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Seminar on Application of ILO Core Conventions in Forestry and Timber Industry



Mr. Ambet Yuson (left) and Dato' Dr. Freezailah Che Yeom (right) addressing the Seminar



Mr. William Street making his presentation



Q&A session with the Speakers



The Seminar on Application of International Labour Organisation (ILO) Core Conventions in Forestry and Timber Industry jointly organised by MTCC, the Timber Employees Union Peninsular Malaysia (TEUPM) and Building and Woodworkers International (BWI), was held on 20 August 2009 in Kuala Lumpur. The primary objective of the seminar was to raise the awareness of the forestry and timber Industry in Malaysia on the application of the ILO core or fundamental conventions in the context of the Malaysian Timber Certification Scheme (MTCS).

The seminar received overwhelming response and was attended by a total of 111 participants representing the MTCS certificate holders, timber trade associations, MTCS-notified Certification Bodies (CB) and the workers' unions. MTCC Chairman, Y. Bhg. Dato' Dr. Freezailah Che Yeom and Mr. Ambet Yuson, Asia-Pacific Regional Representative of the BWI, both spoke at the opening of the Seminar. Mr. William Street, Board Member of the PEFC Council as well as the International Representative of the International Woodworkers of America, USA was one of the paper presenters.

A total of seven presentations were made as follows:

- *Towards a Framework for Social Standards in PEFC - Chain of Custody and Beyond* by Mr. William Street, PEFC Council
- *Application of the ILO Core Conventions in the Forest and Timber Industry in Malaysia* by Mr. Enchana Atto, Labour Department, Sabah
- *Malaysian Timber Certification Scheme (MTCS) – Trade Union Perspective* by Mr. Mohd Khalid Atan, Timber Employees Union Peninsular Malaysia

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Briefing on Forest Management and Timber Certification in Malaysia

A *Briefing on Forest Management and Timber Certification in Malaysia* was organised by MTCC on 14 August 2009 in conjunction with the Malaysia International Commodity Conference and Showcase (MICCOS 2009) on 13 - 16 August, organised biennially by the Ministry of Plantation Industries and Commodities (MPIC).

The objective of the briefing was to highlight the current status of forest management practices and the challenges faced by the forest managers

in the three regions of Malaysia (i.e. Peninsular Malaysia, Sabah & Sarawak) in trying to achieve sustainable forest management (SFM). The seminar also highlighted the development and current status of the MTCS in helping to ensure that Malaysia's forest resources are sustainably managed.

The briefing featured a total of four presentations by speakers from the respective forestry departments (FD) in the three regions and MTCC.

A total of 32 participants including representatives from the Non-governmental Organisations, undergraduates, academicians and the industry attended the briefing.

During the question and answer session, questions were related to the establishment of plantations, especially Timber latex Clone (TLC) plantations, within the Permanent Reserved Forests and the work of MTCC.



Mr. Chew (middle) chairing the Q&A session [from left: Haji Zolkipli Aton (Sarawak Forestry Corporation, representing En. Hamden Mohammad of Sarawak FD), En. Musa Salleh (Sabah FD), Dr. Hj. Abd. Rahman bin Hj. Abd. Rahim (FD Peninsular Malaysia) and Harnarinder Singh].

Auditor Training Course on Forest Management Certification — MC&I(Forest Plantations)

A three-day auditor training course on the use of the *Malaysian Criteria and Indicators for Forest Management Certification* (Forest Plantations) or in short the MC&I(Forest Plantations) was organised by MTCC from 3 to 5 August 2009 in Temerloh, Pahang. A total of 13 auditors from the two MTCS-notified CBs operating forest management certification, i.e. SGS and SIRIM QAS attended the training course.

The objective of the training course was to introduce the MTCS and the use of the MC&I(Forest Plantations), focusing

on the means of assessing compliance to provide the auditors with the necessary skills to conduct audits for forest management certification under the MTCS.

