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**Forest
Certification
Augurs Well
With SFM**

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STIDC Subscribes To Forest Management Certification

Forest certification is a confirmation of compliance of forest management practices with an agreed set of rules expressed in form of Principles Criteria, Indicators and Management Specifications. It gives recognition to forest managers complying with international standards and best practices of responsible management and give fair treatment to the local people. Forest certification also serves to inform end users that they are buying the products

from sustainably managed forests. Certified timber products can fetch price premium and gain access into markets closed to non-certified timber products.

Forest certification is in line with Sarawak's commitment towards sustainable forest management. Through this initiative the state aims to project its positive image by combating illegal logging and promoting environmental protection and good governance. To the timber industry, forest certification is the way forward to secure bigger market share.

The forest management certification scheme is recognised internationally particularly by Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC) schemes or Malaysian Timber Certification Scheme (MTCS). Certification under any other scheme should be approved by the Director of Forest.

STIDC being the state government agency responsible to spearhead the advancement of the timber industry in Sarawak supports the forest management certification and hopes industry players will strive for the success of this initiative in order to gain greater customers' confidence and acceptance on our timber products.



- Participants listening attentively to a presentation on STLVS by STIDC officer.



STLVS certificate of compliance for mill operations and export

Sarawak is practising Sarawak Timber Legality Verification System (STLVS) covering the process of licensing, harvesting, transporting, manufacturing and trading of logs and timber products in accordance with the existing laws, regulations and procedures governing forests and timber trade.

Legality is defined as “logs harvested by licensed persons from approved areas and verified by the relevant authorities in accordance with the laws, regulations and procedures pertaining to forestry and trade in Sarawak”.

The system has undergone the process of improvement and enhancement in meeting the current needs.

In 2015, the STLVS was further enhanced to allow independent auditing and verification to be conducted by an independent third party.

This was followed by a seminar on STLVS in Tokyo and Osaka, Japan in 2016. The tireless efforts finally paid off and STIDC is now ready to issue the Sarawak Timber Legality Verification System (STLVS) Certificate of Compliance for Principle 5

(Mill Operations) and Principle 6 (Trade & Export) and Export to the timber manufacturing mills and companies doing export and import activities in Sarawak.

Before issuing these certificates, the companies are to conduct the third party audit on its processes to ensure compliance to the STLVS Standard.

Briefings were conducted in Kuching, Sibul, Bintulu and Miri to enlighten the industry on STLVS Certificate of Compliance.

“This will add credibility and boost customers’ confidence in export of Sarawak timber products worldwide”, Datu Haji Sarudu Haji Hoklai, General Manager of STIDC said.

He added that STIDC, under the purview of the Ministry of Urban Development and Natural Resource, together with the other implementing agencies will intensify the promotion of STLVS in the main markets of Sarawak timber internationally.



Ministry encourages more firms to obtain timber certification

The Ministry of Plantation Industries and Commodities is encouraging more Malaysian companies to obtain timber certification to ensure all timber products are manufactured from sustainable sources and certified in compliance with stringent standards.

Its Minister, Datuk Seri Mah Siew Keong, said this was not only to conserve resources but also to continue

accessibility to market demanding sustainable products.

“The timber sector is one of the important contributors to our national economy. It contributed RM21.86 billion to the country’s export earnings in 2016. It also continues to take Malaysia to the global level through its ranking as one of the world’s top exporters of tropical timber products,” he told reporters after

presenting the Chain of Custody (CoC) Certification to Royal Selangor International Sdn. Bhd. The CoC is under the Malaysian Timber Certification Scheme (MTCS).

The MTCS is a national timber certification scheme for sustainability developed and operated by the Malaysian Timber Certification Council (MTCC) to confirm the timber products manufactured or traded are sourced from sustainably managed forests.



Source: Borneo Post (Thursday, 10 August 2017)

Redeems Centre, STIDC To Develop Bamboo And Sarawak Timber Tree Park



The Right Honourable Chief Minister of Sarawak (standing in the middle) witnessing the MoU signing between Datu Haji Sarudu (left) and Datuk Peter.

A Memorandum of Understanding (MoU) was signed on 9 July 2017 between Redeems Centre and STIDC to develop the Bamboo and Sarawak Timber Tree Park. A-40 acre site was earmarked at the Redeems Centre in Kampung Apar Singai, Bau and a technical team was formed to implement the project.

President of Redeems Centre, Datuk Peter Nansian Ngusie said, the project was in tandem with the rural transformation programme particularly through eco-tourism and would become part of the state heritage.

The MoU was signed by Datuk Peter and Datu Haji Sarudu Haji Hoklai on

behalf of the Redeems Centre and STIDC respectively.

The Right Honourable Chief Minister of Sarawak, Datuk Amar Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg witnessed the signing ceremony.

STIDC Emerged Overall Champion

The Corporation also attained 5-Star Rating based on Accountability Index 2016

STIDC attained 5-Star Rating and emerged the overall champion among the Sarawak Government Ministries, Departments and Agencies for Excellent Financial Management based on Accountability Index 2016 by the National Audit Department.

The rating aimed to benchmark the accountability and integrity of CEOs/Controlling Officers in financial management to ensure compliance to SOP. Accountability Index is part of KPI to assess financial management of the ministries, departments and agencies.

The rating also enabled CEOs/Controlling Officers to know their financial management status whether excellent (5-Star), good (4-Star), satisfactory (3-Star), less satisfactory (2-Star) or unsatisfactory (1-Star).



Excellent financial management entails the combined elements of:

- (i) excellent leadership;
- (ii) excellent organisational control ;
- (iii) wise use of ICT;
- (iv) good information management systems;
- (v) competent human capital; and
- (vi) excellent work culture.

The audit session focused on nine main control aspects namely Organisational Management Control, Budget Control, Receipt Control, Expenditure and Revenue Control, Management of Trust Funds/Trust Accounts and Deposit, Asset and Inventory Management, Investment Management, Loan Management and Financial Statement.

STIDC Facebook



• Datu Haji Sarudu (centre) launching the STIDC facebook while his Deputy, Tuan Haji Hashim Haji Bojet (fourth left), the management members and staff of STIDC look on.

In spearheading the advancement of the wood-based industry in Sarawak, STIDC strives to ensure continuous improvement through various initiatives for common good.

One of the initiatives taken was the launching of the corporate facebook on 29 August 2017.

General Manager, Datu Haji Sarudu Haji Hoklai highlighted that the facebook aims to keep its clients abreast with the latest information on corporate activities, policies and services. It also serves as a platform to foster rapport and to receive feedbacks from stakeholders particularly industry players.

The facebook link is
www.facebook.com/swktimber

KoPUSAKA Won Excellent Cooperative Award



Tuan Haji Hashim (right) briefing Datuk Amar Haji Awang Tengah (centre) on the performance of KoPUSAKA while Datu Haji Sarudu (left) and others look on.

initiatives, it won various awards including the Excellent Cooperative Award (Wholesale and Retail Category) 2016. In 2015, it secured the best 75th position out of 11,871 cooperatives nationwide and the second-best out of 917 cooperatives in Sarawak.

Driven by these achievements, KoPUSAKA is embarking into the development of 40 units of shop houses in Tanjung Manis New Township. The Chairman of KoPUSAKA and STIDC Deputy General Manager, Tuan Haji Hashim Haji Bojet highlighted that the RM30 million project is developed by a local contractor and is

Koperasi PUSAKA Sarawak Berhad (KoPUSAKA) is a cooperative and investment arm of STIDC to generate revenue through business activities. Established in 1998, it has ventured into varied sectors including finance, food and beverage, property developments and services.

Through these activities, KoPUSAKA continues to benefit its members in terms of personal loan, educational incentives and profit sharing.

KoPUSAKA is committed to excellent performance and prudent business management. Through these quality

almost completed adding that the interest shown by prospective purchasers is encouraging due to immense economic potential of the township.

He described this project as timely in complementing and supporting the economic growth of the township. With



The Honourable Deputy Chief Minister of Sarawak, Datuk Amar Haji Awang Tengah Bin Ali Hasan (centre), presenting the Excellent Cooperatives Award (Wholesale and Retail Category) 2016 to the Chairman of KoPUSAKA and STIDC Deputy General Manager, Tuan Haji Hashim Haji Bojet in conjunction with the State Level National Cooperatives Day 2017.

rapid development currently taking place in the township, this project will definitely help in meeting the needs of the people as well as the industries.

The economic activities of Tanjung Manis have diversified ranging from wood-based industry to other sectors like halal industry, shipbuilding industry, deep sea fishing industry, Palm Oil Industrial Cluster, oil and gas industry, aquaculture industry, and the related industries.

