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Happy Retirement, Mr. Chew



MTCC bids farewell to Mr. Chew Lye Teng, the founding Chief Executive Officer (CEO) of the Malaysian Timber Certification Council (MTCC) who retires on 31 December 2012.

Prior to his appointment as the CEO of MTCC in 1999, Mr. Chew served the Malaysian Timber Industry Board (MTIB) for 25 years from 1974 to 1998 in various capacities, including as Director of the Technical Services Division and subsequently as Director of the enlarged Development Division under which Technical Services was placed. Mr Chew holds a Bachelor of Science (Honours) degree and Diploma in Education from the University of Malaya as well as a Masters degree in Business Administration from the International Management Centres Multinational, Buckingham, United Kingdom.

As the founding CEO, Mr. Chew has been instrumental in leading MTCC through its most difficult initial years in the development and operation of the Malaysian Timber Certification Scheme (MTCS) and in raising the profile of MTCC and the MTCS to their current status of having achieved international recognition and market acceptance. It was through Mr. Chew's untiring efforts, dedication and hard work that contributed significantly to the endorsement of the MTCS by the PEFC Council in May 2009, elevating the MTCS to a higher level of recognition and acceptance.

For many of us who work with him and know him personally, Mr. Chew is a person who is very professional in his approach to work and dedicated in carrying out his duties as the CEO. There is no doubt that he has left an indelible impression on all of us at MTCC, and we in the MTCC will miss him when he retires after having served MTCC so faithfully over the last 14 years.

The MTCC management and staff would like to wish Mr. Chew a happy retirement and all the very best in his future undertakings.



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The Malaysian Timber Certification Scheme (MTCS) operated by MTCC is endorsed by the Programme for the Endorsement of Forest Certification (PEFC), currently the largest forest certification organization.



New CEO for MTCC

Mr. Yong Teng Koon, MTCC's Senior Manager (Forest Management) has been appointed as the new CEO for MTCC with effect from 1 January 2013. He succeeds the current CEO, Mr. Chew Lye Teng, who will be retiring on 31 December 2012, after serving as the CEO for 14 years since 1999.

Mr. Yong joined MTCC as Manager (Forest Management) in December 2001, after serving 17 years in the Forestry Department Peninsular Malaysia. Mr. Yong holds a Bachelor of Science (Forestry) degree from Universiti Putra Malaysia and a Master of Forestry degree from the University of British Columbia, Canada.

He was promoted as Senior Manager (Forest Management) in September 2006. As the Senior Manager, Mr. Yong is responsible for all activities related to forest management certification under the Malaysian Timber Certification Scheme (MTCS), including facilitating the multi-stakeholder consultations related to the development and review of the forest management standards.

With the knowledge and experience that he has gained in his 11 years of service, Mr. Yong is well-equipped to lead MTCC in meeting the present and future challenges in operating the MTCS in an ever-changing domestic and international environment.



Endorsement of MC&I(Forest Plantations)

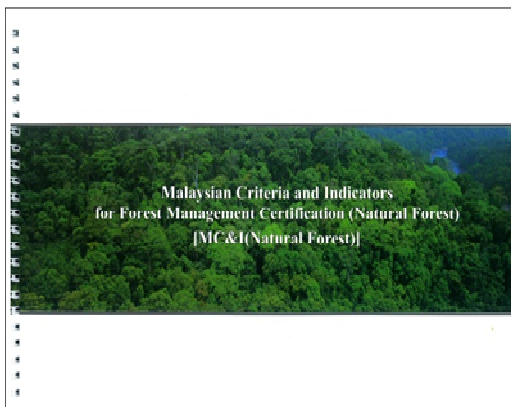


The *Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations)*, or in short the MC&I(Forest Plantations) was endorsed by the PEFC as part of the PEFC endorsed MTCS, with effect from 20 July 2012.

The decision to endorse the MC&I(Forest Plantations) was made following the PEFC General Assembly postal vote among PEFC members based on the recommendation of the PEFC Board of Directors and the evaluation report by InduforOy.

The endorsement of the MC&I(Forest Plantations) will now enable local companies which own or manage forest plantations to apply for forest plantation management certification under the PEFC scheme.

Endorsement of MC&I(Natural Forest)



The revised standard for forest management certification of natural forest, i.e. the *Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest)* or in short the MC&I(Natural Forest) which replaces the MC&I(2002) under the MTCS was submitted by MTCC to the PEFC Council for assessment in accordance with *Annex 7: Endorsement and Mutual Recognition of National Schemes and their Revision* of the PEFC Technical Document.

