aim to encourage shared responsibility among all stakeholders to preserve and conserve the environment.

The event took place at the Sarawak Legislative Assembly on 8 November 2023 in the presence of dignitaries such as Datuk Amar Prof Dr Sim Kui Hian, Deputy Premier of Sarawak cum Minister for Public Health, Housing and Local Government; and Datuk Haji Len Talif Salleh, Deputy Minister for Urban Planning, Land Administration and Environment at the Ministry of Natural Resources and Urban Development, Sarawak.

In his welcoming speech, Mr Jack Anak Liam, Controller of Environmental Quality Sarawak shared that the Sarawak Government had entrusted the NREB to conduct greenhouse gas inventory and enforce emission reduction for global climate change mitigation. NREB’s responsibilities also include inspecting the conveyances transporting carbon dioxide to

Sarawak’s waters for storage and processing EIA for carbon capture and storage projects in Sarawak.

The Premier of Sarawak, Datuk Patinggi Tan Sri (Dr.) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Open, Premier of Sarawak in his opening speech, read by Datuk Amar Prof Dr Sim Kui Hian, highlighted the initiatives undertaken by the Government to address climate change. This include the development of hydrogen as an emission-free fuel, carbon capture and storage as well as carbon trading.

The HASN 2023 also served as a platform for the signing of three (3) memoranda of understanding between NREB and private sectors, namely Trienekens, assisted by Swinburne University of Technology (Sarawak Campus); ZHA

Environmental Sdn Bhd and SAR-ALAM Indah Sdn Bhd.

The event also witnessed the donation of grants from Trienekens and Press Metal to selected schools for the implementation of Kelab Pencinta Alam Sekitar (PALS) activities.

*Sambutan Hari Alam Sekitar Negara 2023 di Sarawak diadakan di Persidangan Dewan Undangan Negeri Sarawak pada 8 November 2023, termasuk pemeteraian memorandum persefahaman (MOU) dengan sektor swasta serta sumbangan geran kepada sekolah-sekolah terpilih untuk aktiviti alam sekitar.*

于2023年11月8日在砂拉越州立法议会举办的2023年全国环境日砂拉越区庆典包括与私营机构签署谅解备忘录，以及向选定学校慷慨捐款以开展环保活动。

### Training on “Getting SMEs Onboard the ESG Journey”

The Associated Chinese Chambers of Commerce and Industry of Sarawak (ACCCIS) conducted a 1-day environmental, social and governance (ESG) training course on 15 November 2023 at KCGC Innovation Hub, Wisma Chinese Chamber, Kuching. Titled “*Getting Small and Medium Enterprises (SMEs) Onboard the ESG Journey*”, the course aimed to empower local SMEs with a comprehensive understanding of ESG concepts, highlighting the significance of sustainability in business landscapes.

Datuk Jonathan Chai, Secretary-General of ACCCIS in his welcoming speech shared that the overarching goal of the training was not only to inspire active participation in the transformative ESG journey by local SMEs but also to guide them toward achieving ESG excellence. The training, conducted by Prof Dr Shanti Faridah Salleh and Dr Florianna Lendai Michael from Universiti Malaysia Sarawak (UNIMAS) Business School,

## Update on

# Upcoming Trade Regulations & Policies in the European Union

The Europe and Russia Regional Office of the Malaysian Timber Council (MTC) organised its fourth webinar this year on 23 November 2023. The webinar updated the over 90 participants with upcoming trade regulations and policies in the European Union (EU) that may impact the trade of timber and timber products between the EU and Malaysia.

The European Green Deal, approved in 2020, sets the goal of making the EU climate-neutral by year 2050. Some of the upcoming initiatives include the Ecodesign for Sustainable Products Regulation (ESPR) and Corporate Sustainability Due Diligence (CSDD).

The ESPR, which will apply to all products placed on the EU market, whether produced inside or outside the EU, aims to extend the product life cycles, reduce carbon and environmental footprints, ensure products are fit for climate neutral and circular economy as well as prevent waste and boost material recovery. A framework will be established to set eco-design requirements for specific product groups, enhancing circularity and other environmental sustainability aspects. The introduction of “Digital Product Passport” will provide information about products’ environmental sustainability such as the durability and reparability, the recycled content or the availability of spare parts of a product.