The training course was conducted to comply with the requirements of ISO/IEC 17021 for CBs interested to obtain accreditation from STANDARDS MALAYSIA.

During the training, the participants were briefed on the implementation of the MTCS, competency requirements for

auditors, the MC&I(Forest Plantations) and its assessment procedures, process requirements for stage 1, stage 2 and surveillance audits, stakeholder consultations, determination of non-compliances and report writing.

Participants were also divided into groups and conducted trial audits in the field covering forest plantation activities in harvesting areas, the tracking of logs coming out of the forest plantation areas, visits to a protection area as well as an orang asli village located within the forest plantation area.



Visit to Orang Asli village



Participants discussing during trial audit

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- *The Industry's Perspective in Relation to MC&I(2002)* by Tuan Hj. Shamsuddin Bardan, Malaysian Employers Federation (on behalf of Malaysian Timber Association)
- *Application of ILO Core Conventions under the MTCS* by Mr. Yong Teng Koon, MTCC
- *Auditing Compliance with ILO Core Conventions under the MTCS* by Mr. Salahudin Yaacob, SGS (Malaysia) Sdn. Bhd.

With regard to the non-ratification of three of the core ILO conventions by Malaysia, the Seminar was informed that if a country has ratified the conventions, the requirements of these conventions can be considered to be

covered by the legislation, and need not be specifically addressed in the national certification criteria. In cases where the core conventions are not ratified, their requirements shall be considered and taken into account in the certification criteria.

The Seminar was also informed that member countries were required to implement the core ILO conventions regardless of the status of ratification of the said convention in the member country concerned.

It was generally agreed that the Seminar had provided much useful information to the participants in addition to the opportunity for closer interaction between representatives of the workers' unions and the timber industry. It was therefore agreed that similar events

should continue to be organised in future as part of the effort to encourage closer cooperation between the unions and the industry.



MTCS Certificate holders receive rebate for exports of MTCS-certified timber products

Since the launch of the rebate programme implemented by MTCC, three holders of the Certificate for Chain of Custody have so far received the rebate.

In August last year, MTCC had announced that beginning 1 September 2008, holders of the CoC Certificate are entitled to obtain a rebate from the cost of surveillance audits conducted under the MTCS based on the MTCS-certified timber products manufactured and/or exported by them.

The rebate quantum is calculated based on the total volume of MTCS-certified timber products produced or exported over a 12-month period. For existing Certificate holders, the volume of MTCS-certified timber products considered in the calculation of the rebate is that produced or exported from 1 September 2008 to 31 August 2009, provided the certificate holder has undergone a re-assessment or surveillance audit within the said period.

For timber companies awarded the

Certificate after 1 September 2008, the rebate is based on the volume of MTCS-certified products manufactured or exported over 12 months prior to the first surveillance audit. The rebate is given only once to each holder of a valid Certificate.

For more information on the rebate programme, please contact Ms. Premalatha Mogan [Executive (Product)] at tel: 03-9200 5008 / email address: premalatha@mtcc.com.my.

MTCC Participation in MICCOS 2009

The MICCOS 2009 is organised biennially by the MPIC with the support of its related agencies to showcase the development in the commodities sector i.e. palm oil, timber, rubber, cocoa, pepper, tobacco, kenaf and sago, including the latest products and technologies as well as business and employment opportunities.



Y.B. Tan Sri Bernard Dompok, Minister of Plantation Industries and Commodities visits the MTCC booth during MICCOS 2009. On the right: Y.B. Dato' Hamzah Zainudin, Deputy Minister of MPIC; on the left: Dato' Dr. Freezailah and Mr. Chew



Garden furniture set exhibited by Wood Village Industries Sdn. Bhd. during MICCOS 2009 at the Malaysia Timber Showcase. Lam Yang Furniture Manufacturer Sdn. Bhd. also exhibited a set of garden furniture at the MICCOS 2009 icon, Teratak Seri

