Sarawak Timber Industry Lab

Sarawak Timber Industry Development Corporation (STIDC) with assistance from Training Hub Sdn Bhd organised a series of Sarawak Timber Industry Labs (STIL); on 2 - 4 July 2012, 16 - 17 July 2012 and 24 - 26 July 2012 respectively at Riverside Majestic Hotel, Kuching. Approximately eighty five (85) participants from various federal government agencies, state related forestry agencies, furniture industries, academics, and Sarawak Timber Association (STA) members representing the upstream and downstream industry players attended the Labs.

The objectives of the Lab are to establish Sarawak timber industry development policies and objectives to ensure a sustainable growth at a rate consistent with the overall interest of the country and the availability of managed resources; and to determine primary specific development initiatives for implementation towards ensuring achievement of the policies. More importantly, the findings from the Labs will be formulated as policies towards development of the timber industry in Sarawak.

The STIL was officiated by Tuan Haji Hashim bin Haji Bojet, the Deputy General Manager of STIDC on 2 July 2012. During the first lab, five papers were presented by various agencies to provide general information and update on current scenario related to Sarawak timber industry. The presented papers were as follows:
1. ‘Markets for Sarawak Timber and Timber Products’ by Dr Peter Kho, STA
2. ‘Manpower Issues and Challenges Faced by Sarawak’s Forest and Timber Industry Employers’ by Ms Peggy Chew, STA
3. ‘Timber Industry in Sarawak: An Overview’ by Mr Nicholas Andrew Lissem, STIDC
4. ‘Investment Opportunities and Incentives in Sarawak’ by Puan Rozaini bt Mohammad Zahir, Ministry of Industrial Development Sarawak (MID)
5. ‘Supply of Logs for the Development of Timber Industry in Sarawak’ by Encik Abdul Wahab Hj Bujang, Forest Department Sarawak (FDS)

In the STIL Lab, participants were divided into groups to discuss and contribute ideas through independent individual, team and multi-teams ideas generation and collaboration.

Participants for the first STIL identified and focused on macroeconomic approach in all analysis to gain general perspectives of timber industry in Sarawak. The participants discussed projection for the next ten years on raw materials and also the export earnings. The Lab also identified the constraints; among them are labour shortcomings, inadequate timber resource supply, coherent Government policies, market pressure, lack of Research and Development, etc.

Ideas and findings generated from Lab 1 were used to provide a platform for subsequent

(Continue on page 2)
Did you know that.....

Asia Pulp & Paper (APP) has become the first company to certify mills according to the SVLK (Timber Legality Verification System) that was established by the Indonesian Government in 2009. Three of APP’s mills in Jakarta have been certified. The system was established to ensure that only timber from legal sources is used. The origin of all exported products should be traceable.

Source: MTIB News Extracts (Vol.32/08/12)
Did you also know that....

In 2011, timber exports of Thailand amounted to THB 80 billion (EUR 2.06 billion USD 2.52 billion). The exports of furniture were at THB 34 billion. For the six months to June 2012, furniture exports decreased by nearly 20%. In 2012, the furniture exports is predicted to dip by 5% while timber exports expanded by 10%. Additionally, the furniture and timber sector may see falling revenue once the Asean Economic Community (AEC) takes place, which is slated to happen in 2015.

Source: Bangkok Post, 13 July 2012

(4) Use the due diligence system of a monitoring organisation.

The participants were informed of the expansion of product scope to include moulding, builders’ joinery and carpentry (BJC), wood-based furniture (WBF), fibreboard, particle board, wooden frames and railway sleepers. The original four products are log, sawntimber, plywood and veneer. Participants raised concerns on the readiness of the control procedures for these additional value-added products.

Mr Rajan Samikannoo, presented the TLAS of Peninsular Malaysia and highlighted the recent changes to the format of TLAS Table as suggested by the EU representatives.

The participants raised a few concerns, amongst others, on the different control procedures for timber from non-FLEGT countries and Sarawak (which opted to enter VPA with EU later) to enter the Peninsular Malaysia market.

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**STIDC Industry Update**

The Sarawak Timber Industry Development Corporation (STIDC) Industry Update was held on 19 July 2012 at Wisma Sumber Alam, Kuching. Approximately one hundred (100) participants attended the update. The participants were those involved in production and marketing, timber exporters, importers, manufacturers and individuals who are interested in updating their knowledge on the timber industries.

The welcoming remark was delivered by Datu Sudarsono Bin Osman, the Permanent Secretary of Ministry of Resource Planning and Environment. Datu Sudarsono said that the aim of the Industry Update is to inform the participants on the current market situation, issues affecting the timber industry, create awareness on the latest trade practices and share information on Government Policies, Regulations as well as Procedures.

There were six (6) papers presented during the briefing. The two (2) speakers from Korea and India were invited following the STIDC Timber Selling Missions to India and Korea recently. The following papers were presented at the Industry Update:

**Paper 1:** Electronic-Industrial Production Return (e-IPR)
- by Mr Nicholas Andrew Lissem, Industrial Planning Manager, STIDC

**Paper 2:** Forest Policy and Globalization of Korea
- by Mr Lee Chi-Myeung, Team Manager International Forest Cooperation Office / Trade Negotiation Team, Korea Forest Service

**Paper 3:** Sabah Experience in Forest Plantation
- by Mr Jeflus S.Sinajin, Division Head of Sustainable Forest Management, Forest Department, Sabah

**Paper 4:** Status of Sarawak Forest Plantation
- by Mr Hii Tow Peck, Senior Assistant Director, Planted Forest Division, Forest Department Sarawak

**Paper 5:** Facilities and Services at Tanjung Manis Port (TMP) for Timber and Timber Products Exporters
- by Ms Sadiah Tu, Senior Assistant General Manager, Project Development, STIDC

**Paper 6:** Opportunities and Challenges of Timber Trade in Kandla, Gugarat, India
- by Mr Navneet R Gajjar, President, Kandla Timber Association, India
Weight Scaling of Acacia mangium Study

As part of the study on weight scaling of Acacia mangium for the purpose of royalty and cess assessment, field verification of the conversion factor determined experimentally was carried out by relevant staff from the Applied Forest Science & Industry Development (AFSID) Unit of Sarawak Forestry Corporation (SFC), Forest Department Sarawak (FDS), Sarawak Planted Forest Sdn Bhd (SPF) and Sarawak Timber Association (STA) in Bintulu from 18 to 19 July 2012, with assistance from Daiken Sarawak Sdn Bhd and Syarikat Samling Timber Sdn Bhd. STA members participating in this field verification included Grand Perfect Sdn Bhd, Borneo Tree Seeds & Seedlings Supplies Sdn Bhd and PUSAKA KTS Forests Plantation Sdn Bhd.

Four batches of 30 logs each from two different sites namely, LPF 0014 and LPF 0003 felled 2 and 4 weeks earlier were used in this field verification study on Acacia mangium and “superbulk” Acacia mangium. Logs were individually scaled to determine the volume of each log. The weight of the 30 pieces of logs was determined using a commercial weighbridge. The logs were then debarked and reweighed to determine the bark content of these logs.

The group concurred that the conversion constant derived from this field verification study is consistent with that determined experimentally. The results will be further deliberated before this conversion constant for the weight scaling of Acacia mangium is proposed to the Director of Forests Sarawak for adoption in royalty and cess assessment of Acacia mangium.