Based on an assessment report by a member of PEFC's Panel of Experts, PEFC Board of Directors decided at its meeting on 5 October 2012 "to approve the changes in the currently endorsed MTCS." The MC&I(Natural Forest) with application date of 1 July 2012 is now covered by the original PEFC endorsement of the MTCS which is valid from 1 May 2009 to 1 May 2014.

Exhibitions

SPOGA 2012

MTCC shared a joint stand with MTC London at SPOGA, the International Garden Trade Fair, which was held in Cologne, Germany from 2-4 September to promote sustainable forest management and the availability of PEFC-certified timber products from Malaysia. The stand exhibited a garden furniture set supplied by Supreme Tropical Timber Furniture Sdn. Bhd., as well as solid wood flooring from Kim Teck Lee Flooring Sdn. Bhd. Both companies are holders of PEFC Certificate for Chain of Custody under the MTCS. During the three-day exhibition, the stand was visited by visitors from numerous timber companies, representing garden furniture retailers, DIY markets, timber traders, importers, exporters as well as journalists, mainly from Germany. The joint stand was manned by Sabrina Mawasi from MTCC and Fong Lai Lyn from MTC London. In conjunction with SPOGA 2012, on the first day of the exhibition, Kaisercommunication, MTCC's PR agency in Germany, launched the German website for MTCC, Nachhaltiges-Tropenholz.de (www.nachhaltiges-tropenholz.de), which carries news and updates on MTCC and the implementation of the MTCS.



MTCC Global Woodmart (MGW) 2012

MTCC and the PEFC International manned a joint stand at the MGW 2012 held in Kuala Lumpur from 4-6 October. The MTCC-PEFC stand exhibited a range of PEFC-certified products, including a garden furniture set from Supreme Tropical Timber Furniture Sdn. Bhd., solid wood flooring from Kim Teck Lee Flooring Sdn. Bhd. and mouldings of door and window frames from Ah Hai Industries Sdn. Bhd. Visitors to the stand enquired information on the availability of PEFC-certified timber products from Malaysia, the recognition and acceptance of MTCS and PEFC worldwide, and the way forward for timber certification in the future. Questions were also asked on how timber certification can assist the timber trade in addressing the EU Timber Regulation that will come into force on 3 March 2013. Sarah Price, Head of Projects & Development of PEFC, joined the MTCC staff in manning the stand.



IGEM 2012

The 3rd International Greentech & Eco Products Exhibition & Conference Malaysia (IGEM) 2012 was held at the KLCC Convention Centre in Kuala Lumpur from 10-13 October. MTCC participated for the very first time in this exhibition. IGEM is the region's largest exhibition on green technology and eco products. This year the focus of the exhibition was on "Greentech for Growth" showcasing eight sectors, including building, eco-products and services, energy, green financing, ICT, manufacturing, transportation, and water and waste management, involving a total of 110 booths set up by 50 local and international exhibitors. The MTCC stand featured a garden furniture set from Supreme Tropical Timber Furniture Sdn. Bhd., mouldings from Ah Hai Industries Sdn. Bhd., as well as flooring from Gilbert Hardwood Sdn. Bhd. The exhibition provides an opportunity for MTCC to educate and create awareness among the visitors who were mainly Malaysians, on the role of MTCC and the MTCS in promoting sustainable forest management and timber certification in Malaysia. The highlight of the exhibition was the launching of the *MyHijau Label* by the Honourable Prime Minister, YAB Datuk Seri Najib Razak. Under the *MyHijau Label*, the MTCS operated by MTCC has been listed as one of the green labels available in Malaysia. The MyHijau Labelling Programme is established to coordinate and promote the use of green label as an instrument to differentiate between green and non-green products and services. It also promotes better understanding of environmentally-safe purchasing. Under the *MyHijau Label*, the range of products certified under the MTCS includes sustainable timber products, paper and paper-based packaging.

**Launching of MTCC German Website**

The MTCC has launched its German website www.nachhaltiges-tropenholz.de where interested consumers, specifiers and experts can obtain information about Malaysia and its forestry practices, forest certification, in particular information on the MTCS and PEFC. The "nachhaltiges-tropenholz" domain name if translated means "sustainable tropical timber".