Public Comments on Review of the *MC&I(2002)*

As a result of the First Public Comment period on the *MC&I(2002)* conducted from 1 April to 31 May 2009, MTCC received comments from four organizations i.e. Forest Department Peninsular Malaysia, Sarawak Forestry Corporation, Malaysian Nature Society (Kuching Branch) together with the World Conservation Society Malaysia, and Sarawak Timber Association. All the comments have been compiled by the Secretariat of the multi-stakeholder Standards Review Committee (SRC) and can be viewed in the MTCC website at the following link: <http://www.mtcc.com.my/fullstory.asp?ID=114>

In addition to the comments received, the review of the *MC&I(2002)* will also take into account the comments from the following sources:

- Comments on the *MC&I(2002)* received from the PEFC Council based on the evaluation of the MTCS for PEFC endorsement;
- Comments received from the MTCC-Hamburg project (The MTCC-Hamburg project was a two-year collaborative project between the MTCC and the Free and Hanseatic City of Hamburg, Germany from June 2006-May 2008);
- Considerations of the International

Labour Organisation (ILO) Core Conventions adopted by the PEFC.

In line with the process and timelines for the review of *MC&I(2002)*, a five-member Panel of Experts (PoE) has been formed to study the comments on the *MC&I(2002)*. The first meeting of the PoE was held on 23 July 2009.

Based on the outcome of the PoE meeting, a consolidated Working Draft of the *MC&I(2002)* has been prepared by the Secretariat and will be presented for the consideration by the SRC at its first meeting scheduled at the end of October 2009.

Update on Issuance of Certificates by MTCS Notified CBs

As at August 2009, SIRIM QAS International Sdn. Bhd. and SGS (M) Sdn. Bhd. have issued an additional 15 and 27 MTCS CoC certificates respectively.

The 42 companies awarded with the MTCS CoC certificate are as follows:

SIRIM QAS International Sdn. Bhd.

- Golden Latitude Sdn. Bhd.*
- Firmwood Sdn. Bhd.
- Komill Corporation Sdn. Bhd.
- Asia Plywood Company Sdn. Bhd.
- Pesama Timber Corporation Sdn. Bhd.
- Gunung Seraya Wood Products Sdn. Bhd.
- Vin-Forest Industries Sdn. Bhd.*
- Guan Hin Sawmill & Hardware Sdn. Bhd.
- Kim Teck Lee Timber and Flooring Sdn. Bhd.
- Zedtee Plywood Sdn. Bhd.
- Linshanhao Plywood (Sarawak) Sdn. Bhd.*
- Kilang Papan Low Fat Sdn. Bhd.

- Low Fatt Wood Industries Sdn. Bhd.
- Shin Yang Plywood Sdn. Bhd.
- Forescom Plywood Sdn. Bhd.

SGS (M) Sdn. Bhd.

- Exsell Corporation Sdn Bhd
- Chye Hin Sawmill Sdn Bhd
- Supreme Fame Sdn Bhd
- Seng Chap Wah Timber Merchant Sdn Bhd
- Hills Wood Processing Plant Sdn Bhd*
- P.I.F. Sdn Bhd
- Hang Tuah Sawmills Berhad
- Mentakab Veneer & Plywood Sdn Bhd
- Seng Peng Sawmill Sdn Bhd
- Bortim Sdn Bhd
- Tan Chin Huat & Brothers Sdn Bhd*
- TSL Timber Sdn Bhd
- Hang Tuah Furniture Sdn Bhd
- E.P.W. Sdn Bhd
- True Acclaim Sdn Bhd
- Perfect KL Timber Trading Sdn Bhd*
- Papanjaya Sdn Bhd
- Hok Lai Timber (M) Sdn Bhd

- Golden Pharos Doors Sdn Bhd
- Jejaka Timber Sdn Bhd
- Indah Wood Products Sdn Bhd*
- Salak Soon Lee Sawmill Sdn Bhd
- MSK Timber Sdn Bhd*
- Strategi Mutiara (M) Sdn Bhd
- Sun Sheng Ni Sdn Bhd*
- Keow Seng Sawmill Sdn Bhd*
- Shua Lym Woodworks Sdn Bhd*

Of these 42 timber companies, 11 are new MTCS CoC holders, (as shown with *).

