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MTCC 10th Anniversary Celebration

MTCC held a dinner function to celebrate its ten years of operation on 4 December 2009 at the Palace of the Golden Horses in Kuala Lumpur. More than 200 guests, including past and present Trustees, Members, MTCS certificate holders, representatives of stakeholder groups, certification bodies, former ambassadors, media and representatives from foreign embassies and high commissions, attended the dinner.

YB Tan Sri Bernard Dompok, the Minister of Plantation Industries and Commodities, was the guest of honour at the dinner. Y.A. Bhg. Tun Dr. Lim Keng Yaik, the former Minister of Primary Industries who was instrumental in the establishment of MTCC, also attended the dinner.

The dinner was held to express MTCC's appreciation and gratitude to all the organizations and individuals who had contributed to the growth and development of timber certification in Malaysia through MTCC and the MTCS.

In his welcoming speech, MTCC Chairman Y. Bhg. Dato' Dr. Freezailah Che Yeom highlighted the many challenges faced by MTCC, particularly the multi-stakeholder consultation processes, and the milestones achieved. He thanked the various stakeholder groups, Trustees and Members, for their contributions towards MTCC's activities and the operation of the MTCS.

In his speech, YB Tan Sri Dompok stated that *'MTCC's achievements over the past ten years are highly commendable, given the difficult situation in the market when it started its operation. I am happy to note that currently 4.43 million hectares or 33% of the permanent reserved forests in Malaysia are certified under the MTCS. Having become the first certification scheme in the Asia Pacific region to be endorsed under the Programme for the Endorsement of Forest*

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Tan Sri Dompok speaking at the dinner

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Certification schemes (PEFC), MTCC to a large extent has achieved its vision to be recognised as the leading timber certification organisation for tropical forests’.

He also called upon the stakeholder groups to continue to provide feedback to MTCC and to support and participate in the various consultations organised to review the standards.

The dinner saw the launching of the MTCC 10th anniversary commemorative book entitled *The First Ten Years* by YB Tan Sri Dompok, followed by a

multimedia presentation which provided a brief overview of MTCC’s growth, development and achievements over the ten years.

As a token of appreciation, MTCC presented a souvenir to YB Tan Sri Dompok in the form of a wood carving produced using MTCS-certified Jelutong wood supplied by Bortim Sdn. Bhd. and processed by Gunung Seraya Sdn. Bhd.

The entertainment was provided by Nakasutra, a group of musicians featuring traditional music of the native communities in Malaysia.



Segaliud Lokan Forest Reserve Achieves Two Firsts

The Segaliud Lokan Forest Reserve (FR) in Sabah made two important achievements recently when it was awarded the *Certificate for Forest Management (Natural Forest)* under the MTCS. It became the first Forest Management Unit (FMU) in Sabah to be awarded such a certificate. Secondly, with the reissuance of an accredited certificate, the Segaliud Lokan FR has become the first FMU in Malaysia to be recognized as a PEFC-certified FMU, thereby allowing the MTCS-certified logs originating from this FMU to be eligible to use the PEFC Logo.

The certificate was awarded to KTS Plantation Sdn. Bhd., the company managing the Segaliud Lokan FR, by SIRIM QAS International Sdn. Bhd. (SIRIM QAS), one of the MTCS-notified

CBS, at a presentation ceremony officiated by Y. Bhg. Datuk Sam Manan, Director of Sabah Forestry Department on 7 December 2009 in Sandakan.

The Segaliud Lokan FR, located in the Sandakan Forest District covers an area of 57,247 ha and comprises of 40% lowland Dipterocarp forest. The stage 1 and stage 2 audits of the FMU against the requirements of the *MC&I(2002)* were conducted in January and August 2009, respectively. SIRIM QAS awarded the certificate to the FMU on 3 December, and re-issued the accredited certificate on 9 December.

A public summary of the audit report is posted on the SIRIM QAS website at www.sirim-qas.com.my.



Dato' Mariani Mohammad, Managing Director of SIRIM QAS presenting the certificate to Mr. Vincent Lau, Director of KTS Plantation Sdn. Bhd., witnessed by Datuk Sam Manan, Director of Sabah Forestry Department



Datuk Sam Manan speaking at the certificate presentation ceremony

Negeri Sembilan FMU Becomes PEFC-certified

The Negeri Sembilan FMU, covering 154,185 ha of Permanent Reserved Forests and managed by the Negeri Sembilan State Forestry Department, was recently awarded with an accredited *Certificate for Forest Management (Natural Forest)* against the requirements of the *MC&I(2002)* under the MTCS.