With the new website, MTCC is responding to the many comments by interested people on the difficulty in finding balanced and comprehensive information about sustainable tropical timber in the German language on the internet. With consumers and specifiers increasingly asking for a German information platform in addition to the existing English Language website, we now have fulfilled their wish.

Besides news on sustainable tropical timber, the website also offers general information about Malaysia and the German-Malaysian relations as well as about the country's efforts to achieve sustainable forest management, forest management and chain of custody certification and answers to the frequently asked questions. There is also information available for experts as well as a regularly updated list of certified suppliers.



Training Course on MC&I(Natural Forest)

MTCC conducted three training courses on the requirements of the MC&I(Natural Forest) as part of the transition plan from the implementation of the MC&I(2002) to the MC&I(Natural Forest) as follows:-

(i) Auditor Training Course for Existing Trained Auditors

A one-day Auditor Training Course was conducted on 29 May 2012 for the existing trained auditors of the MTCS-notified Certification Bodies (CBs). The main purpose of the training course was to inform the auditors on the transition plan for the implementation of the MC&I(Natural Forest), and to familiarise them with the requirements of the MC&I(Natural Forest) by highlighting the differences in the requirements between the MC&I(2002) and the MC&I(Natural Forest) at the Principle, Criteria, Indicator and Verifier levels. A total of 19 auditors from SIRIM QAS International Sdn. Bhd, SGS (Malaysia) Sdn. Bhd. and STANDARDS MALAYSIA attended the training course.



Training for existing trained auditors



Training for peer reviewers



Training for new auditors



(ii) Auditor Training Course for New Auditors

A four-day Auditor Training Course was conducted on 3 – 6 September 2012 to equip new auditors with the necessary knowledge and skills to conduct forest management certification audit based on the requirements of the MC&I(Natural Forest). A total of 7 participants comprising auditors from SGS (Malaysia) Sdn. Bhd., and internal auditors from the Forestry Department Peninsular Malaysia Headquarters and the Pahang State Forestry Department attended the course. The programme included classroom lectures on the implementation of the MTCS, the requirements of the MC&I(Natural Forest), as well as the accreditation requirements of CBs including the competency requirements for auditors, and the various assessment tools used in forest management certification.

The programme also included a one-and-a-half-day field segment where the participants were required to conduct a trial forest management certification audit which covers documentation review, consultation/communication with relevant stakeholders and the verification of forest management activities in the field. In the course of the trial audit, the participants visited a logging camp, audited activities conducted in an active logging area, a recently logged over forest area, as well as assessed the natural regeneration of a regenerated forest area. The participants also held consultation with an Orang Asli community at Pos Simoi Lama and inspected the chain of custody system in tracking the flow of forest products at Kuala Medang Forest Checking Station.

(iii) Training Course for Peer Reviewers

A one-day training course was also conducted on 23 October 2012 to familiarise the potential peer reviewers with the requirements of the MC&I(Natural Forest). Under the MTCS, it is required that the audit report for stage 2 or recertification audit prepared by the CB must be reviewed by peer reviewers to obtain a second and independent opinion on the level of compliance of the FMU concerned against the requirements of the MC&I(Natural Forest). A total of two peer reviewers will be appointed by the CB to review the audit reports prepared in conjunction with the conduct of stage 2 or recertification audit. The training was attended by a total of six participants, who were briefed on the implementation of the MTCS, the accreditation requirements and the role of the peer reviewers, as well as the requirements of the MC&I(Natural Forest).

Training Course on MC&I(Forest Plantations)



A four-day Auditor Training Course was conducted in Bintulu, Sarawak on 3 – 6 December to equip new auditors with the necessary knowledge and skills to conduct forest management certification audit based on the requirements of the MC&I(Forest Plantations). Besides the auditors from the MTCS-notified certification bodies (CBs), i.e. SIRIM QAS International Sdn. Bhd. and SGS (Malaysia) Sdn. Bhd., the training also included participants from the Forest Institute of Malaysia (FRIM), Ta Ann Plywood Sdn. Bhd., the Sarawak Planted Forest Sdn. Bhd. and Grand Perfect Sdn. Bhd. MTCC thanked the Sarawak Planted Forest Sdn. Bhd. and Grand Perfect Sdn. Bhd. for kindly coordinated and provided the venue for the field component of the training course.

