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Johor and Terengganu FMUs Become PEFC-Certified

The Johor and Terengganu Forest Management units (FMUs) have been awarded with the accredited *Certificate for Forest Management* (Natural Forest) against the requirements of the *MC&I(2002)* by SGS Malaysia Sdn. Bhd., on 1 April 2010. With the certification, the Johor and Terengganu FMUs have become the second and third FMUs in Peninsular Malaysia to become PEFC-certified. MTCS-certified logs originating from the Johor and Terengganu FMUs from 1 April 2010 onwards as well as product manufactured from these logs by PEFC-certified CoC companies are now eligible to carry the PEFC logo.

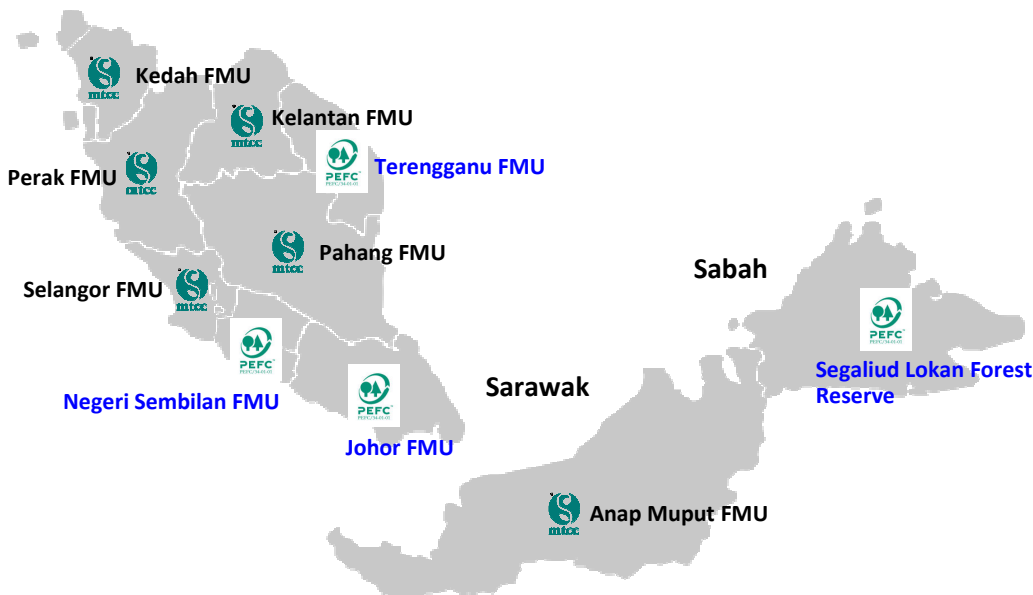
The certificates issued to the Johor and Terengganu FMUs are valid for a 3-year period, subject to annual surveillance audit to ensure the continued compliance of the FMUs with the requirements of the standard. The key information on the certified FMUs is as follows:

| FMU | Extent of PRF (ha) | Certificate No. | Issuance Date |
|----------------|--------------------|------------------|---------------|
| Johor FMU | 397,392 | SGS-MTCS/FM-0103 | 1 April 2010 |
| Terengganu FMU | 499, 046 | SGS-MTCS/FM-0102 | 1 April 2010 |

Currently, a total of ten FMUs (see below) covering approximately 4.95 million ha or 37% of the total PRF in Malaysia have been certified under the MTCS. Of these FMUs, four of them (i.e. Segaliud Lokan Forest Reserve in Sabah, Negeri Sembilan, Johor and Terengganu FMUs in Peninsular Malaysia) have qualified to become PEFC-certified.

Certified FMUs under the MTCS

Peninsular Malaysia



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Update on the Review of the MC&I(2002)

As a result of the First Meeting of the Standards Review Committee (SRC) held on 29-30 October 2009 in Kuala Lumpur and 15-16 December 2009 in Kota Kinabalu, the first Draft of the revised standard which is now entitled *MC&I (Natural Forest)* has been prepared by the SRC.

In line with the process for the review of the *MC&I(2002)*, the First Draft of the *MC&I(Natural Forest)* has been subjected to a second 30-day public comment from 10 March to 9 April 2010.

All the relevant stakeholder groups in Sabah, Sarawak and Peninsular Malaysia have been informed of the Second Public Comment and invited to provide

their comments on the First Draft of the *MC&I(Natural Forest)*.