With this certification, Negeri Sembilan FMU has become the first MTCS-certified FMU in Peninsular Malaysia, and the second in Malaysia to be recognised as a PEFC-certified FMU. MTCS-certified logs originating from the Negeri Sembilan FMU are now eligible to carry the PEFC Logo.

The accredited certificate was issued on 29 December 2009, following the successful stage 1 and stage 2 audits of the FMU conducted by SIRIM QAS in May and July 2009, respectively. The certificate is valid for a 3-year period, subject to annual surveillance audits.

Update on Review of MC&I(2002)

The Standard Review Committee (SRC), which is the multi-stakeholder body tasked to review the MC&I(2002) and develop the revised standard, held its first meeting on 29-30 October 2009 in Kuala Lumpur, which was continued on 15-16 December in Kota Kinabalu, to deliberate on the Working Draft of the MC&I(2002).

The Working Draft was prepared by the Secretariat (MTCC) which consolidated the comments received from the first public comment stage on the MC&I

(2002) that was conducted from 1 April – 31 May 2009, as well as from other sources, i.e. PEFC endorsement of the MTCS, MTCC-Hamburg Joint Project, considerations of the ILO Core Conventions adopted by the PEFC, and comments received from the Panel of Experts (PoE).

The 15-member SRC consists of representatives from the stakeholder groups, i.e. environmental, social, economic and relevant government agencies, who have been nominated by

the respective stakeholder groups in Sabah, Sarawak and Peninsular Malaysia. Stakeholder groups that wish to provide input for the review of the MC&I(2002) are requested to contact their regional Members/Alternate Members.

The list and contact details of the Members/Alternate Members are available on the MTCC website under 'Latest News'. Alternatively, stakeholders can contact MTCC to obtain further information.



SRC Meetings in Kuala Lumpur (left) and Kota Kinabalu (right)

MTCS-notified CBs obtain Accreditation

Two of the MTCS-notified certification bodies (CBs), SIRIM QAS and SGS (Malaysia) have been granted accreditation by the Department of Standards Malaysia (STANDARDS MALAYSIA) for forest management and chain of custody (CoC) certification under the MTCS.

SIRIM QAS became the first CB to be accredited when its application for an extension of scope of its existing accreditation against MS ISO/IEC Guide 65 for product certification to include CoC certification of forest based products using the standard, PEFC Technical Document Annex 4, under the MTCS was approved by STANDARDS MALAYSIA on 27 July 2009.

Following its accreditation, SIRIM QAS

became a PEFC-notified CB for CoC certification and obtained the PEFC Logo Usage Licence with registration no. PEFC/34-44-01 from MTCC on 2 September. STANDARDS MALAYSIA granted SIRIM QAS the accreditation for forest management certification (FMC) on 10 December, following which it became a PEFC-notified CB for FMC on 22 December.

SGS Malaysia was granted the accreditation for FMC on 8 December and for CoC certification on 16 December. It became a PEFC-notified CB for both FMC and CoC on 24 December. MTCC is currently processing SGS Malaysia's application for the issuance of the PEFC Logo Usage Licence.

As PEFC-notified CBs, SIRIM QAS and SGS

Malaysia are now eligible to issue accredited certificates for both FMC and CoC under the MTCS, which are recognised as PEFC certificates.

By 15 January 2010, SIRIM QAS has issued two PEFC certificates for FMC (Segaliud Lokan Forest Reserve and Negeri Sembilan FMU) and 21 PEFC CoC certificates to timber companies. Holders of the PEFC certificates under the MTCS are eligible to use the PEFC Logo on their products certified under the MTCS, upon signing the PEFC Logo Usage Licence with MTCC.

The holders of the PEFC certificates under the MTCS are listed on page 4 and their contact details are available on the MTCC website.