The training programme includes lectures on the MTCS, the requirements of the MC&I(Forest Plantations), as well as the competency requirements of the CBs with special reference to the qualification of their auditors and technical experts. The programme also included a one-and-a-half-day field segment where the participants were required to conduct a trial forest management certification audit to assess the forest plantation practices of the Sarawak Planted Forest Sdn. Bhd. based on the requirements of the MC&I(Forest Plantations).

PEFC NEWS

PEFC 17th General Assembly

The 17th General Assembly of the PEFC Council, held on 16 November in Vienna, Austria, was attended by the PEFC Members [comprising National Governing Bodies (NGBs) and International Stakeholders] and Extraordinary Members, invited guests and members of the Board of Directors. MTCC was represented by its CEO, Mr. Chew Lye Teng.

In presenting the PEFC update, Ben Gunnerberg, PEFC Secretary General highlighted positive growth that the number of chain of custody certificates has increased by 10.6% (9501 certificates) and the extent of forest area certified has increased by 1.3% (3 million ha) bringing the total forest area certified under PEFC to 245 million ha.

The other key highlights presented on growing the PEFC scheme, include increased market outreach, enhanced engagement and visibility, enhanced acceptance in procurement, revised standards, new communication tools, revised

voting system and budget, increased support to potential members and five new member applications.

The update also highlighted two major challenges faced in promoting the PEFC, i.e. the TPAC decision on the MTCS and the fifth revision of the Leadership in Energy and Environmental Design (LEED) rating system of the US Green Building Council, which still only accepts FSC-certified timber. In connection with the TPAC decision, Ben thanked the national PEFC schemes which provided support in the outgoing EU infringement procedure taken by the Malaysian Timber Council (MTC) against The Netherlands.

The Indonesian Forest Certification Cooperation (IFCC) which is led by the former Executive Director of Lembaga Ekolabel Indonesia (LEI), Mr. Dradjad Wibowo is among the new application whose application has been accepted by the GA.

Another encouraging development has been the participation of a representative Mr. Barber Cho from the Myanmar Timber Merchants Association, and the interest expressed by the Sustainable Green Ecosystem Council (SGEC) to join the PEFC.

As the PEFC Board has accepted MTCC's application to host the next GA, which is now scheduled to be held on 15 November 2013 in Kuala Lumpur, Mr. Chew took the opportunity to present more details about Malaysia and the venue of the next GA as well as the post-GA field trip and extended our invitation to all GA participants to be in Kuala Lumpur next year.

PEFC Stakeholder Dialogue

Prior to the General Assembly, a PEFC Stakeholder Dialogue was held on 14 November. The Dialogue with the theme, *Strengthening the Link: Sustainable Biomass & Forest Certification*, was attended by about 160 representatives from a wide variety of organisations.

The keynote address for the Dialogue entitled *Framing the Debate around Forests & Biomass* was presented by Mr. Uwe Fritsche from the International Institute for Sustainability Analysis and Strategy (IINAS).

Three concurrent sessions were held during the Dialogue, which examined the subject matter in greater detail:

(i) *Exploring Expectations & Requirements – Renewable Energy &*

Sustainable Forests; (ii) Delivering Sustainable Forest Biomass in the Market; and (iii) Meeting Expectations & Safeguarding Forests.

The key points from the Dialogue were:

- i. The Dialogue was quite Euro-centric, mainly focusing on the requirements of sustainable energy (bio-energy) from biomass (agricultural and forest biomass) resulting from the implementation of the EU Renewable Energy Directive (RED) and the UK Department of Energy and Climate Change;
- ii. It was agreed that the most important renewal biomass is wood;
- iii. It was important for the forest certification schemes (both PEFC

- and FSC) to talk to the energy sector to let them know what the schemes were doing, and their ability to meet the requirements of this new market to deliver sustainable biomass for the bio-energy that would meet the requirements of the RED;
- iv. The need to avoid 're-inventing the wheel' i.e. it would be better for the existing forest certification standards to be slightly modified (if necessary) so as to deliver sustainable forest biomass rather than having new initiatives to come up with suitable criteria and indicators for sustainable biomass; and
 - v. PEFC was urged to form a working group to discuss this issue of sustainable biomass with the energy sector.