The secretariat will prepare the Second Draft of the *MC&I(Natural Forest)* taking into account the feedback received from the Second Public Comment as well as technical inputs from the Panel of Experts (PoE). The Second Draft will subsequently be subjected to regional consultations in Sabah, Sarawak and Peninsular Malaysia which are scheduled to be conducted in May-June 2010.

For further information regarding the review of the *MC&I(2002)*, please log on to the MTCC website under 'latest news' or contact Mr. Yong Teng Koon, Senior Manager (Forest Management) at yongtk@mtcc.com.my or tel. no. 03-92005008.

Normative Document on Interpretation of Criterion 6.10 of the MC&I(2002)

MTCC has issued the normative document *MC&I 2/2010*, with the objective to provide a clear interpretation of Criterion 6.10 in the *MC&I(2002)* by the accredited CBs as a temporary guideline when conducting audits of FMUs under the MTCS.

Under Criterion 6.10 in the *MC&I(2002)*, restrictions are imposed on the extent to which the permanent reserved forests (PRFs) in a certified FMU can be converted to forest plantations or non-forest land uses. Criterion 6.10 stipulates that:

“Forest conversion to plantations or non-forest land uses shall not occur, except in circumstances where conversion:-

- a. entails a very limited portion of the forest management unit; and*
- b. does not occur on high conservation value forest areas; and*
- c. will enable clear, substantial, additional, secure, long-term*

conservation benefits across the forest management unit.”

To address the concern that the allowable threshold for conversion of PRFs to forest plantations and non-forest land uses stipulated in Criterion 6.10, entailing *“a very limited portion of the FMU”*, is currently not quantified, this normative document is adopted for the interpretation of Criterion 6.10, pending the conclusion of the review of the *MC&I(2002)* which is currently ongoing.

This normative document becomes effective on 7 April 2010 following its approval and adoption by the MTCC Board of Trustees during its Forty-Third meeting on 6 April 2010.

A copy of the normative document on *Interpretation of Criterion 6.10 of the MC&I(2002)* can be downloaded through MTCC website under 'Technical Documents'.

Briefing on MC&I(Forest Plantation)



Dr. Lee Hua Seng, CEO of STA delivering his welcoming remarks



Yong Teng Koon conducting the briefing session



Participants during the briefing session

MTCC conducted a briefing on the standard for certification of forest plantations under the MTCS i.e. *MC&I(Forest Plantations)* for members of the Sarawak Timber Association (STA) in Kuching on 25-26 January 2010.

The participants were briefed on the requirements of the *MC&I(Forest Plantations)*, as well as the preparatory work needed for those companies which are interested to undergo audit for forest plantation certification under the MTCS. The briefing session was attended by a total of 28 participants.

Update on Issuance of PEFC Certificates Under the MTCS

Since the beginning of this year, another 34 PEFC *Certificate for Chain of Custody* have been issued by the two PEFC-notified certification bodies (CBs). SIRIM QAS issued 13 certificates while SGS Malaysia issued 21 certificates.

The new holders of the PEFC CoC certificates are:

SIRIM QAS International Sdn. Bhd.

- Unsur Juta Sdn. Bhd., Tawau, Sabah
- Magna-Foremost Sdn. Bhd., Bintulu, Sarawak
- Lengkap Arif Sdn. Bhd., Seremban, Negeri Sembilan
- Besgrade Products Sdn. Bhd., Alor Setar, Kedah
- Yee Poh Timber Sdn. Bhd., Damansara, Kuala Lumpur
- Tandem Holdings Sdn. Bhd., Klang, Selangor
- Euro Asia Timber Export Sdn. Bhd., Petaling Jaya, Selangor
- Samling Plywood (Baramas) Sdn. Bhd., Miri, Sarawak
- Kilang Papan Datuk Wan Ahmad (Raub) Sdn. Bhd., Raub, Pahang
- Maju Weko Timber Industries Sdn. Bhd., Gerik, Perak
- Golden Latitude Sdn. Bhd. Shah Alam, Selangor
- Firmwood Sdn. Bhd. Klang, Selangor
- Komill Corporation Sdn. Bhd., Desa Sri Hartamas, Kuala Lumpur

SGS (M) Sdn. Bhd.

