



Setting the Scene on Collective Action for Sustainable Forests Dato Henry Lau, Chairman of Sarawak Timber Association

- 1) Yang Bhg. Dato Haji Hamden Bin Haji Mohammad, Director of Forests Sarawak
- 2) Yang Bhg. Tan Sri Abdul Wahid Omar, Chairman of World Wide Fund for Nature – Malaysia
- 3) Yang Berusaha Ms Sheam Satkuru, Executive Director of International Tropical Timber Organization (ITTO)
- 4) Yang Berusaha Ms Annie Ting, Chief Executive Officer of Sarawak Timber Association
- 5) Distinguished speakers, invited guests, organising committee from Sarawak Timber Association, Forest Department Sarawak and World Wide Fund for Nature – Malaysia.

At this International Conference on Sustainable Management of Tropical Forests in Kuching, Sarawak, I would like to extend a warm welcome to each and every one of you. It brings me great pleasure to see individuals from diverse corners of the globe, representing various industries and stakeholders, participating in this important event. We are deeply honoured to host speakers from countries such as United States of America, European Union, China, Australia, Laos, Japan and Malaysia who will share their expertise either in person or through virtual participation.

Importance of Tropical Forests

- 1) Your presence in this Conference serves as a powerful affirmation of the pivotal role that the tropical forests play in providing various essential ecosystem services for biodiversity, food and water supply chains as part of our wellbeing. The survival of human civilization is very much dependent on the health and integrity of these ecosystem services and it is therefore imperative that we work together to protect and sustainably manage tropical forests so as to ensure the continued provision of these ecosystem services for present and future generations.

- 2) Before we start, allow me to cite the staggering global loss of 4.1 million hectares of tropical primary forests in 2022, a figure 10% higher than that of 2021. Deforestation in tropical regions is often linked to the expansion of commercial agriculture and other more lucrative activities, resulting in the loss of large tracts of forest land due to conversion to these other land uses. Despite decades of initiatives aimed at halting and reversing forest loss, the persistently alarming rate prompts us to question the efficacy of these efforts. Hence, there has never been a more urgent time to conserve the tropical forests and promote sustainable and responsible practices for a sustainable future in ecosystems.
- 3) The strategic timing of this Conference serving as a crucial platform, brings together a diverse array of stakeholders to deliberate on how we can sustain the value for our forests. By fostering discussions on effective strategies for the retention of forest value, especially in the context of tropical forests, the Conference aims to tackle the pressing issue of climate change through Sustainable Forest Management (SFM). With the valuable insights from our esteemed speakers and the active engagement of our participants, we anticipate the generation of collective, forward-thinking, and comprehensive strategies and transparent policies, which will emphasise the significance of tropical forests and outline practical steps to achieve sustainable forest management so as to play a central role in our broader efforts to combat climate change.

Inherent Mission of Sarawak Timber Association

- 1) As a timber stewarding institution in Sarawak, the inherent mission of Sarawak Timber Association (STA) is to promote SFM and forest conservation. STA has committed significant efforts to promote sustainable practices and responsible resource management, aiming to ensure the well-being of our forests in the long term. Following these efforts, we are pleased to share the noteworthy achievements of our members in forest management certification (FMC). Currently, twenty-four (24) forest management units (FMUs) and seven (7) forest plantation management units, covering a total area of 2.16 million hectares, have attained the certified status and proudly hold certification under the Malaysian Timber Certification Scheme which is endorsed by the internationally recognised Programme for the Endorsement of Forest Certification (PEFC).

- 2) However, in spite of achieving FMC, the timber industry still faces unjust vilification, often painted as being solely driven by economic motives and accused of neglecting broader concerns. This oversimplified narrative tends to implicate **ALL** timber industry players whenever illegal activities occur, and unfairly overlooking those who operate responsibly. Such sweeping generalisations carry significant consequences, tarnishing the reputation of conscientious players.
- 3) For those timber industry players who are deeply committed to carrying out timber harvesting on a sustainable basis with a balanced focus on economic, social, and environmental well-being, finding support can be a formidable challenge. On the contrary, suggestions have been put forward for a ban on commercial timber harvesting, but such a proposal is unrealistic because if the forest does not provide economic value, it stands the risk of being converted into alternative land uses. A balanced understanding of the timber industry is therefore essential as the solution to the problem lies in recognising responsible practices and the promotion of sustainable forest management, ensuring a sustainable future for both the timber sector and our ecosystems.