Undeniably, the development of KoPUSAKA's shop houses will generate spin-off effects particularly to the local people in terms of business and employment opportunities.

"KoPUSAKA aspires to venture into other fields like tourism as well as training and

courses. Presently, we are in the process of taking over several lots in Tanjung Manis for housing and industrial projects. We also hope to explore new business opportunities besides expanding business with STIDC subsidiaries on win-win situation in order to be a modal to other cooperatives," Tuan Haji Hashim said.

Summary

- KoPUSAKA is committed to excellent performance and prudent business management
- KoPUSAKA aspires to venture into other fields





Course Facilitator, Mohd. Idham (seated in the middle) together with STIDC officials and course participants.

Sofa Engineering Course

The course covered several technical aspects of furniture engineering

STIDC in collaboration with Universiti Putra Malaysia (UPM) conducted a study on the wood-based Small and Medium Entrepreneurs (SMEs) in Sarawak. The study revealed that SMEs constitute 76% of the total number of manufacturing and services in the timber industry in Sarawak. They also account for 26% of the total installed capacity for timber products manufacturing and services and provide employment to 6.5% of the total workforce in the timber sector.

STIDC plays pivotal role in the development of SMEs through the Bumiputera Furniture Vendor Programme. Commenced in October 2002, the programme aims to create resilient community of Bumiputera entrepreneurs with emphasis on furniture and furniture related businesses.

Presently, there are 43 active Bumiputera furniture vendors across Sarawak. To ensure the success of this programme, STIDC provides the basic infrastructure such as workshops apart from trainings to help them to penetrate and compete with the global players.

In tandem with this aspiration, STIDC jointly organised sofa engineering course with the Furniture Industry Technology Centre (FITEC) on 24-28 July 2017 at STIDC Furniture Industrial Complex, Kota Samarahan.

The course covered several technical aspects such as making sofa framework, shaping sponge, identifying the right fabric, sewing the fabric and finishing.

Course Facilitator, Mohd. Idham Bin Saadon, said, the startup capital for

sofa making business is approximately RM6,000.00 to buy the required tools including industrial sewing machine, walking foot sewing machine, mitre saw, stapler, spray gun, jig saw, rubber foam cutter, air screw driver, L-Square and metal ruler.

The five-day course was attended by STIDC furniture vendors and staff.

Summary

- SMEs constitute 76% of the total number of manufacturing and services in the timber industry in Sarawak
- STIDC plays pivotal role in the development of SMEs through the Bumiputera Furniture Vendor Programme
- Presently, there are 43 active Bumiputera furniture vendors across Sarawak

Making Vehicle Cushion

lining, making and installing car palate, replacing carpet, replacing dashboard cover and making and wrapping car steering.

Course Facilitator, Mohd. Idham Bin Saadon, said, there were several steps to make vehicle cushion such as uninstalling and segregating the seat from backrest, removing and marking seat case to the new seat case template, sewing the new seat case, gluing the new seat case with laminated sponge, sewing the circumference of the new seat case and putting on the new seat case to the seat.

He added that the materials required were wrapping items such as fabric, PVC, polyurethane, skin, 4/6/8/10/12 mm laminated sponge, piping and threads.

STIDC in collaboration with the Furniture Industry Technology Centre (FITEC) organised the Vehicle Cushion Making Course on 7-11 August 2017 at STIDC Furniture Industrial Complex, Kota Samarahan. The

course was attended by STIDC furniture vendors and staff.

The course focused on various technical aspects including making and replacing vehicle seat case, replacing door panel

Among the tools required were air-compressor, industrial sewing machine, stapler gun, ring pliers, jig saw, C Hock Bits, Air/Neumatic Hock Ring Machine spray gun, U-Tecker Gun, air nailer gun, L-Square and metal ruler.



Course Facilitator, Mohd. Idham (seated second left) posing with STIDC staff and course participants.

Timber Sector Contributed Monetary Assistance

The cash awards and monetary assistance were part of corporate social responsibility and outreach programme of both STIDC and STA



Datuk Amar Haji Awang Tengah (front: second left) flanked by Datu Haji Sarudu (front: third left) and recipients of the monetary assistance.

The wood-based sector of Sarawak continued to be the source of blessings to many people in terms of employment and business opportunities as well as financial assistance.

Idea to disburse financial assistance was mooted by Sarawak Head of State and former Chief Minister, His Excellency Tun Pehin Sri Haji Abdul Taib Mahmud in 1982. Since then, STIDC and its subsidiaries have put this initiative in their calendar of events. Sarawak Timber Association (STA), through its subsidiary, STA Mutual Sendirian Berhad (STAM) also subscribes to similar initiative since 2013.

In July 2017, STAM presented cash awards to students who excelled in last year's public examinations.

A sum of RM266,000.00 was donated to 59 charitable organisations from across Sarawak on 16 June 2017 by STIDC and its subsidiaries. The donation was presented by the Deputy Chief Minister of Sarawak and Chairman of STIDC Board

of Management, The Honourable Datuk Amar Haji Awang Tengah Bin Ali Hasan.

STIDC and STA also contributed RM173,000.00 to SK. Kampung Buda rebuilding fund this year and RM74,000.00 to 68 schools in Kapit.

The cash awards and monetary assistance were part of corporate social responsibility and outreach programme of both STIDC and STA in recognising and encouraging the deserving students and in helping the needy.

Summary

- STAM presented cash awards to students who excelled in last year's public examinations
- A sum of RM266,000.00 was donated to 59 charitable organisations from across Sarawak by STIDC and its subsidiaries
- STIDC and STA also contributed RM73,000.00 to SK. Kampung Buda rebuilding fund and RM74,000.00 to 68 schools in Kapit

Mr. Paul Lau Ngee Hung, Senior Assistant General Manager of STIDC Resource Development Division (front fifth left) together with recipients of monetary assistance in Kapit Division and Song District.





STA, STIDC Supplement RM100K to SK. Kampung Buda

Sarawak Timber Association (STA) through its subsidiary, STA Mutual Sendirian Berhad and STIDC play pivotal role in helping the rural schools by allocating fund to develop infrastructure and recreational facilities. The initiative is part of their corporate social responsibilities (CSR) which commenced in 2013.

This was evident by their financial assistance amounting to RM100,000.00 to SK. Kampung Buda rebuilding fund

on 21 August 2017. The donation was presented by Saribas Assemblyman, The Honourable Mohammad Razi Sitam to supplement the initial donation of RM73,000.00 in May 2017.

SK. Kampung Buda, in Spaoh, Betong was partly damaged due to river erosion in 2016.

Mohammad Razi commended STA and STIDC for their noble initiative in raising fund to rebuild the school to

ensure excellence among the students. "Education is the key to success. Everything begins with education," he said.

Meanwhile, General Manager of STIDC, Datu Haji Sarudu Haji Hoklai hoped the contribution would help the Parent-Teacher Association (PTA) to expedite the school rebuilding project in order to alleviate the challenges faced by the teachers, students and parents. He added that SK. Kampung Buda was chosen as the beneficiary of the CSR initiative due to the urgency of the case.

Also present at the cheque presentation ceremony were STA General Manager, Dr. Peter Kho, STA Honourary Treasurer, Mr. Philip Choo, Senior Assistant General Manager of STIDC Resource Development Division, Mr. Paul Lau Ngee Hung and SK. Kampung Buda Headmaster, Mr. Kon @ Sapawi Bin Yahu.

- Datu Haji Sarudu (third right) presenting the mock cheque to Mr. Kon @ Sapawi (second left).





STIDC OPEN HOUSE

*Datuk Amar Haji Awang Tengah •
(sixth right) and other VIPs officiating
the STIDC Open House.*

Promoting
good rapport,
peace, harmony
and unity

In its stride to spearhead the advancement of the wood-based industry in Sarawak, STIDC maintains cordial relationship with its counterparts either in the private or public sectors through various programmes to ensure that its roles and functions are carried out smoothly and effectively.

The auspicious event was graced by Datuk Amar Haji Awang Tengah Ali Hassan, Deputy Chief Minister of Sarawak and Chairman of STIDC Board of Management. Also present were officials and staff of related government agencies, industry players, contractors, service providers and local media.

Among the programmes organised was the Hari Raya Aidilfitri open house on 12 July 2017 at Wisma Sumber Alam in Kuching, Sarawak.

The open house was a show of appreciation to relevant government agencies, industry players, contractors and service providers for their continuous support in realising STIDC's objectives. In addition, it also aimed to promote good rapport and encourage peace, harmony and unity.

Summary

- Programmes are in place to maintain cordial relationship with counterparts
- The open house was a show of appreciation to relevant government agencies, industry players, contractors and service providers for their continuous support in realising STIDC's objectives





• The Right Honourable Chief Minister of Sarawak signing the visitors' book.