It was also shared that on 23 February 2022, a proposal for a Directive on CSDD was adopted. This Directive, which will come into force two (2) years after approval, mandates companies to conduct due diligence throughout their supply chains to identify and address any adverse environmental and human rights impacts. Companies with 500 or more employees and a net worldwide turnover of €150 million or more falls under Group 1 and must

immediately implement CSDD. Meanwhile, companies with 250 or more employees, net worldwide turnover of €40 million or more and operating in high impact sectors such as forestry and textiles will implement CSDD two (2) years after Group 1. The Directive will also apply to third country companies that are active in the EU with turnover threshold aligned with Groups 1 and 2, generated in the EU. The Corporate Sustainability Reporting Directive (CSRD) is part of the broader initiative to enhance sustainability reporting and disclosure within the EU. The CSRD, in effect since 5 January 2023, ensures that investors and other stakeholders have access to the information they need to assess the impact of companies on people and the environment and for investors to assess financial risks and opportunities arising from climate change and other sustainability issues.

The EU is also proposing the Forced Labour Products Ban Regulation which prohibits imports linked to forced labour as part of its efforts to promote ethical practices in global supply chains. It mandates due diligence, traceability and transparency in supply chains.

*Majlis Perkayuan Malaysia mengetengahkan peraturan perdagangan EU yang memberi kesan kepada perdagangan kayu dalam webinarnya yang diadakan pada 23 November 2023. Inisiatif European Green Deal, termasuk Ecodesign for Peraturan Produk Mampan dan ketekunan wajar kemampuan korporat adalah antara beberapa topik utama yang dibincangkan.*

马来西亚木材理事会在2023年11月23日举行的线上研讨会中强调影响木材贸易的欧盟贸易法规。欧洲绿色协议的举措，包括可持续产品的生态设计法规和企业可持续发展尽职调查是讨论的主题之一。

covered a wide range of topics, including an introduction to ESG and its global importance, an in-depth exploration of the components of ESG and insights into sustainability reporting. Participants also gained valuable knowledge on how to implement ESG practices and assess their readiness for embracing these principles.

*Dewan Perniagaan dan Perindustrian Cina Sarawak Bersekutu memperkasakan PKS tempatan dengan pemahaman menyeluruh tentang konsep ESG melalui latihan ESG pada 15 November 2023. Jurulatih daripada Sekolah Perniagaan UNIMAS berkongsi pelbagai topik, termasuk kepentingan ESG global dan pelaporan kemampuan serta membantu peserta menilai kesediaan mereka untuk menerima prinsip ESG.*

砂拉越中华总商会于2023年11月15日通过为期1天的环境、社会和治理(ESG)培训，让当地中小企业全面了解ESG概念。来自砂大商业学院的培训师涵盖了不同的主题，包括全球ESG的重要性和可持续发展报告，并帮助参与者评估他们接受ESG原则的准备情况。



Group photo with trainers, Dr Florianna (seated, 4<sup>th</sup> from left) and Prof Dr Shanti (seated, 5<sup>th</sup> from left) as well as Datuk Jonathan Chai, ACCCIS Secretary-General (seated, 6<sup>th</sup> from left)



# Presentation of STA Prizes

STA Mutual Sdn. Bhd, a subsidiary company of STA has been awarding STA Prizes to final year students pursuing degree courses at the Faculty of Forestry and Environment, Universiti Putra Malaysia and Faculty of Resource Science and Technology (FRST), Universiti Malaysia Sarawak (UNIMAS) since 2005 in recognition of the students' excellent academic achievement.

The two (2) categories of STA Prizes are Best Graduating Student and Best Final Year Project Paper. The Best Graduating Student receives RM1,000.00, whereas the student with the Best Final Year Project Paper receives RM500.00. Each student is also given a plaque and a certificate. The recipients for these prizes are selected from a list of recommended candidates put forth by the respective faculties.