Challenges faced in advancing Sustainable Forest Management

- 1) At this Conference, I would like to highlight that the journey of obtaining certification status faces formidable challenges as experienced by our timber industry players.
- 2) Undertaking forest management certification in the FMUs and maintaining it is a lengthy, tedious and expensive process. It comprises multiple stages of assessment and audit thereby placing strain on both our resources and patience. Thus, STA urgently appeals to the authorities/policymakers to give full and continuous support to the timber industry players, who have made great sacrifices to ensure that their FMUs are certified for FMC, through the provision of transparent, consistent, sustainable and stable long term policies, particularly concerning government regulations and taxes, licensing and its associated sustainable long-term tenure. Such attributes will undoubtedly instil confidence in the timber industry and is crucial for fostering its continued growth and propelling the industry's commitment for the sustained implementation of SFM practices and benefit long term environmental goals. The industry cannot be expected to deliver protective covenants, which policies changes and deviating from established

principles. After all, why only timber players need to bear the burden of SFM? Shouldn't the NGOs, the government of both the consumer and producer countries, other stakeholders of economic, social and environmental all be required to achieve sustainability certification in their principles, policies, governance and methods of operations?

- 3) Another challenge facing us is in trying to ensure compliance with various timber legislations enforced by consumer countries. Inconsistent definitions, regulations, and requirements of these consumer countries not only erect trade barriers but also sow confusion and inconsistencies in international cooperation efforts. This complex regulatory landscape, compounded by the need for additional resources and capacity building, significantly amplifies the cost burden on timber-producing countries. These challenges, while paramount, are just a fraction of the complexities facing the timber industry in the global arena.

Conference Insights for Action

- 1) We are delighted in being able to organise and host this International Conference at this crucial time as it provides a pivotal and dynamic platform for collaboration among policymakers, industry experts, and a diverse array of stakeholders. At its core, the event underscores the paramount importance of SFM in shaping good governance, environmental conservation, and social responsibility. Delving into a multifaceted agenda, the Conference spans topics ranging from tropical forest management and bioeconomy to net-zero initiatives, global market trends, and insights gleaned from various forest concessions. Throughout the discussions, key themes include Reduced Impact Logging, climate-smart practices, green financing, and addressing challenges intrinsic to the timber industry. Amidst a wealth of information, the Conference not only promises to provide inspiration but also encourages thought-provoking discussions that pave the way for practical solutions aimed at fostering a more sustainable future.
- 2) Recognising the significance of inclusive decision-making, the Conference emphasises the key role of transparent consultations. This approach ensures a balanced and mutually beneficial outcome for all stakeholders, be they government bodies, international partners, environmentalists, social advocates, non-governmental organisations, the timber industry, or media entities. The overarching goal is to foster a collaborative and forward-thinking atmosphere, where pragmatic measures are integrated into the

fabric of sustainable forest management practices, thus setting the stage for a resilient and harmonious future.

- 3) The event also aims to explore diverse financing options that support the implementation of SFM practices. This marks a significant milestone, bringing together a wealth of expertise to inspire action. Our goal is to explore effective strategies for designating more permanent forests with sustainable tenure supported by transparency and good governance in licensing and reporting, while simultaneously catalysing actionable solutions towards achieving a globally accredited timber supply chain characterised by legality and sustainability

Conclusion

- 1) In conclusion, the global recognition of forests as crucial tools in our collective efforts to combat climate change is undeniable. Therefore, the paramount importance of conserving forests and the urgency to address the challenges in promoting SFM cannot be overstated.
- 2) We sincerely hope that this inclusive Conference, featuring the participation of policymakers, industry stakeholders including the timber industry and any other greenhouse gas (GHG) emitting industries, social advocates, non-governmental organizations, media, and international partners, will yield effective strategies and actionable solutions to navigate challenges and pave the way for a more sustainable future for both the timber industry and our invaluable tropical forests.
- 3) With that, allow me to emphasize how much your presence enriches this International Conference, and I look forward to the insightful discussions and collaborative efforts that will unfold during our time together.
- 4) Last but not least, on behalf of STA, I like to highlight our appreciation to Forest Department Sarawak and the Sarawak Government under the capable leadership of our beloved Premier, Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg, WWF – Malaysia and International Tropical Timber Organization (ITTO) for your stewardship in making this conference a meaningful one.

Thank you.