CM Visited Tanjung Manis

The Right Honourable Chief Minister of Sarawak, Datuk Amar Abang Haji Abdul Rahman Zohari Bin Tun Datuk Abang Haji Openg was on working visit to Tanjung Manis District on 19 August 2017.

A briefing was conducted by the General Manager of STIDC, Datu Haji Sarudu Haji Hoklai in order to enlighten him on the latest development in the district.

The one day programme also saw the Chief Minister visiting Kampung Rejang fertigation site and the Rural Group Centre (RGC) in Kampung Bruit where he was briefed on the development of RGC.

He was accompanied by his wife, Datin Amar Dato Juma'ani Tuanku Bujang, State Secretary The Honourable Tan Sri Datuk Amar Mohamad Morshidi Abdul Gani, Assistant Minister of Urban Planning,

Land Administration and Environment The Honourable Datu Len Talif Salleh and Assistant Minister of Corporate Affairs, The Honourable Abdullah Saidol.

Also present were STIDC Deputy General Manager, Tuan Haji Hashim Haji Bojet, management members and senior officers of STIDC.



• The Right Honourable Chief Minister of Sarawak (second right) and other state dignitaries visiting an agricultural project in Tanjung Manis.

OSH Campaign Augurs Well With Forest Certification Initiative

Occupational Safety and Healthy (OSH) is an integral part of our lives. It warrants serious attention by all parties including the government, employers and employees. Occupational accidents and disasters particularly those that caused fatality pose adverse impacts to the affected parties. For employers, fatal accidents result in loss of talents and skills which affect productivity and tarnish reputation. For employees, fatal accidents cause loss of loved ones and sources of income.

Department of Occupational Safety and Health (DOSH) recorded 88 OSH cases for the period of January-July last year in the wood-based sector in Sarawak with eight fatalities, five permanent disabilities, 71 non-permanent disabilities and four dangerous occurrences. Consistent efforts by DOSH and STIDC in promoting OSH has brought the OSH cases down to 54 for the period of January-July this year, with one fatality, two permanent disability and 51 non-permanent disabilities.

Recognising the importance of OSH, STIDC in collaboration with DOSH and Sarawak Timber Association (STA) organised the OSH Campaign on 13-14 September 2017 at Berkakap Camp, Nanga Gaat to cater for wood-based companies in Kapit Division.

It was a continuation of last year's campaigns which were carried out across the state to create a culture of OSH at workplaces. The campaign focused on ground inspection to assess safety practices in the forestry sector including risks associated with driving along logging



• Participants of the OSH Campaign together with officers of DOSH and STIDC.

roads and engineering activities as well as biological and psychological hazards.

The campaign also discussed topics on Occupational Safety and Health Act 1994 (OSHA); Hazard Identification, Risk Assessment and Risk Control (HIRARC); Occupational Safety and Health Committee at Workplaces; Notification of Accident, Dangerous Occurrence, Occupational Poisoning and Occupational Disease Regulation 2004 (NADOPOD) and Use and Standard of Exposure of Chemicals Hazardous to Health (USECHH Regulation).

Through this initiative, it is hoped that there would be local wood-based companies nominated in future and won the OSH Excellence Awards for greater customers' confidence and acceptance as well as to create benchmark for wood-based sector in Sarawak.

"Forest certification is crucial in the forestry sector. Under this initiative, safety and health of employees is a prerequisite to get

forest concessions certified. It is therefore, vital to view certification and OSH seriously in order to comply with the global market requirements" STIDC General Manager, Datu Sarudu Haji Hoklai said.

To prevent occupational accidents, he emphasised that organisations must be aware of the hazards at workplaces and manage employees' safety and health effectively. Apart from employers, employees are equally responsible for OSH by making it a culture.

"Tripartite co-operation among the government, employers and employees on OSH should be intensified. All policies, strategies and programmes related to OSH warrant undivided support from the three parties in order to achieve the desired results" Datu Sarudu added.

The campaign was participated by camp managers, supervisors, foremen, scalers, surveyors, mechanics, fellers and drivers.

STIDC GOLF

240 golfers contesting under VIPs, Invited Guests, STIDC and Subsidiaries, Men's Open and Women's Open categories

The annual STIDC Golf tournament came back on 29 July 2017 at Kelab Golf Sarawak in Kuching.

This year's tournament featured 240 golfers contesting under five categories – VIPs, Invited Guests, STIDC and Subsidiaries, Men's Open and Women's Open.

More than RM80,000.00 worth of three hole-in-one prizes were up for grab with Perodua Bezza 1.3 Standard Auto car worth RM47,000.00 for the hole-in-one feat at Santubong Hole 17 or Demak Hole 17, sponsored by Saratim Insurance Agency Services Sendirian Berhad.

Two other hole-in-one prizes included a RM20,000.00 Rolex watch sponsored by Lonpac Insurance Berhad for the feat at Matang Hole 3 or Demak Hole 14, and a home theatre worth RM15,000.00 sponsored by MPI Insurance Berhad for Santubong Hole 14 or Siol Hole 4 or Matang Hole 8.

According to Datu Haji Sarudu Haji Hoklai, General Manager of STIDC, this prestigious tournament is a permanent feature in KGS calendar of events.



• Assistant Minister of Corporate Affairs, The Honourable Abdullah Saidol (left) and Datu Sarudu (second left) posing with the Men Open Nett and Ladies Open Nett categories winners. Also seen are KGS captain, Dr. David Sylvester Ling Sheng Tee (second right).

"STIDC Golf Tournament is part of our Corporate Social Responsibilities (CSR) and outreach programme. Through this competition, we hope to foster closer rapport with the stakeholders. This event is also a show of appreciation to them for their continuous support and co-operation in realising the government policies particularly in spearheading the advancement of the wood-based industry in Sarawak", Sarudu said.

"I wish to take this golden opportunity to thank all the generous donors for their continuous support in ensuring the success of this auspicious event. Thank you also to all golfers for your enthusiasm shown in this tournament. May the spirit of sportsmanship continue in order to promote healthy lifestyle mentally and physically to create a healthy community", he added.



2017 market

performance

for January to June

Export Value of Logs & Timber Products

Sarawak experienced a weaker export value of timber and timber products for the first half of 2017 by 0.5% to RM3.1 billion against the corresponding period in 2016.

This was attributed by the decrease in export value of moulding (2%), veneer (9%), particleboard (9%), logs (18%), laminated board/flooring (22%), woodchips (33%) and dowel (49%). Other timber products, however, posted higher export value including block board (100%), plywood (7%), fibreboard (7%) and sawn timber (6%). **(Table 1)**

Logs

The export volume of logs dropped by 8.97% to 1.2 million m³. Similarly, export value also dropped by 17.89% to RM639 million over the previous corresponding period.

Export quantity to Indonesia and Vietnam grew by 38% (to 580,206 m³ from 420,018 m³) and 1% (to 61,080 m³ from 59,940 m³) respectively. Export to India, however, decreased by 33% to 466,329 m³ from 695,562 m³.

The FOB price of logs decreased by 9% to RM531 per m³ from RM589 per m³ for the first half of 2016. **(Table 2)**

Sawn-timber

Export of sawn timber decreased by 2% to 274,729 m³ from 281,582 m³ during the same period last year.

Although The Philippines and The Middle East remained as the major consumers, their import quantity, however, dropped by 0.89% to 107,151 m³ and 1.29% to 56,056 m³ respectively. Export quantity to Thailand, however, grew by 12% to 47,158 m³.

The FOB price of sawn timber increased by 9% to RM1,523 per m³ from RM1,397 per m³ compared to the same period last year.

(Table 3)

Plywood

Export of plywood for the first half of 2017 increased by 4.28% to 903,470 m³ compared to 866,384 m³ for the same period last year.

Export to Japan and Korea increased by 9% to 536,304 m³ and 16% to 124,011 m³ respectively. The Middle East, however, reduced consumption by 16% to 96,491 m³.

The FOB price of plywood increased by 3% to RM1,785 per m³ from RM1,740 per m³ during the same period last year.

(Table 4)

Other Timber products



Other timber products were veneer, dowels, moulding, particleboard, fibreboard, block board, laminated board, woodchip and others (Table 1) accounted for RM393 million or 13% of the overall export value for the first half of 2017.

During the period, weaker export volumes were recorded for veneer (9%), particle board (9%), moulding (10%), laminated board/flooring (26%), woodchips (33%) and dowel (47%).