In conjunction with the 27<sup>th</sup> UNIMAS Convocation Ceremony, a simple presentation ceremony of STA Prizes for two (2) students from UNIMAS was held on 9 November 2023 at Dewan Tunku Abdul Rahman Putra, UNIMAS. Both STA Prizes were presented by Mr Brian Yeo, Group Finance and Administration Senior Manager of STA, witnessed by Professor Datuk Dr Mohamad Kadim Suaidi, Vice Chancellor of UNIMAS and Professor Madya Dr Samsur Mohamad, Dean of the FRST, UNIMAS.

结合第27届砂大毕业典礼，本会于2023年11月9日举办颁发STA奖项给2名砂大学生的简单颁奖仪式。最佳毕业生奖颁给了奴鲁莎菲雅小姐，而最佳毕业论文奖则颁给了刘佩珊小姐(译音)。



Ms Nur Shafiqah Farahana Binti Kalog,  
Best Graduating Student



Ms Liew Pui Shan, Best Final Year Project Paper  
(Paper title: Effect of Different Planting Technique at Forest Landscape Restoration Sites of Sabal National Park)

Satu majlis penyampaian ringkas Hadiah STA untuk 2 pelajar Universiti Malaysia Sarawak telah diadakan pada 9 November 2023 bersempena dengan Majlis Konvokesyen UNIMAS ke-27. Pelajar Graduan Terbaik dianugerahkan kepada Cik Nur Shafiqah Farahana Binti Kalog manakala Projek Tahun Akhir Terbaik dianugerahkan kepada Cik Liew Pui Shan.

# ESG Outreach Programme

The Ministry of Investment, Trade and Industry (MITI) organised the Environmental, Social and Governance (ESG) Outreach Programme for industries in Sarawak on 3 November 2023 at the Regatta Suites, Kuching with the overarching goal of fostering awareness and comprehension of ESG principles among all stakeholders.

During the discussion on the topic "Importance of ESG & Sustainability Reporting for the Manufacturing Sectors in Malaysia", it was learned that early adopters can enhance the reputation and branding of their businesses, making them better equipped to retain their existing markets and access new ones. Recognising the difficulties faced by the small and medium enterprises (SMEs) in embracing ESG, MITI adopted a phased approach to guide the manufacturing sector in integrating ESG principles into their businesses.

According to the National Industry ESG Framework or iESG Framework, Phase 1.0: Just Transition will take place from 2024 to 2026, during which businesses will receive valuable support to meet various ESG requirements. Phase 2, scheduled between 2027 and 2030 is designed to accelerate ESG practices, aligning them with both national and international ESG requirements.

In its commitment to support businesses, MITI has developed and introduced *i-ESGReady* and *i-ESGStart*. *i-ESGReady* is an assessment tool designed to gauge a company's performance against established ESG criteria. Meanwhile, *i-ESGStart* offers step-by-step instructions, practical examples and relevant templates to help organisations select the most suitable standard and framework based on their stakeholder needs.

Kementerian Pelaburan, Perdagangan dan Industri (MITI) telah menganjurkan Program Jangkauan ESG pada 3 November 2023 untuk meningkatkan kesedaran tentang prinsip ESG, terutamanya bagi perusahaan kecil dan sederhana yang menghadapi cabaran. Para peserta diperkenalkan dengan Rangka Kerja ESG Industri Nasional (Rangka Kerja iESG), *i-ESGReady* dan *i-ESGStart* yang menyediakan pendekatan komprehensif untuk perniagaan menyepadukan dan meningkatkan amalan ESG.

马来西亚投资、贸易和工业部(MITI)于2023年11月3日举办环境、社会和治理(ESG)外展计划，以提高对ESG原则的认识，特别是面临挑战的中小企业。参与者借此了解国家工业ESG框架(iESG框架)、*i-ESGReady*和*i-ESGStart*，为企业整合和增强其ESG实践提供了全面的方法。

## UNIMAS Students' Visit to STA



Mr Law Hui Chau, Assistant Manager showing the UNIMAS students around STA Exhibition Centre

Headed by Associate Professor Dr Wong Sin Yeng, a group of thirty nine (39) final year students undergoing the course of Wood Science and Protection Technology from the Faculty of Resource Science and Technology, Universiti Malaysia Sarawak paid a visit to STA on 10 November 2023 to learn about the roles and functions of STA and attain a better understanding and knowledge of the forestry and timber industry in Sarawak

The visit began with a guided tour of STA Exhibition Centre at Level 4 of Wisma STA. The Centre serves as an education and promotion focal point, providing information in relation to the forestry and timber industry in Sarawak using state-of-the-art technologies such as touch screen kiosks and multimedia presentation screens.