- Maran Road Sawmill Sdn. Bhd., Medan Pasar, Kuala Lumpur
- Kim Ban Huat Sdn. Bhd., Jalan Rompin, Negeri Sembilan
- Lionex (M) Sdn. Bhd., Jalan Ipoh, Kuala Lumpur
- Mahawangsa Timber Industries Sdn. Bhd., Mentakab, Pahang
- Lionvest Timber Industries Sdn. Bhd., Bandar Pusat Jengka, Pahang
- Standard Wood Products Sdn. Bhd., Klang, Selangor
- Southern Asia Timber Sdn. Bhd., Petaling Jaya, Selangor
- World Parade Sdn. Bhd., Karak, Pahang
- Blue Star Sawmill Sdn. Bhd., Karak, Pahang
- Mentakab Sawmill Sdn. Bhd., Temerloh, Pahang
- Wood Village Industries Sdn. Bhd., Banting, Selangor
- Jerneh Timber Enterprise Sdn. Bhd., Jerneh, Terengganu
- Chin Ho Sawmill (M) Sdn. Bhd., Tasek Gelugor, Pulau Pinang
- Evershine Timber Trading Sdn. Bhd., Kuala Langat, Selangor
- Hup Lim Enterprises Sdn. Bhd., Klang, Selangor
- Mediarex Sdn. Bhd., Klang, Selangor
- Reliance Wood Industries Sdn. Bhd., Kapar, Selangor
- Song Sim Sawmill Sdn. Bhd., Temerloh, Pahang

- Best Maxim Sdn. Bhd., Kota Kinabalu, Sabah
- Force Timber Industries (M) Sdn. Bhd., Sungai Petani, Kedah
- UM Wood Industries Sdn. Bhd., Marang, Terengganu

In addition, the four companies listed below, which had obtained certification directly under PEFC International previously, will now come under the administration of MTCC since the PEFC notified CBs under the MTCS have started to issue accredited CoC certificates .

- Antalis (Malaysia) Sdn. Bhd., Shah Alam, Selangor
- Times Offset (Malaysia) Sdn. Bhd., Shah Alam, Selangor
- Ta Ann Plywood Sdn. Bhd., Sibul, Sarawak
- Jinmei Industrial Sdn. Bhd., Johor Bharu, Johor

Hence, by end of March 2010, a total of 76 timber companies are holders of the PEFC certificate for CoC under the MTCS. Of these, only eight companies [Antalis (Malaysia), Times Offset (Malaysia), Ta Ann Plywood, Vin-Forest Industries, Besgrade Products, Finewood Export Associates, Maran Road Sawmill and Yee Poh Timber] have been awarded the PEFC Logo Usage licence which will enable them to use the PEFC logo on their MTCS-certified products.



New Opportunity to Join PEFC

Since the beginning of 2010, PEFC has opened a new category of membership and is inviting applications from entities wishing to become PEFC members.

The PEFC International Stakeholder membership allows interested parties the opportunity to have a voice in the world's largest forest certification system. The membership category is now open to all entities – including NGOs, associations, and businesses - operating in two or more countries or legally registered as 'international' that share common principles and objectives with PEFC International.

Ms. Sarah Price, the Head of Projects & Development at PEFC International has

commented that the PEFC Council's move to diversify its membership will further enable the involvement of international organizations in the PEFC, to complement the perspectives of all the national stakeholders represented within each of the existing national certification organization members. She also added that this advancement would have tremendous potential for PEFC's forest certification system and PEFC's continued growth around the world.

This new membership category provides opportunities for organizations, companies, and associations to:

- Participate in PEFC's annual General Assembly as a member with full voting rights
- Join PEFC working groups and committees on relevant topics such as

standards revision, marketing, and regional promotions

- Nominate representatives for consideration to the PEFC Board of Directors
- Collaborate on specific projects of mutual interest
- Stay informed and abreast of PEFC developments throughout the year
- Communicate PEFC engagement and involvement
- Support PEFC's promotion of sustainable forest management and responsible procurement

For further information, please access the following link: www.pefc.org/index.php/about-pefc/membership/international-stakeholders or contact Ms. Price at sarah.price@pefc.org

Source: PEFC news

ANNOUNCEMENT

Office Relocation



MTCC will be relocating to its new office premises by end of May 2010. Our new address will be as follows:

**C-08-05, Block C, Megan Avenue II,
No. 12, Jalan Yap Kwan Seng,
50450 Kuala Lumpur.**

Kindly note that our telephone and fax numbers and email will remain unchanged at 03-92005008, 03-92006008 and info@mtcc.com.my respectively for the time being.