Growth, however, were recorded for block board (100%) and fibreboard (4%). (Table 5, 6, 7, 8, 9 & 10)



Outlook

Timber companies in Sarawak are poised to experience weaker earnings due to the revised premium for hill timber from RM0.80 to RM50 per cubic metre effective 1 July 2017.

The State is looking at RM200 million to RM300 million collection under the new rate compared to RM15 million presently. Collection of the premium, which has remained unchanged since 1986, would be channelled to the Sarawak Foundation Fund, managed by Sarawak Foundation to finance excellent students for tertiary education, including in top foreign universities.

The research house said, it would result in higher cost of production of around RM49.20 per cubic metre for hill logging.



trade statistics **SARAWAK**

TABLE 1
EXPORT SUMMARY OF TIMBER AND TIMBER PRODUCTS FROM SARAWAK

PRODUCTS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
LOG	1,204,037	639,875	20.87	1,322,668	779,298	25.30	(8.97)	(17.89)
SAWNTIMBER	274,729	418,649	13.66	281,582	393,446	12.77	(2.43)	6.41
PLYWOOD	903,470	1,613,577	52.64	866,384	1,508,233	48.96	4.28	6.98
VENEER	61,290	90,965	2.97	67,617	99,794	3.24	(9.36)	(8.85)
LAMINATED BOARD / FLOORING	3,630	14,021	0.46	4,877	17,910	0.58	(25.57)	(21.71)
MOULDING	1,986	5,000	0.16	2,210	5,104	0.17	(10.10)	(2.04)
DOWEL	113	506	0.02	212	997	0.03	(46.60)	(49.25)
FIBREBOARD	86,718	154,574	5.04	83,781	144,205	4.68	3.51	7.19
BLOCKBOARD	512	745.00	0.02	2,025	2,389	0.08	100.00	100.00
PARTICLE BOARD	30,638	20,179	0.66	37,677	22,255	0.72	(18.68)	(9.33)
OTHER PRODUCTS*	54,763	57,784	1.89	42,188	47,901	1.55	29.81	20.63
OTHER PRODUCTS**[Units]	14,411	23,566	0.77	13,033	20,506	0.67	10.57	14.92
WOODCHIP [Tonne]	64,740	25,889	0.84	100,050	38,674	1.26	(35.29)	(33.06)
TOTAL (m³) (RM)	2,621,886	3,065,330	100	2,711,220	3,080,712	100	(3.29)	(0.50)

***OTHER TIMBER PRODUCTS:**

- Core Plugs
- Densified wood
- Door & door frames
- Finger jointed
- Lamin Board
- Laminated beam
- Laminated post
- Laminated Veneer Lumber (LVL)
- Railways sleepers
- Wooden pellet
- Wooden fences
- Wooden Frames
- Wooden pegs & stakes

****OTHER TIMBER PRODUCTS:**

- Door & door frames
- Furniture & Furniture Parts

Notes:

- > Fibreboard include MDF and HDF
- > Total of volume (m3) does not includes woodchips (tonne) and other product (units)
- > a = actual data & total does not include application/permit to transport goods within the Federation [Customs Declaration Form No.3 (CDF3)]
- > p = preliminary data & total does not include application/permit to transport goods within the Federation [Customs Declaration Form No.3 (CDF3)]

EXPORT VALUE (%) OF MAJOR TIMBER & TIMBER PRODUCTS
FROM SARAWAK (RM'000) : 2017 / 2016

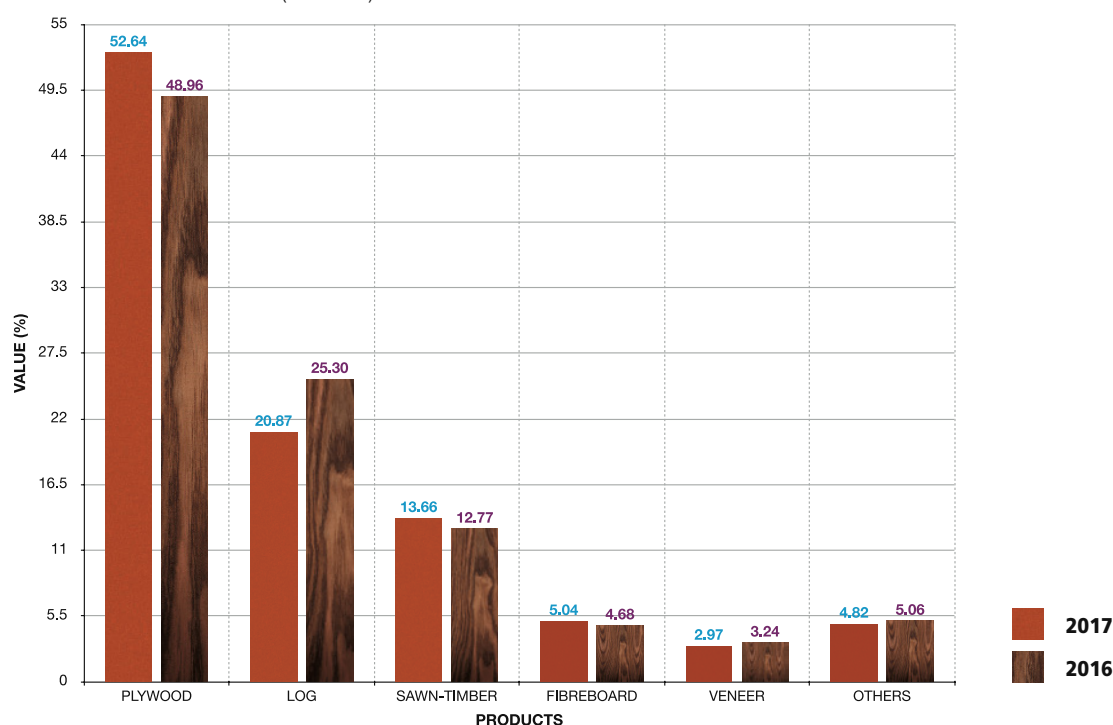


TABLE 2
EXPORT OF LOGS BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
INDONESIA	580,206	98,401	15.38	420,018	83,762	10.75	38.14	17.48
INDIA	466,329	417,242	65.21	695,562	540,399	69.34	(32.96)	(22.79)
VIETNAM	61,080	43,595	6.81	60,394	38,040	4.88	1.14	14.60
TAIWAN	56,776	49,381	7.72	90,754	73,232	9.40	(37.44)	(32.57)
JAPAN	19,548	17,414	2.72	32,846	28,092	3.60	(40.49)	(38.01)
CHINA	15,066	10,536	1.65	15,425	10,645	1.37	(2.33)	(1.02)
KOREA	5,005	3,258	0.51	7,669	5,128	0.66	(34.74)	(36.47)
UNITED STATES	27	48	0.01	-	-	-	100.00	100.00
TOTAL	1,204,037	639,875	100	1,322,668	779,298	100	(8.97)	(17.89)