List of PEFC Certificate Holders under the MTCS (as at 15 January 2010)

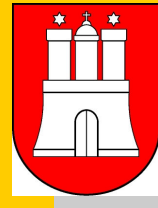
For Forest Management

1. Segaliud Lokan Forest Reserve, Sandakan, Sabah
2. Negeri Sembilan FMU

For Chain of Custody

1. Asia Plywood Company Sdn. Bhd., Sungai Petani, Kedah
2. Pesama Timber Corporation Sdn. Bhd., Kemaman, Terengganu
3. Gunung Seraya Wood Products Sdn. Bhd., Klang, Selangor
4. Vin-Forest Industries Sdn. Bhd., Port Klang, Selangor
5. Guan Hin Sawmill & Hardware Sdn. Bhd., Chemor, Perak
6. Kim Teck Lee Timber and Flooring Sdn. Bhd., Banting, Selangor
7. Zedtee Plywood Sdn. Bhd., Bintulu, Sarawak
8. Linshanhao Plywood (Sarawak) Sdn Bhd., Kuching, Sarawak
9. Kilang Papan Low Fat Sdn. Bhd., Hulu Terengganu, Terengganu
10. Low Fatt Wood Industries Sdn. Bhd., Hulu Terengganu, Terengganu
11. Shin Yang Plywood Sdn. Bhd., Miri, Sarawak
12. Forescom Plywood Sdn. Bhd., Bintulu, Sarawak
13. Sim Seng Huat Timber Industries Sdn. Bhd., Klang, Selangor
14. Arah Asia Sdn. Bhd., Raub, Pahang
15. Dyera-Tim Sdn. Bhd., Ipoh, Perak
16. Shin Yang Plywood (Bintulu) Sdn. Bhd., Bintulu, Sarawak
17. MTME Point Sdn. Bhd., Kuantan, Pahang
18. CHG Plywood Sdn. Bhd., Cheras, Kuala Lumpur
19. Kompleks Perkayuan Kelantan Sdn. Bhd., Kuala Krai, Kelantan
20. Timber Traders (Selangor) Sdn. Bhd., Hulu Selangor, Selangor
21. Sanyan Wood Industries Sdn. Bhd., Sibul, Sarawak

Full Acceptance of MTCS by Hamburg



The Free and Hanseatic City of Hamburg in Germany has given the MTCS full recognition for sustainable forestry in its procurement guidelines.

The announcement was made recently by the Department of Economy and Labour of the City of Hamburg and confirms the earlier decision to allow the use of MTCS-certified timber products for public projects in Hamburg.

The announcement also marks the successful completion of the MTCC-Hamburg Joint Project which started in June 2006 for a two-year period with the main objective to provide scientific support to refine the MC&I(2002) to fulfil the requirements of the City of Hamburg for the use of tropical timber.

Working Visit to Berlin, The Hague and Brussels

A Working Visit to Berlin, The Hague and Brussels, led by YB Tan Sri Bernard Dompok, the Minister for Plantation Industries and Commodities and involving two commodities (palm oil and timber), took place from 11-20 November 2009. Mr. Cheah Kam Huan, CEO of MTC, Mrs. Sheam Satkuru-Granzella, Director of MTC London office and Mr. Chew, CEO of MTCC, participated in the Visit.

The main objectives of the Visit for timber were to hold discussions with the relevant Ministers and EU Commissioners on matters of interest to both countries, such as the timber trade, the ongoing negotiations on the EU Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA), the latest developments on the EU Due Diligence Regulation (DDR), acceptance of VPA timber products by all EU member states especially by the national public procurement policies and the latest

developments in the MTCS, as well as to exchange information and views with the timber trade representatives in the countries concerned about the current market for timber products and its prospects.

A Timber Lunch was held in Wolfsburg with the German Timber Trade Federation (GTTF), while in The Hague a Roundtable Meeting with the Dutch

Timber Trade was organised.

A similar Roundtable Meeting was held in Brussels. At all these meetings, Mr. Chew presented information on the latest developments in the MTCS, particularly regarding when the first consignment of MTCS-certified timber bearing the PEFC Logo would be available in the countries concerned.



YB Minister and Delegates viewing MTCS-certified timber at Van de Vin Window and Window Frames in Heeze, The Netherlands

MTCC Participation in PEFC Stakeholder Dialogue



MTCC attended the PEFC Stakeholder Dialogue entitled *Exploring issues facing the forest sector: new global opportunities for forest certification?* held on 11 November 2009 in Paris. The Dialogue was attended by more than 120 representatives from a wide variety of organisations to discuss and share perspectives on critical issues facing forests and their management, and the multiple roles of forest certification. MTCC was represented by its Senior Manager (Product), Mr. Harnarinder Singh.