Export of MTCS-Certified Timber Products

December 2009

| Destination | Volume (m ³) |
|----------------|--------------------------|
| Netherlands | 3,946.04 |
| United Kingdom | 1,867.18 |
| Denmark | 777.61 |
| France | 267.27 |
| Belgium | 218.61 |
| Australia | 180.21 |
| Germany | 70.14 |
| Philippines | 67.82 |
| Total | 7,394.88 |

| Product | Volume (m ³) |
|--------------|--------------------------|
| Plywood | 3,602.80 |
| Sawn Timber | 3,046.23 |
| Moulding | 836.47 |
| Total | 7,394.88 |

January 2010

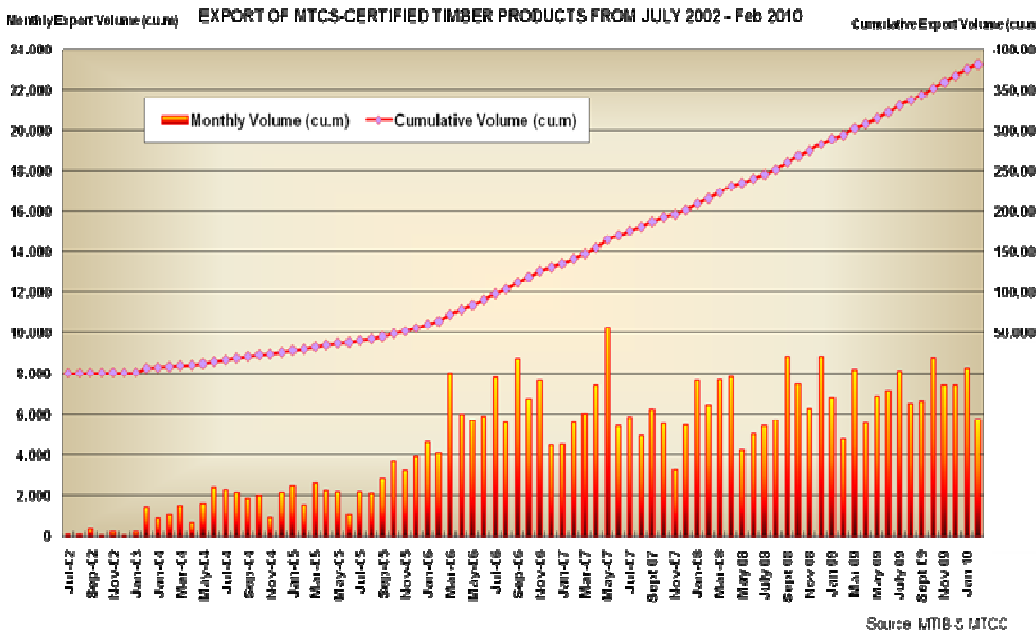
| Destination | Volume (m ³) |
|----------------|--------------------------|
| United Kingdom | 4,037.23 |
| Netherlands | 3,167.17 |
| France | 350.97 |
| Belgium | 278.90 |
| Denmark | 127.30 |
| Germany | 115.66 |
| Australia | 98.20 |
| Greece | 68.08 |
| Poland | 36.19 |
| Total | 8,279.69 |

| Product | Volume (m ³) |
|--------------|--------------------------|
| Plywood | 4,327.28 |
| Sawn Timber | 3,089.06 |
| Moulding | 863.35 |
| Total | 8,279.69 |

February 2010

| Destination | Volume (m ³) |
|----------------|--------------------------|
| Netherlands | 3,516.15 |
| United Kingdom | 1,680.56 |
| Belgium | 244.21 |
| France | 243.88 |
| Germany | 62.04 |
| Australia | 9.30 |
| Total | 5,756.15 |

| Product | Volume (m ³) |
|--------------|--------------------------|
| Sawn Timber | 3,267.22 |
| Plywood | 2,138.57 |
| Moulding | 350.35 |
| Total | 5,756.15 |



- Volume exported in December 2009: **7,394.88 m³**
 - Volume exported in January 2010: **8,279.69 m³**
 - Volume exported in February 2010: **5,756.15 m³**
- Total cumulative volume exported (since July 2002): **366,722.09 m³**

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