EXPORT VALUE (%) OF LOGS TO MAJOR DESTINATIONS
(RM'000) : 2017 / 2016

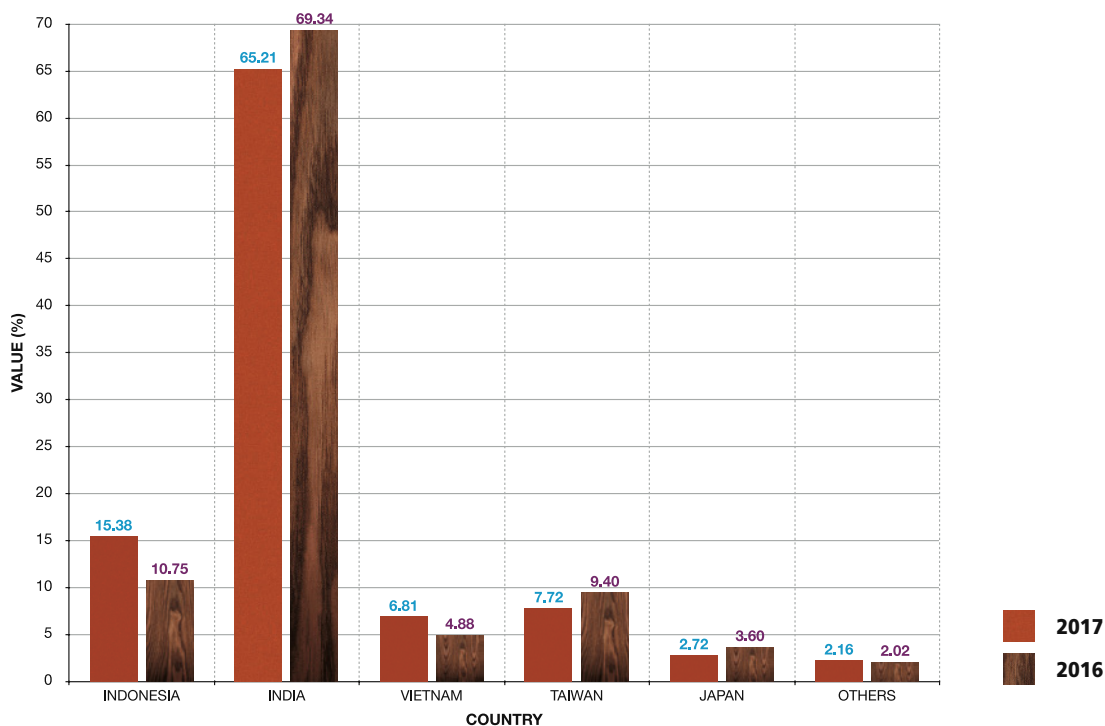


TABLE 3
EXPORT OF SAWN-TIMBER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
PHILIPPINES	107,151	149,339	35.67	108,118	137,226	34.88	(0.89)	8.83
MIDDLE EAST	56,056	106,457	25.43	56,787	98,435	25.02	(1.29)	8.15
THAILAND	47,158	60,487	14.45	42,136	51,060	12.98	11.92	18.46
TAIWAN	26,717	32,072	7.66	27,960	27,786	7.06	(4.44)	15.43
KOREA	9,473	17,007	4.06	12,713	20,455	5.20	(25.48)	(16.86)
JAPAN	9,006	20,921	5.00	10,352	22,262	5.66	(13.00)	(6.02)
CHINA	5,921	7,174	1.71	4,833	5,235	1.33	22.51	37.04
INDIA	3,169	5,958	1.42	1,067	1,867	0.47	196.99	219.12
SRI LANKA	2,473	4,743	1.13	6,136	10,923	2.78	(59.70)	(56.58)
MALDIVES	2,288	5,933	1.42	1,420	2,442	0.62	61.18	142.96
OTHERS	5,318	8,558	2.04	10,062	15,755	4.00	(47.14)	(45.68)
TOTAL	274,729	418,649	100	281,582	393,446	100	(2.43)	6.41

***OTHER DESTINATIONS:**

- AUSTRALIA
- BRUNEI DARUSSALAM
- HONG KONG
- MALAYSIA (Peninsular or Sabah-free zon)
- REUNION
- SEYCHELLES
- SINGAPORE
- SOUTH AFRICA
- UNITED STATES
- VIETNAM

EXPORT VALUE (%) OF SAWN-TIMBER TO MAJOR DESTINATIONS
(RM'000) : 2017 / 2016

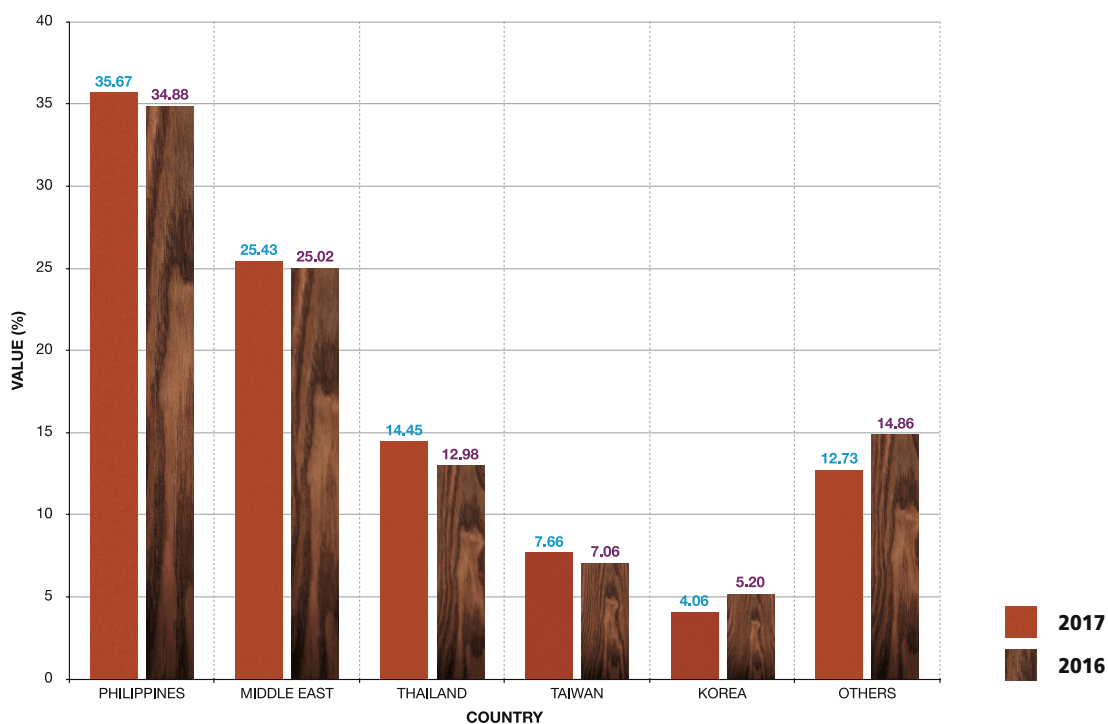


TABLE 4
EXPORT OF PLYWOOD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M³)	FOB Value (RM'000)	Value %	Volume (M³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	536,304	1,000,402	62.00	490,061	905,935	60.07	9.44	10.43
KOREA	124,011	196,229	12.16	106,713	167,595	11.11	16.21	17.09
MIDDLE EAST	96,491	147,024	9.11	114,263	159,517	10.58	(15.55)	(7.83)
TAIWAN	70,170	112,918	7.00	72,515	112,436	7.45	(3.23)	0.43
CHINA	12,798	24,304	1.51	12,540	23,707	1.57	2.06	2.52
HONG KONG	12,751	23,653	1.47	15,267	28,020	1.86	(16.48)	(15.59)
UNITED STATES	9,948	18,910	1.17	2,319	5,063	0.34	328.90	273.49
INDIA	8,199	19,957	1.24	4,941	12,104	0.80	65.94	64.88
AUSTRALIA	7,099	17,287	1.07	9,134	21,766	1.44	(22.29)	(20.58)
BRUNEI DARUSSALAM	4,753	7,769	0.48	6,884	11,313	0.75	(30.96)	(31.33)
OTHERS*	20,946	45,124	2.80	31,747	60,777	4.03	(34.02)	(25.75)
TOTAL	903,470	1,613,577	100	866,384	1,508,233	100	4.28	6.98

***OTHER DESTINATIONS:**

- CANADA
- DJIBOUTI
- EGYPT
- EU
- FIJI
- INDONESIA
- MALAYSIA (Peninsular or Sabah-free zon)
- MALDIVES
- MEXICO
- NEW ZEALAND
- NORTHERN MARIANA ISLAND
- PAKISTAN
- PHILIPPINES
- SINGAPORE
- SOLOMON ISLANDS
- SOMALIA
- SOUTH AFRICA
- SRI LANKA
- THAILAND
- TURKEY
- UNITED KINGDOM
- VIETNAM