The Dialogue was conducted in two parts i.e. plenary discussions and break-out groups. The first plenary session, which looked at the critical issues and opportunities facing forests and their management in the next 10 years, had four presentations, i.e. i) *Global*

Perspective of Forests, Environment and Development, ii) *Critical Factors in Energy Sector*, iii) *Forest Owners' Perspective and* iv) *Indigenous Peoples and Forests*. During the second plenary session, Mr. Ben Gunneberg, PEFC Secretary General presented a paper entitled *Positioning PEFC and forest certification to meet the challenges* where he spoke on PEFC's global presence, the PEFC Sustainability Benchmark Requirements, PEFC's value proposition, the on-going standards revision process, the issues confronting PEFC and propositions as how to overcome them.

On the thematic break-out group sessions, views and experiences on the *Role of certification in climate change mitigation; The effectiveness of SFM in addressing social issues; PEFC going global: balancing flexibility with credibility*, and *Enhancing the value of PEFC certification* were expressed and shared. Together with the France

Nature Environment (FNE), MTCC co-facilitated the third group on *PEFC going global: balancing flexibility with credibility*, where it made a presentation on the *PEFC endorsement of the MTCS*.

In the discussions that followed the plenary and break-out sessions, the participants explored the many emerging market opportunities for forest resources, including payments for ecosystem services and carbon, developments related to wood fuel as an alternative energy source, and meeting the continually growing demands for wood and fibre. Mechanisms to stimulate and promote market demand for sustainable wood products were also widely discussed. On the supply side, it was noted that certification needs to do better at meeting the needs and providing accessible tools to uncertified forest areas, especially in the tropics.

13th PEFC General Assembly

The 13th PEFC Council General Assembly (GA) hosted by PEFC France was held on 13 November 2009 in Paris. MTCC was represented by Mr. Harnarinder Singh.

In his report, Mr. Ben Gunneberg highlighted that the PEFC certified forest area saw an additional increase of 16 million ha which represented a 7.5% growth in 2009. As for CoC certification, there was an increase of 36% in the number of CoC certificates and the total certificates awarded now stands at more than 5,700. Two tropical timber certification schemes were endorsed in 2009, namely Gabon and Malaysia. The third endorsed scheme was from Russia.

On maintenance and enhancement of product quality, it was reported that the revision of the International Chain of Custody Standard (Annex 4) which started in the spring of 2008 is scheduled for final approval in 2010. The development of a joint PEFC-IAF

(International Accreditation Forum) document on the requirements for certification bodies carrying out CoC certification had moved into the final stage and is expected to be approved by the IAF in 2010. PEFC also has initiated its Standards Revision process dealing with its sustainable forest management requirements and criteria for standards setting at national level.

Other areas highlighted were on capacity building and training, advocacy and stakeholder engagement, and promoting the value of PEFC certification.

During the GA, other important agenda items discussed were pertaining to changes to the PEFC Council Statutes, revision of the PEFC International CoC Standard (Annex 4) and Changes in Annex 3 of the *PEFC Council Technical Document* (Basis for Certification Schemes and their Implementation).

The GA also agreed to the modifications to two of its criteria on public availability of forest management plans, and indigenous peoples' rights, to further strengthen the transparency of the PEFC certification criteria and its requirements related to social issues.

The GA also witnessed the election of Mr. William Street who is currently the International Representative for the Woodworkers based in US, as the new Chairman of the PEFC Board of Directors for the period 2009-2012. In addition, two new Members of the Board were elected, namely Ms Sheam Satkuru, director of the Malaysian Timber Council office in London, and Mr Michael Proschek-Hauptmann, managing director of Umweltdachverband, the umbrella organisation for environmental NGOs in Austria.

The full report of the GA is available at www.pefc.org.

MTCC at German Timber Day 2009

MTC and MTCC jointly participated at the German Timber Day 2009 exhibition held on 10-11 November in Cologne. The exhibition which is organised biennially by the German Timber Trade Federation (GD Holz) featured exhibits from more than 150 timber companies representing producers, traders, importers as well as exporters from countries in Europe such as Germany, The Netherlands and Sweden.