Thereafter, the group was briefed on the Roles and Functions of STA and Overview of the Timber Industry in Sarawak by Ms Jaime Chan, Assistant Manager (Forestry) and Ms Miriam Hong, Assistant Manager (Membership, Manufacturing and Trade). The briefing covered overview of the timber industry in Sarawak, management of forests in Sarawak, global developments to address climate change as well as challenges faced by the industry.



Associate Professor Dr Wong (seated 2<sup>nd</sup> from right) posed for photo with students and staff members from the STA Secretariat

*Sekumpulan pelajar tahun akhir daripada Kursus Sains Kayu dan Teknologi Perlindungan di Fakulti Sains dan Teknologi Sumber, Universiti Malaysia Sarawak (UNIMAS) memperoleh pemahaman dan pengetahuan yang lebih baik tentang industri perhutanan dan perkayuan di Sarawak melalui lawatan mereka ke STA pada 10 November 2023.*

砂大资源科学与工艺学院木材科学与保护技术课程最后一年的学生通过2023年11月10日对本会的访问中获得砂拉越林业和木材工业更好的了解和知识。

## STIDC Industry Update 2023

The Sarawak Timber Industry Development Corporation (STIDC) organised a series of briefings in Kuching, Miri, Bintulu and Sibu from 7 to 10 November 2023 to keep stakeholders informed of updates on the STIDC (Amendment) Ordinance 2022, draft Sarawak Timber Industry (Licensing) Regulations 2023 and the Standard Operating Procedures (SOP) for the issuance of Timber Industry Licence.

During the briefing in Kuching, held on 7 November 2023 at STIDC Headquarters, Wisma Sumber Alam, Ms Rosleenda Sayumi, Assistant General Manager of Legal Affairs & Secretarial Services Division, STIDC highlighted that the STIDC (Amendment) Ordinance 2022 had become effective on 1 June 2023, with 18 new provisions. Key changes included the removal of registration requirement, the introduction of Timber Industry Licences (TILs), issuance of Temporary Permits to Operate, power to General Manager of STIDC to cancel or suspend TIL, as well as the enhancement and strengthening of enforcement provisions. She further emphasised key regulations in the draft Sarawak Timber Industry (Licensing) Regulations 2023, such as those pertaining to application procedures, temporary permits, layout specifications for timber mills, and more.

Mr Afizulmizam Afandi, Manager of Licensing & Foreign Worker Section STIDC, provided an overview of the SOP for TIL issuance and guided participants through the online application and renewal process using the Sarawak Timber Industry Information System (STIS). Local traders engaged in the sale, distribution and marketing of timber and timber products within Sarawak, importer, exporter and manufacturer of timber and timber products are required to apply TIL through STIS.

At the closing ceremony, Haji Zainal Abidin Bin Haji Abdullah, General Manager of STIDC conveyed that the STIDC (Amendment) Ordinance 2022 and its regulations were designed to strengthen, enhance and streamline the statutory functions of STIDC. This strategic initiative aims to transform and reform the timber industry by diversifying its focus towards producing value-added products, including engineered wood, furniture, panel based and bamboo-based products.

*Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) menjalankan beberapa taklimat di seluruh Sarawak dari 7 hingga 10 November 2023 untuk mengemas kini pihak berkepentingan mengenai Ordinan STIDC (Pindaan) 2022, draf Peraturan Industri Kayu Sarawak (Perlesenan) 2023, dan Prosedur Operasi Standard bagi Pengeluaran Lesen Industri Kayu. Perubahan ketara kepada Ordinan STIDC 2022 termasuk pemansuhan keperluan pendaftaran dan peruntukan penalti.*

砂拉越木材工业发展机构 (STIDC) 于2023年11月7日至10日在砂拉越各地举行一系列简报会，向利益相关者介绍2022年STIDC(修订条例、2023年砂拉越木材工业(许可证)条例草案以及发行木材业许可证的标准操作程序。2022年STIDC 条例的显著变化包括取消了注册要求和处罚条款。



# MEF Industrial Relations Conference 2023



Seated, left to right are Datuk Hj Shamsuddin Bardan, Executive Director of MEF; Dr Mohd Syukri Ahmad Sudari, Vice President of MEF; Datuk Dr Syed Hussain Syed Husman, President of MEF, Mr Shakib Ahmad Shakir, Director General of the Manpower Department in the Ministry of Human Resources; and Dato' Nathan K. Suppiah, Vice President of the Federation of Malaysian Manufacturers

The Malaysian Employers Federation (MEF) organised a 2-day conference on “The Future of Work” on 22 and 23 November 2023 which was attended by more than 200 participants comprising Chief Executive Officers, Managing Directors, General Managers, Directors, Legal Practitioners, Human Resource Managers, representatives from the Government, and academia.

The Conference aimed to provide a platform for information-sharing on issues relevant to employment and work of the future; understand the implications of future work challenges in managing the workforce; broaden understanding on emerging issues related to gig economy, wage structure, digitalisation, domestic inquiry, among others; and expand opportunities for business networking among participants.

Dr R Usha Devi, MEF Senior Manager-Advisory highlighted in her introductory speech, the profound impact of technology breakthrough, climate change, urbanisation, and aging population. These compelling themes set the stage for the conference, encompassing a diverse array of topics that span shifts in the work environment to emerging changes in the professional landscape.

She emphasised the need for practitioners, professionals and other stakeholders to foster a collective understanding and proactive approach to the challenges and opportunities they present in our rapidly changing world.

Datuk Dr Syed Hussain Syed Husman, MEF President set the tone in his welcoming address by sharing that the future of work extends far beyond the confines of the digital workspace. He highlighted that work is now omnipresent, spanning across various realms such as the air, homes, seas and beyond. He also stressed the significance of flexibility and creativity

in fostering effective teamwork within the evolving workspace.

In his compelling keynote address, Mr Shakib Ahmad Shakir, Director General of Manpower Department in the Ministry of Human Resource delved into the profound changes brought about by the digital era and artificial intelligence (AI). He added that work and business paradigms have evolved significantly, with most communications and activities now conducted remotely through online platforms.

While acknowledging the higher cost of living associated with the prevalence of AI, he highlighted the newfound flexibility it offers, allowing individuals to choose work hours between 8 am to 5 pm.

Mr Shakib recognised the transformative impact of AI in fields such as education and healthcare, noting that it reshapes how we live, work, and communicate. However, he underscored the importance of critical decision-making by human.

Throughout the Conference, diverse range of topics were discussed, including flexibility of employment, the future of gig employment, mental health issues in the workplace and the progressive wage system.

*Persekutuan Majikan-Majikan Malaysia (MEF) menarik lebih 200 peserta ke persidangan 2 hari mengenai “Kerja Masa Depan” pada 22 dan 23 November 2023.*

*Persidangan itu memfokuskan kepada pelbagai topik seperti ekonomi gig, pendigitalan dan cabaran pengurusan tenaga kerja.*

马来西亚雇主联合会(MEF)于2023年11月22日至23日举办为期2天的“工作的未来”研讨会,吸引了200多位参与者。研讨会主要讨论零工经济、数字化和劳动力管理挑战等多项主题。

# Technical Committee Meeting No 1/2023 of MTIB Plywood Certification Standard

The Malaysian Timber Industry Board (MTIB) has set up a Technical Committee comprising representatives from the academic, plywood industry, professional bodies and regulatory agencies, including STA to review and approve the plywood certification standard for implementation by the MTIB's Certification Body (CB). This initiative aims to refine the certification requirements for plywood manufacturers. The Technical Committee Meeting No 1/2023 was held from 14 to 15 November 2023 at AnCasa Hotel Kuala Lumpur and chaired by Dr Paridah Md Tahir from the Institute of Tropical Forestry and Forest Product at the Universiti Putra Malaysia.