EXPORT VALUE (%) OF PLYWOOD TO MAJOR DESTINATIONS

(RM'000) : 2017 / 2016

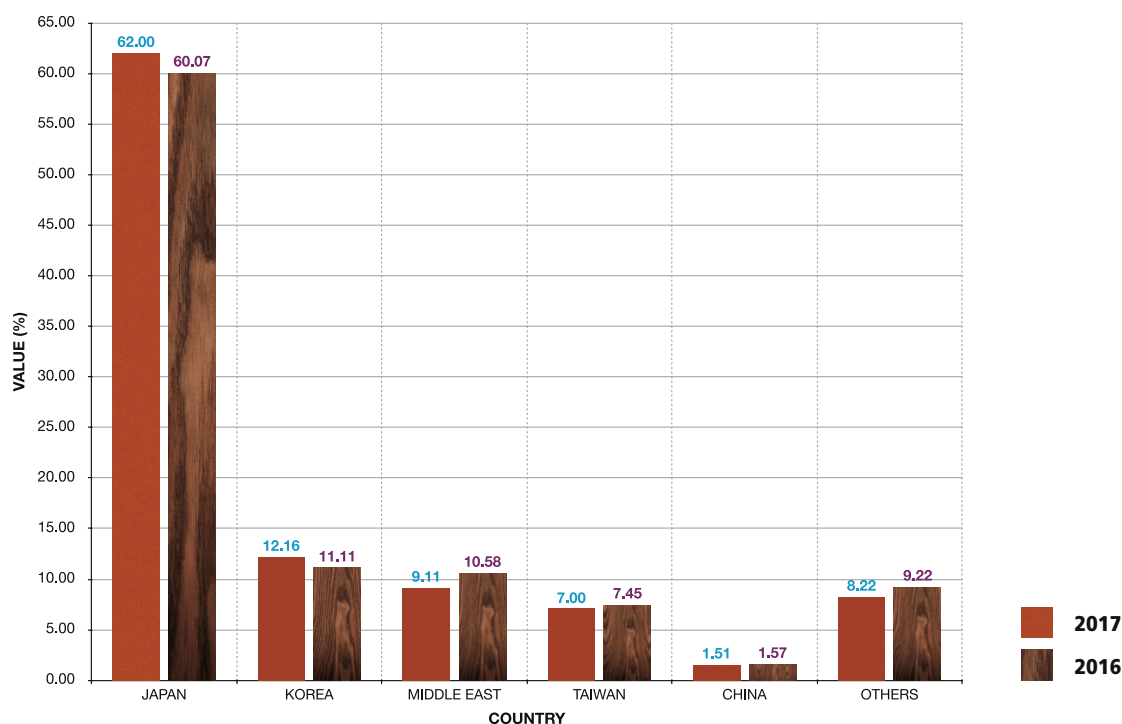


TABLE 5
EXPORT OF VENEER BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M³)	FOB Value (RM'000)	Value %	Volume (M³)	FOB Value (RM'000)	Value %	Volume	Value
KOREA	28,683	47,101	51.78	30,928	49,180	49.28	(7.26)	(4.23)
TAIWAN	26,653	33,464	36.79	31,002	38,911	38.99	(14.03)	(14.00)
CHINA	2,335	3,076	3.38	1,936	2,506	2.51	20.61	22.75
JAPAN	1,782	4,172	4.59	2,713	6,079	6.09	(34.32)	(31.37)
PHILIPPINES	1,076	1,201	1.32	-	-	-	100.00	100.00
AUSTRALIA	525	1,949	2.14	1,026	3,091	3.10	(48.81)	(36.95)
BRUNEI DARUSSALAM	235	2	0.00	11	27	0.03	2049.75	(92.59)
TOTAL	61,290	90,965	100	67,617	99,794	100	(9.36)	(8.85)

EXPORT VALUE (%) OF VENEER TO MAJOR DESTINATIONS
(RM'000) : 2017 / 2016

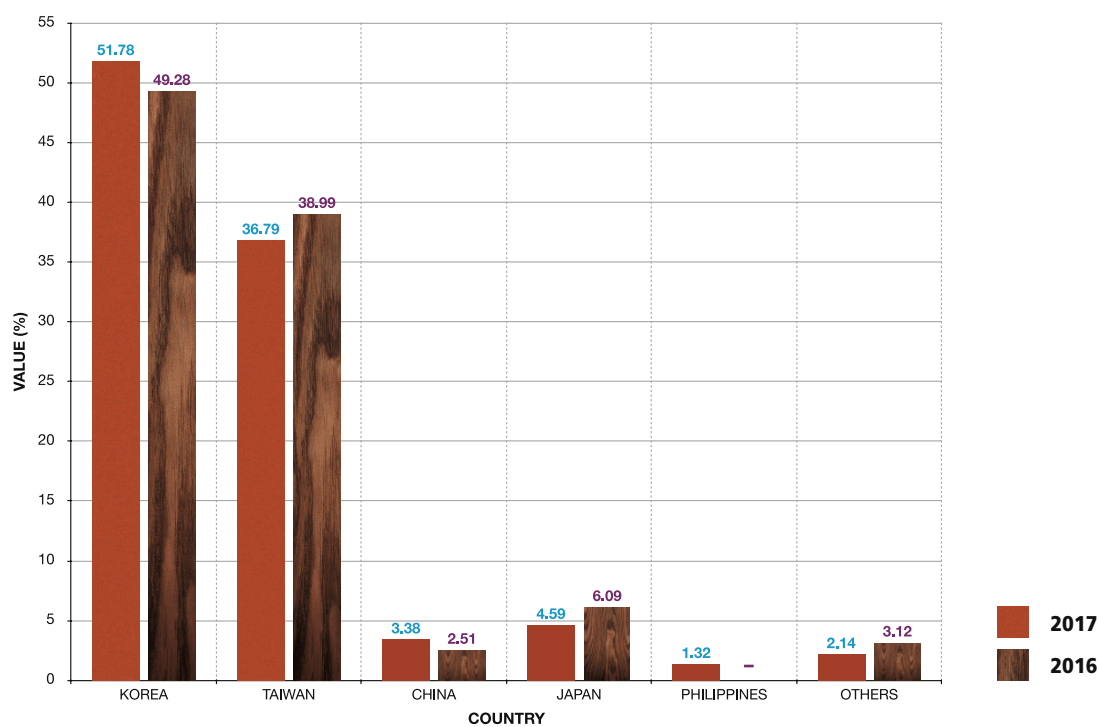


TABLE 6
EXPORT OF LAMINATED BOARD/FLOORING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M³)	FOB Value (RM'000)	Value %	Volume (M³)	FOB Value (RM'000)	Value %	Volume	Value
UNITED STATES	1,246	5,969	42.57	2,375	10,708	59.79	(47.56)	(44.26)
VIETNAM	1,174	4,525	32.27	1,026	3,630	20.27	14.40	24.66
TAIWAN	472	1,232	8.79	674	1,537	8.58	(30.03)	(19.84)
INDONESIA	253	739	5.27	183	386	2.16	38.11	91.45
KOREA	203	475	3.39	417	950	5.30	(51.45)	(50.00)
BRUNEI DARUSSALAM	111	350	2.50	87	350	1.95	27.93	0.00
MYANMAR	89	546	3.89	-	-	-	100.00	100.00
MIDDLE EAST	69	142	1.01	45	138	0.77	53.67	2.90
JAPAN	14	43	0.31	39	158	0.88	100.00	100.00
AUSTRALIA	-	-	-	9	16	0.09	100.00	100.00
OTHER*	-	-	-	20	37	0.21	(100.00)	(100.00)
TOTAL	3,630	14,021	100	4,877	17,910	100	(25.57)	(21.71)

*OTHER DESTINATIONS:

- SINGAPORE

EXPORT VALUE OF LAMINATED BOARD / FLOORING TO MAJOR DESTINATIONS

(RM'000) : 2017 / 2016

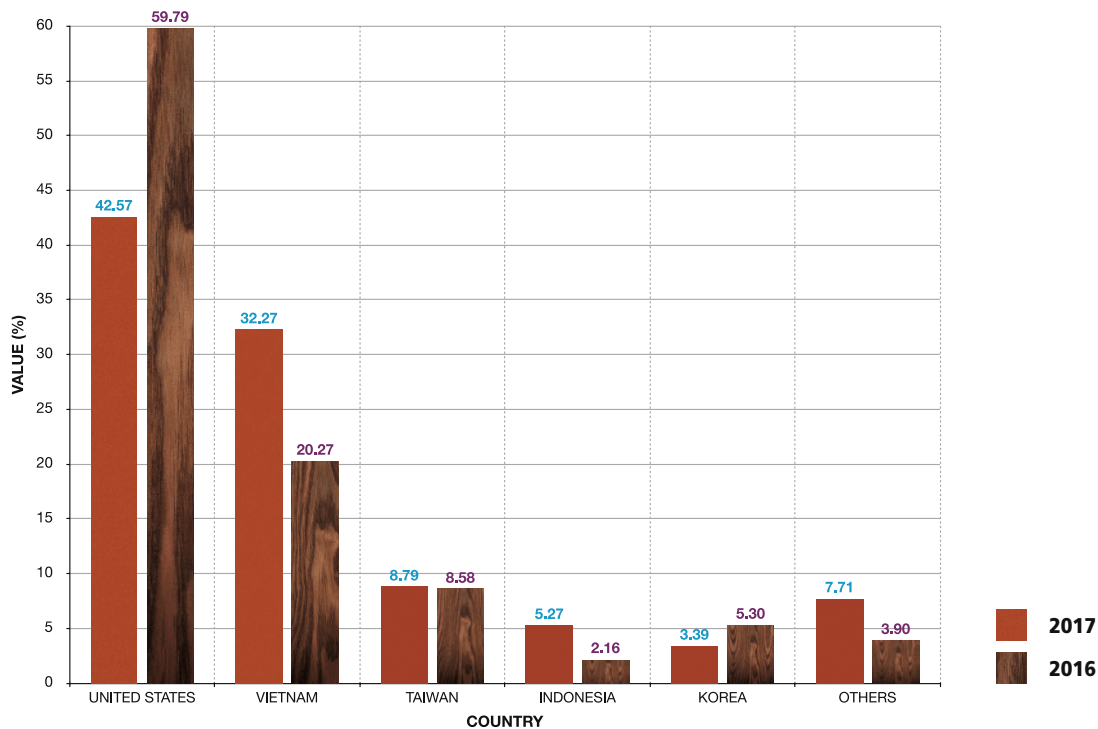


TABLE 7
EXPORT OF MOULDING BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	1,741	4,302	86.04	1,610	3,557	69.69	8.16	20.94
KOREA	114	286	5.72	306	765	14.99	(62.83)	(62.61)
UNITED STATES	52	87	1.74	122	159	3.12	(57.31)	(45.28)
AUSTRALIA	40	185	3.70	80	350	6.86	(50.01)	(47.14)
SOUTH AFRICA	27	90	1.80	-	-	-	100.00	100.00
MAURITIUS	13	50	1.00	-	-	-	100.00	100.00
BRUNEI DARUSSALAM	-	-	-	5	23	0.45	(100.00)	(100.00)
OTHERS*	-	-	-	88	250	4.90	(100.00)	(100.00)
TOTAL	1,986	5,000	100	2,210	5,104	100	(10.10)	(2.04)