Export of Certified Timber Products under the MTCS

Source: MTIB & MTCC

March 2012

By Destination	Volume (m ³)
Netherlands	2,487.01
United Kingdom	1,660.57
Australia	1,052.63
South Africa	1,192.40
Germany	739.91
Belgium	686.14
France	570.09
USA	384.72
Saudi Arabia	236.30
UAE	161.06
Mauritius	155.10
Pakistan	143.45
Denmark	128.79
Poland	70.89
Norway	43.61
Jordan	38.72
Albania	21.60
Bahrain	5.66
Total	9,778.63
By Product	Volume (m ³)
Sawn Timber	6,493.71
Plywood	2,817.66
Moulding	467.26
Total	9,778.63

April 2012

By Destination	Volume (m ³)
Netherlands	3,594.22
United Kingdom	2,276.98
Australia	795.82
Germany	527.54
France	324.05
Belgium	243.22
South Africa	145.27
Total	7,907.08
By Product	Volume (m ³)
Sawn Timber	3,121.48
Plywood	3,853.41
Moulding	932.19
Total	7,907.08

May 2012

By Destination	Volume (m ³)
Netherlands	2,797.56
United Kingdom	2,347.46
Germany	613.84
Belgium	382.30
Australia	306.01
France	282.07
South Africa	232.36
Italy	75.66
Greece	33.96
Total	7,071.23
By Product	Volume (m ³)
Sawn Timber	3,540.17
Plywood	2,508.32
Moulding	1,022.74
Total	7,071.23

June 2012

By Destination	Volume (m ³)
Netherlands	2,253.60
United Kingdom	1,777.17
Germany	695.00
Australia	545.49
Denmark	423.94
Saudi Arabia	382.13
South Africa	340.56
Belgium	340.38
Pakistan	285.68
France	277.50
UAE	137.81
Norway	87.22
Poland	75.87
China	75.81
Greece	70.74
New Zealand	58.90
Italy	37.01
Mauritius	20.93
Total	7,885.71
By Product	Volume (m ³)
Sawn Timber	4,593.06
Plywood	2,582.55
Moulding	710.10
Total	7,885.71

July 2012

By Destination	Volume (m ³)
Netherlands	4,753.30
United Kingdom	2,424.56
Germany	831.71
Australia	538.67
France	397.55
Belgium	260.57
Denmark	257.55
South Africa	200.33
Greece	32.54
USA	23.32
Total	9,720.09
By Product	Volume (m ³)
Sawn Timber	4,202.70
Plywood	4,086.33
Moulding	1,431.06
Total	9,720.09

August 2012

By Destination	Volume (m ³)
Netherlands	2,206.27
United Kingdom	2,547.81
Australia	667.87
Belgium	647.25
Germany	323.52
France	257.03
South Africa	71.94
Greece	34.72
Indonesia	18.66
Total	6,864.95
By Product	Volume (m ³)
Sawn Timber	3,227.95
Plywood	2,183.72
Moulding	546.11
Paper	234.73
Total	6,864.95