MTC-MTCC booth was visited by numerous timber companies representing traders, importers and exporters from all over Europe. Out of these companies, a number of importer companies such as Magoutas Timber Products from Greece, Enno Roggermann GmbH, Zeus GmbH and Holz-Henkel GmbH from Germany, as well as Novawood Products Ltd. from Turkey showed their interest in obtaining certified timber products from Malaysia.



Mr. Faisal Jaafar, MTCC Executive (Forest Management) attending to visitors during the exhibition

Throughout the two-day exhibition, the

Export of MTCS-Certified Timber Products

August 2009

Destination	Volume (m ³)
Netherlands	4,025.53
United Kingdom	1,321.05
Germany	375.54
Denmark	214.51
Belgium	184.91
Ireland	171.46
Australia	123.84
France	98.92
Total	6,515.76

September 2009

Destination	Volume (m ³)
Netherlands	5,025.82
United Kingdom	626.46
Belgium	415.14
France	247.82
Germany	191.07
Denmark	86.04
Australia	47.83
Total	6,640.18

October 2009

Destination	Volume (m ³)
Netherlands	5,641.09
Belgium	1,310.28
Denmark	775.52
United Kingdom	388.72
France	282.22
Germany	198.25
Australia	130.23
Poland	25.03
Total	8,751.34

November 2009

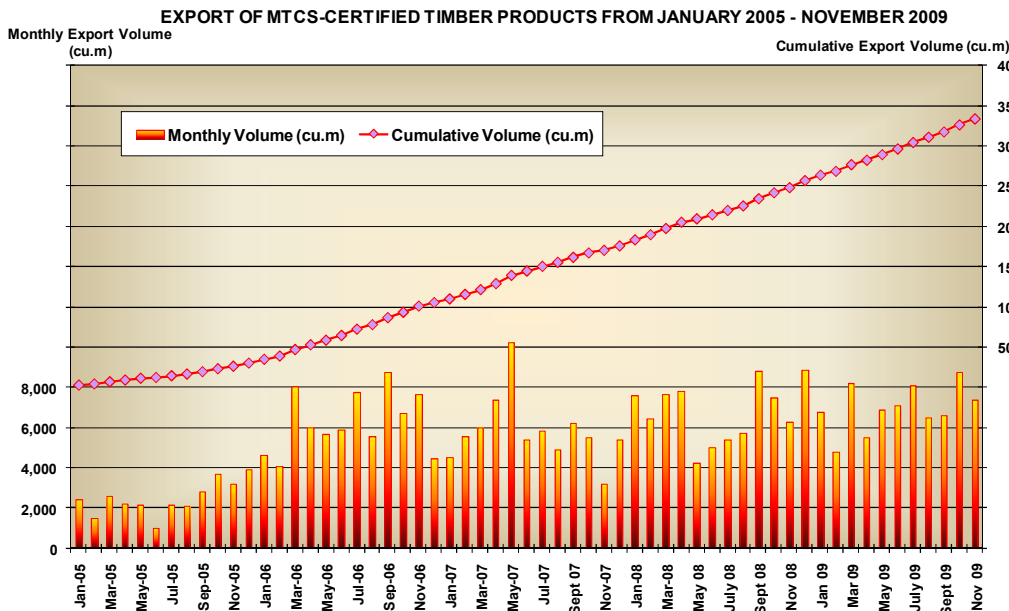
Destination	Volume (m ³)
Netherlands	4,260.40
United Kingdom	1,976.36
Belgium	500.75
France	365.90
Germany	261.98
Australia	21.07
Total	7,386.46

Product	Volume (m ³)
Sawn Timber	3,419.03
Plywood	2,607.40
Moulding	489.33
Total	6,515.76

Product	Volume (m ³)
Sawn Timber	4,284.32
Plywood	1,920.44
Moulding	435.42
Total	6,640.18

Product	Volume (m ³)
Sawn Timber	4,186.09
Plywood	3,646.98
Moulding	918.27
Total	8,751.34

Product	Volume (m ³)
Sawn Timber	3,977.99
Plywood	2,842.22
Moulding	566.26
Total	7,386.46



- Volume exported in August 2009: **6,515.76 m³**
 - Volume exported in September 2009: **6,640.18 m³**
 - Volume exported in October 2009: **8,751.34 m³**
 - Volume exported in November 2009: **7,386.46 m³**
- Total cumulative volume exported (since July 2002): **359,328 m³**

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