***OTHER DESTINATIONS:**

- Maldives
- Singapore
- Taiwan
- United Kingdom

EXPORT VALUE OF MOULDING TO MAJOR DESTINATIONS
(RM'000) : 2017 / 2016

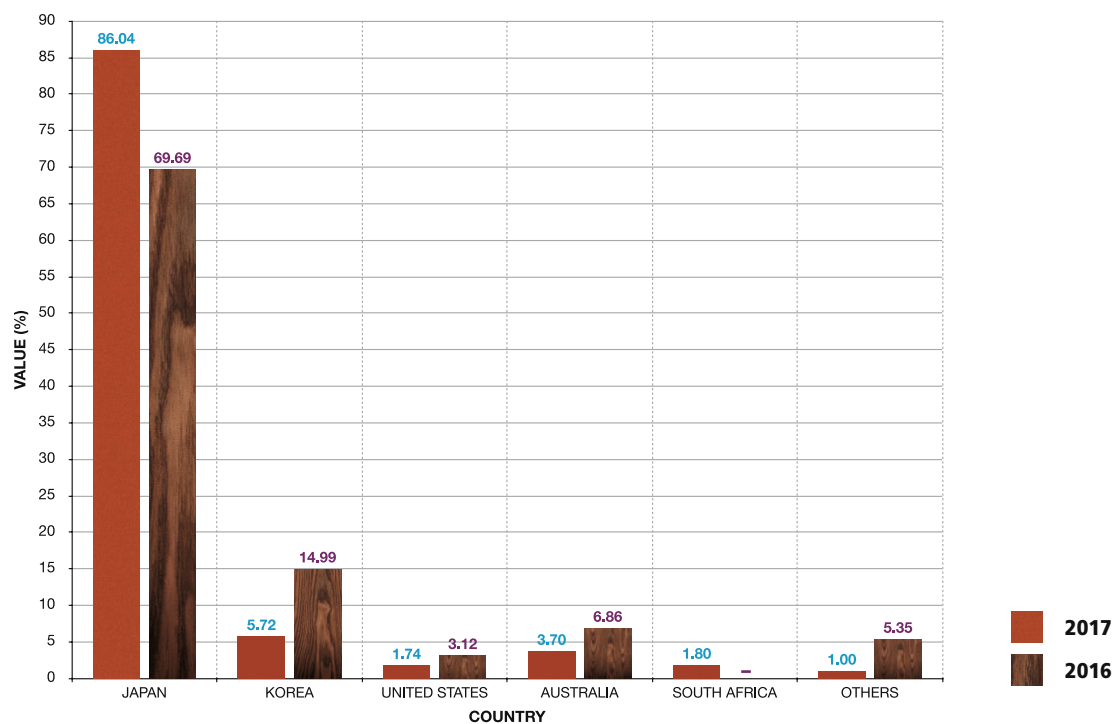


TABLE 8
EXPORT OF DOWEL BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M³)	FOB Value (RM'000)	Value %	Volume (M³)	FOB Value (RM'000)	Value %	Volume	Value
SOUTH AFRICA	44	182	35.97	46	134	13.44	(4.29)	35.82
UNITED STATES	35	179	35.38	65	320	32.10	(45.96)	(44.06)
INDIA	22	58	11.46	18	100	10.03	20.18	(42.00)
EU	9	71	14.03	40	220	22.07	(76.80)	(67.73)
JAPAN	3	16	3.16	13	78	7.82	(78.67)	(79.49)
FRANCE	-	-	-	14	76	7.62	(100.00)	(100.00)
UNITED KINGDOM	-	-	-	16	69	6.92	(100.00)	(100.00)
TOTAL	113	506	100	212	997	100	(46.60)	(49.25)

EXPORT VALUE OF DOWEL TO MAJOR DESTINATIONS

(RM'000) : 2017 / 2016

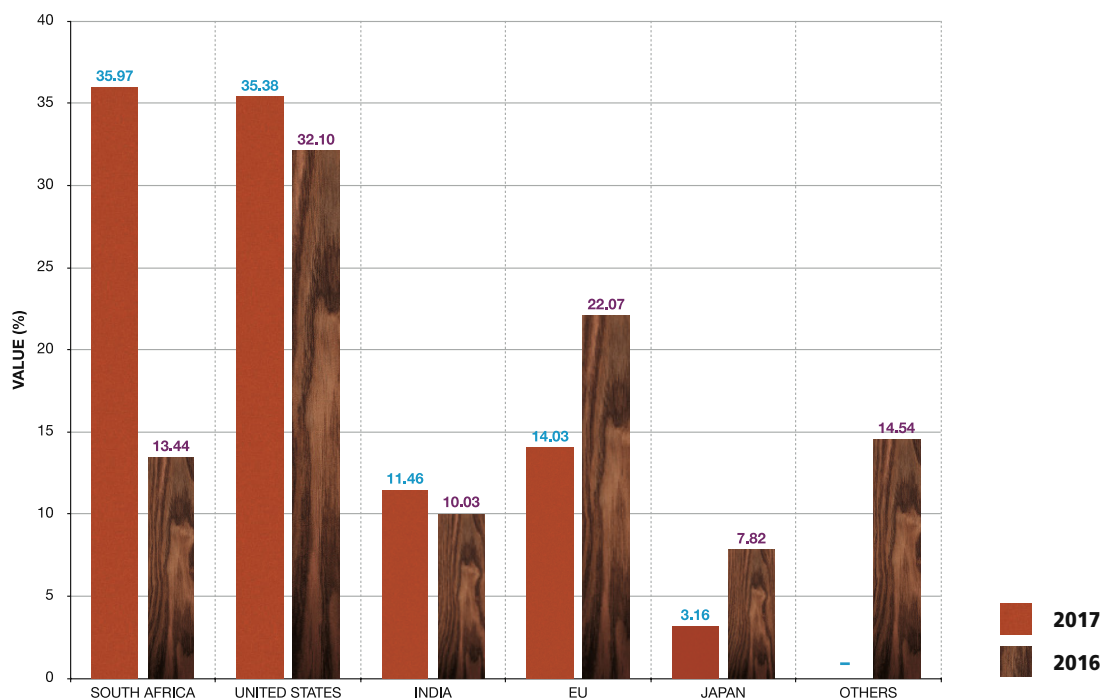


TABLE 9
EXPORT OF FIBREBOARD BY COUNTRY OF DESTINATIONS

DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M³)	FOB Value (RM'000)	Value %	Volume (M³)	FOB Value (RM'000)	Value %	Volume	Value
JAPAN	68,764	124,768	80.72	67,622	118,411	82.11	1.69	5.37
PHILIPPINES	5,216	7,706	4.99	5,282	7,148	4.96	(1.27)	7.81
INDONESIA	4,166	6,764	4.38	2,968	4,605	3.19	40.36	46.88
KOREA	3,152	5,970	3.86	1,301	2,292	1.59	142.29	160.47
VIETNAM	3,134	6,137	3.97	3,005	5,568	3.86	4.28	10.22
TAIWAN	1,206	2,241	1.45	2,398	4,826	3.35	(49.71)	(53.56)
INDIA	993	851	0.55	446	242	0.17	100.00	100.00
BRUNEI DARUSSALAM	44	48	0.03	395	271	0.19	(88.73)	(82.29)
SOUTH AFRICA	43	89	0.06	-	-	-	100.00	100.00
EU	-	-	-	230	641	0.44	(100.00)	(100.00)
OTHERS	-	-	-	134	201	0.14	(100.00)	(100.00)
TOTAL	86,718	154,574	100	83,781	144,205	100	3.51	7.19