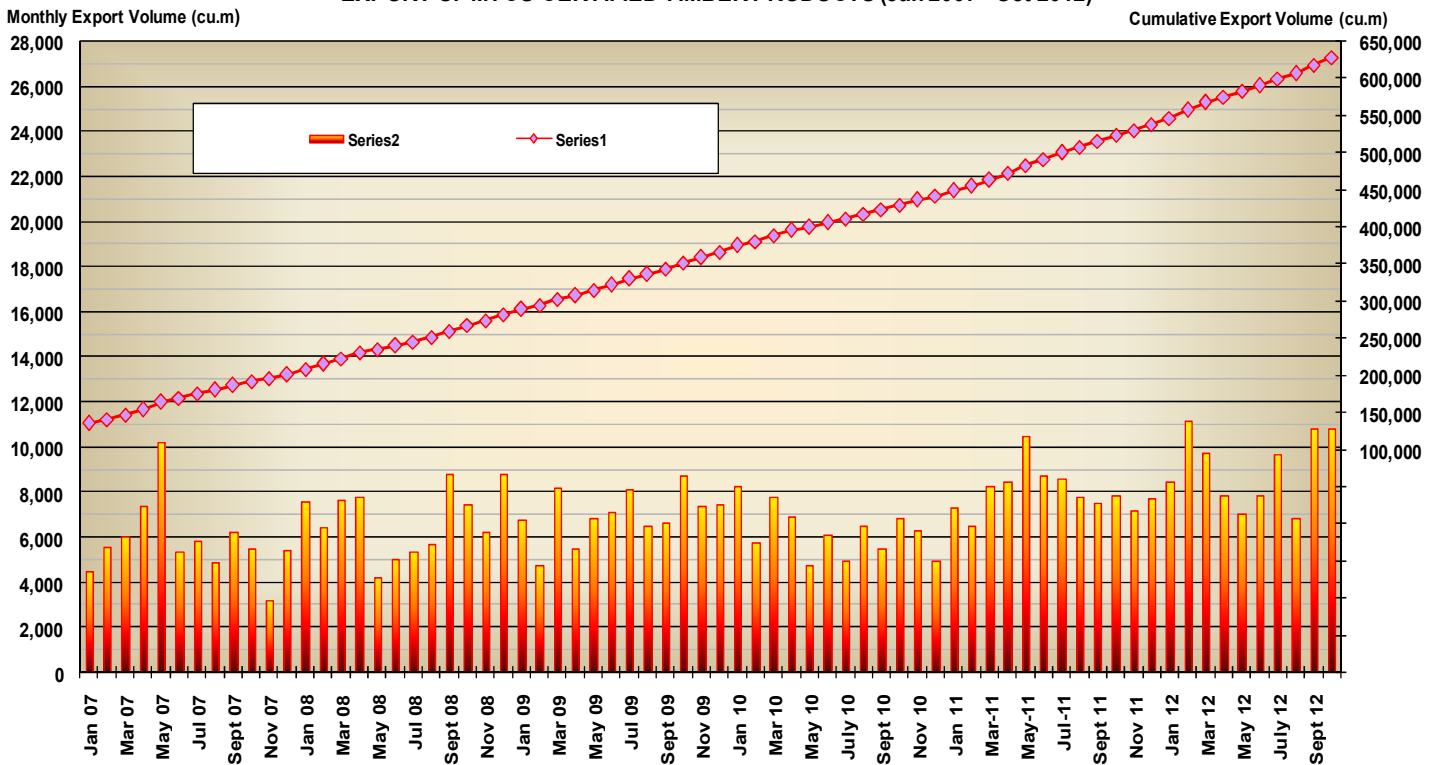
September 2012

By Destination	Volume (m ³)
Netherlands	3,425.73
France	1,691.79
United Kingdom	1,454.65
Germany	653.47
Belgium	618.84
Australia	572.19
Japan	432.34
South Africa	373.36
UAE	365.08
USA	295.78
Saudi Arabia	260.94
Pakistan	246.06
Finland	147.32
Italy	100.93
Greece	71.09
China	68.27
Oman	23.89
New Zealand	19.04
Kuwait	17.84
Total	10,838.60
By Product	Volume (m ³)
Sawn Timber	5,986.73
Plywood	3,696.14
Moulding	563.77
Doo Jamb / Stiles	402.16
Paper	147.32
Laminated Scantling	42.48
Total	10,838.60

October 2012

By Destination	Volume (m ³)
Netherlands	3,430.43
United Kingdom	1,502.59
Belgium	1,249.47
France	1,030.43
Japan	629.03
Australia	621.98
Saudi Arabia	560.96
Germany	547.01
South Africa	427.08
Denmark	243.50
Singapore	129.73
Bahrain	152.43
UAE	79.48
Italy	76.41
Greece	51.17
New Zealand	39.12
Poland	38.70
Mauritius	13.63
Total	10,823.15
By Product	Volume (m ³)
Sawn Timber	5,995.30
Plywood	3,251.26
Moulding	1,576.59
Total	10,823.15

EXPORT OF MTCS-CERTIFIED TIMBER PRODUCTS (Jan 2007 - Oct 2012)



Source: MTIB & MTCC

1. Volume exported in March 2012: 9,778.63 m³
2. Volume exported in April 2012: 7,907.08 m³
3. Volume exported in May 2012: 7,071.23 m³
4. Volume exported in June 2012: 7,885.71 m³
5. Volume exported in July 2012: 9,720.09 m³
6. Volume exported in August 2012: 6,864.95 m³
7. Volume exported in September 2012: 10,838.60 m³
8. Volume exported in August 2012: 10,823.15 m³

Total cumulative volume exported since July 2002:
628,876.22m³

Facts & Figures

No. of PEFC Certificate for Forest Management: 9 FMUs

No. of PEFC Certificate for Chain of Custody: 163 companies

Further details on the validity and area of the FMUs/scope of certification of the timber companies and their contact details, kindly log on to MTCC's website at www.mtcc.com.my