Hence, by end of August 2009, a total of 103 timber companies have been awarded the MTCS CoC certificate against the requirements of PEFC Technical Document Annex 4 by the notified CBs and 54 certificate holders have signed the logo license agreement with MTCC which allows them to use the MTCC Logo.

MTCC and PEFC Germany Joint Presentation at Spoga 2009

For the first time, MTCC and PEFC Germany jointly set up an exhibition booth at the international garden trade fair, Spoga 2009, held on 6 - 8 September 2009 in Cologne. The main objective of the joint stand was to promote the PEFC and the endorsement of the MTCS by PEFC.

Mr. Dirk Teegelbekkers, CEO PEFC Germany, stated: "PEFC Germany is pleased about the new member of the PEFC family and hopes for a better market presence with timber products for the outdoor area. Especially with tropical wood the consumers are highly sensitive and request for guarantees of sustainable origin. With the extended selection of certified goods PEFC expects a growing access to the end consumers".

The majority of visitors to the stand were German producers, traders and journalists. International visitors from Denmark, France and the Netherlands also visited the stand and were informed on the current developments of PEFC in Malaysia.

The visitors' interest focused mainly on the upcoming availability of "PEFC-certified" timber from Malaysia, the labelling of MTCS timber and the acceptance of tropical wood in general.



Mr. Philipp Bahnmüller, PR manager of PEFC Germany, and Mr Siah Yew Lay, Managing Director of Lam Yang Furniture Manufacturer Sdn. Bhd. which exhibited a garden furniture set.



Guntram Kaiser (centre) and Sten Landmann (right), MTCC public relations representatives in Germany, promoting MTCS-certified timber products to a timber manufacturer during SPOGA 2009.

Export of MTCS-Certified Timber Products

April 2009

Destination	Volume (m ³)
Netherlands	3,026.64
United Kingdom	2,465.19
Belgium	1,508.75
Denmark	553.68
Germany	343.17
France	183.69
Australia	71.07
Poland	36.09
South Africa	27.08
Total	8,215.36

Product	Volume (m ³)
Plywood	5,023.63
Sawn Timber	2,800.31
Moulding	391.42
Total	8,215.36

May 2009

Destination	Volume (m ³)
Netherlands	3,979.39
United Kingdom	2,247.47
Belgium	309.49
Germany	143.09
Australia	102.38
France	101.92
Total	6,883.74

Product	Volume (m ³)
Plywood	4029.54
Sawn Timber	2338.83
Moulding	515.37
Total	6,883.74

June 2009

Destination	Volume (m ³)
United Kingdom	3,001.61
Netherlands	1,934.61
Belgium	997.87
Denmark	553.33
Germany	322.80
France	197.46
Australia	56.67
Poland	35.85
Total	7,100.20

Product	Volume (m ³)
Plywood	4,397.68
Sawn Timber	2,274.76
Moulding	427.76
Total	7,100.20

July 2009

Destination	Volume (m ³)
Netherlands	4,935.65
Belgium	1,534.53
United Kingdom	1,103.31
France	159.91
Australia	158.49
Denmark	128.60
Germany	97.91
Total	8,118.40

Product	Volume (m ³)
Plywood	4,442.70
Sawn Timber	3,112.02
Moulding	563.68
Total	8,118.40

- Volume exported in April 2009: **8,215.36 m³**
- Volume exported in May 2009: **6,883.74 m³**

- Volume exported in June 2009: **7,100.20 m³**
- Volume exported in July 2009: **8,118.40 m³**

Total cumulative volume exported: **330,034 m³** (since July 2002)

Information on the validity, size, contact information and location map of MTCS certified Forest Management Units can be obtained from MTCC website at www.mtcc.com.my