***OTHER DESTINATIONS:**

- China

EXPORT VALUE OF FIBREBOARD TO MAJOR DESTINATIONS
(RM'000) : 2017 / 2016

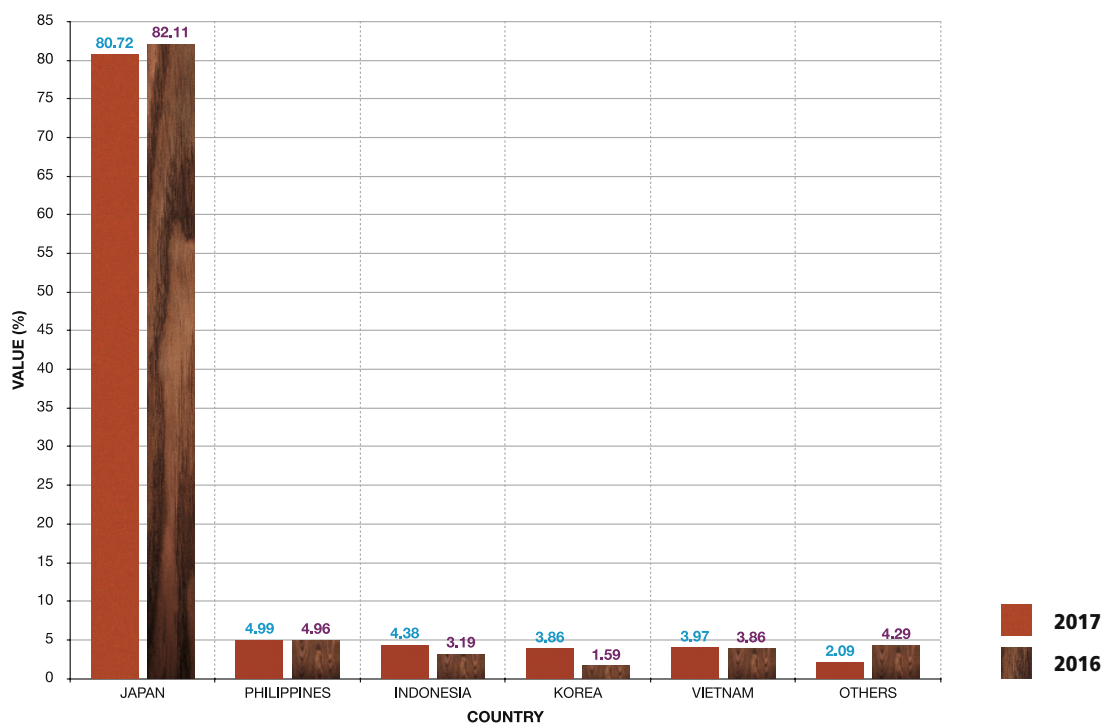


TABLE 10
EXPORT OF PARTICLE BOARD BY COUNTRY OF DESTINATIONS

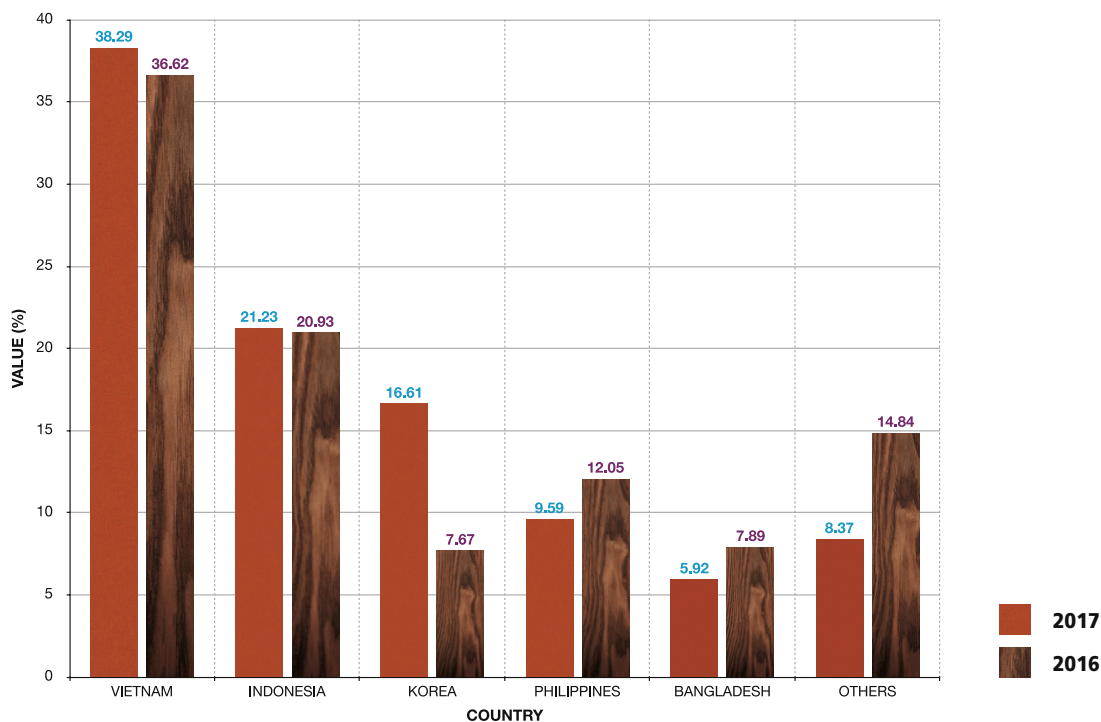
DESTINATIONS	2017 ^P January - June			2016 ^P January - June			% Change 2017 / 2016	
	Volume (M ³)	FOB Value (RM'000)	Value %	Volume (M ³)	FOB Value (RM'000)	Value %	Volume	Value
VIETNAM	11,824	7,727	38.29	13,246	8,149	36.62	(10.73)	(5.18)
INDONESIA	6,405	4,283	21.23	7,950	4,658	20.93	(19.43)	(8.05)
KOREA	4,699	3,351	16.61	2,658	1,708	7.67	76.78	96.19
PHILIPPINES	3,151	1,935	9.59	4,715	2,681	12.05	(33.18)	(27.83)
BANGLADESH	1,955	1,195	5.92	3,056	1,757	7.89	(36.04)	(31.99)
JAPAN	1,029	684	3.39	900	535	2.40	14.29	27.85
CHINA	900	598	2.96	108	57	0.26	733.71	949.12
BRUNEI DARUSSALAM	343	207	1.03	378	189	0.85	(9.29)	9.52
SINGAPORE	171	101	0.50	-	-	-	100.00	100.00
SRI LANKA	161	98	0.49	583	325	1.46	(72.43)	(69.85)
OTHERS*	-	-	-	4,082	2,196	9.87	(100.00)	(100.00)
TOTAL	30,638	20,179	100	37,677	22,255	100	(18.68)	(9.33)

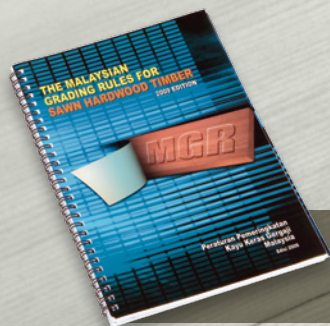
***OTHER DESTINATIONS:**

- Middle East
- India

EXPORT VALUE OF PARTICLE BOARD TO MAJOR DESTINATIONS

(RM'000) : 2017 / 2016





RM 25

The Malaysian Grading Rules For Sawn Hardwood Timber (English) (2009 Edition)

RM 25

Commercial Timber Species Of Sarawak (a set of 3)

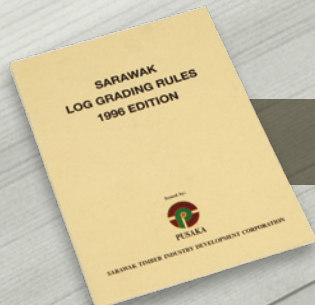
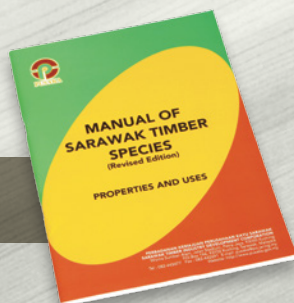


RM 20

Sarawak Timber Industry Directory (2015/2016)

RM 10

Manual Of Sarawak Timber Species (Revised Edition)



RM 5

Sarawak Log Grading Rules (SLGR) (English) (1996 Edition)

RM 200

Glossary Of Classification Timber & Timber Products Of Sarawak



RM 40

Timber Sample Box (English Description)



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