The MTIB's CB has implemented certification on panel products to improve the quality of panel products at the domestic level through the development of standard. As the existing plywood certification standard was developed a decade ago, the Committee deemed it timely to conduct a comprehensive review.

Throughout the meeting, the Committee reviewed the plywood certification standard, as well as the scope, terms and definitions of the standard.

The Committee agreed to incorporate certain standards from Japanese Agriculture Standard (JAS), Malaysian Standard (MS), European Standard (EN), and International Organisation for Standardization (ISO) into the updated plywood certification standard.

MTIB's CB anticipated that once finalised and endorsed by the Ministry of Plantation and Commodities, the updated plywood certification standard will serve as a national standard. This standardisation is to instil a heightened level of confidence in plywood products within the domestic market.

*Lembaga Perindustrian Kayu Malaysia (MTIB) telah menubuhkan Jawatankuasa Teknikal untuk menyemak dan meluluskan piawaian pensijilan papan lapis untuk dilaksanakan oleh Badan Pensijilan (CB) MTIB.*

*Inisiatif ini digariskan semasa Mesyuarat Jawatankuasa Teknikal Bil 1/2023 yang dipengerusikan oleh Dr Paridah Md Tahir dari Institut Perhutanan Tropika dan Hasil Hutan, Universiti Putra Malaysia dari 14 hingga 15 November 2023.*

马来西亚木材工业局(MTIB)成立一个技术委员会来审查和批准胶合板认证标准,并由MTIB的认证机构(CB)实施。今年度首个技术委员会会议假2023年11月14日至15日召开,由马来西亚博特拉大学热带林业和林产品研究所的巴丽达博士主持,并强调了这一举措。





# OPERATOR TRAINING PROGRAMME NOVEMBER 2023

Skills training in forestry activities have been designed to provide forest workmen with basic knowledge and practical skills required to work safely in the forests. It helps to create awareness on the environment, sustainable forest management as well as occupational safety and health.

STA Training Sdn Bhd (STAT), a subsidiary company of STA, offers training to workmen in the forestry and timber industry. Presently, there are twelve (12) skills sets offered by STAT.

For this month, STAT conducted ground operator training programme as follows:

## > Tree and Log Identification

**STAT Trainer / Assessor** : Mr Sumbang Rani  
**Date** : 3 - 6 November 2023  
**Location** : Sungai Pila Base Camp, Kapit  
**Company** : Raplex Sdn Bhd

## > Tree Felling-Chainsaw (Natural Forest), Log Extraction-Tractor (Natural Forest) & Log Loading-Front End Loader (Natural Forest)

**STAT Trainer / Assessor** : Mr Kutok Bayang & Mr Sang Sanjan  
**Date** : 7 - 14 November 2023  
**Location** : Liaong Hong Sawmill Sdn Bhd, Lawas  
**Company** : Grow Enterprise

## > Tree and Log Identification, Log and Timber Identification

**STAT Trainer / Assessor** : Mr Sumbang Rani  
**Date** : 15 - 23 November 2023  
**Location** : Masama Camp, Tatau  
**Company** : Shin Yang Sdn Bhd & Shin Yang Forestry Sdn Bhd

## > Log Extraction-Tractor (Natural Forest)

**STAT Trainer / Assessor** : Mr Ginda Uli  
**Date** : 21 - 24 November 2023  
**Location** : Pila Camp, Kapit  
**Company** : Ironwall Sdn Bhd



Under Section 51 of the Forests Ordinance 2015, forest workmen are required to receive training from a training provider and demonstrate their competence through assessment. STA Training Sdn Bhd (STAT) is the appointed training provider by Forest Department Sarawak to provide skills training for the five (5) prescribed forestry activities (PFAs) as listed in Schedule 1 The Forests (Trained Workmen) Rules, 2015.

## GET IN TOUCH

For more information, contact **Dr Suzie Adee** at 082 - 332 222 or email at [suzie@sta.org.my](mailto:suzie@sta.org.my)