



INTERNATIONAL TIMBER AND TIMBER PRODUCTS TRADE WORKSHOP

**organized by
Chinese State Forestry
Administration
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Beijing, China**



MALAYSIAN PERSPECTIVE & EXPERIENCE IN TRACING TIMBER

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TRADE BARRIERS

TARIFF BARRIERS

NON-TARIFF BARRIERS

Requirements / TBs

- **Product Standards**
 - Packaging
 - Formaldehyde emission (e.g. JAS)
 - Chemicals
- **Technical / Grading Requirements**
- **Phytosanitary Requisites**
- **Building Codes**
- **Quality Certification / Test Requirements**

Impediments / Other TBs

- **Specific Limitations**
 - Bans
 - Boycotts
 - Licenses
 - Quotas
 - Tariff escalation
- **Timber Certification**
 - CITES
 - FLEGT
 - FSC
- **Diversity of Standards**
- **Environmental Issues**
- **Homeland Security Measures**



Timber Certification Initiatives



**Number of Chain-of-Custody
companies = 125**



From Sustainable Forest Management (SFM) to Certification



Varying approaches and initiatives

Skepticism becomes a trade barrier?



Legal origin

OR

Legal sourcing



Self-declarations not good enough



**Reduce risk of sourcing illegal
timber**

OR

Markets will be closed



Timber associations

Code of Conduct

Still, there were increasing demands for evidence of legality

Effective tracking / tracing throughout the supply chain



**Alternative processes -
TTAP, GFTN, VLO
if not, certification**



European Union (EU) Forest Law Enforcement Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA)





**Malaysia formally signaled
agreement to negotiate a VPA with
European Commission under the EU
FLEGT Action Plan in September
2006**



Assurance of legal timber exported to the EU provided using licences issued by Malaysia



The Malaysian Timber Legality Assurance System (TLAS) covers export licensing of (i) round logs, (ii) sawn timber, (iii) veneer and (iv) plywood



Key components

-  **definition of legal timber**
-  **principles and criteria of legal timber**
-  **control procedures**



Product coverage

- logs, sawn timber, veneer, plywood**



Legal if the timber is harvested by licensed persons from approved areas and timber and timber products are exported in accordance with the laws, regulations and procedures pertaining to forestry, timber industry and trade of Malaysia



The TLAS defines legality based on compliance with six principles and 16 to 18 criteria for each of the three regions of Malaysia. The principles, all common to Peninsular Malaysia, Sarawak and Sabah, are:

- (1) Right to harvest**
- (2) Forest operations**
- (3) Statutory charges**
- (4) Other users' rights**
- (5) Mill operation**

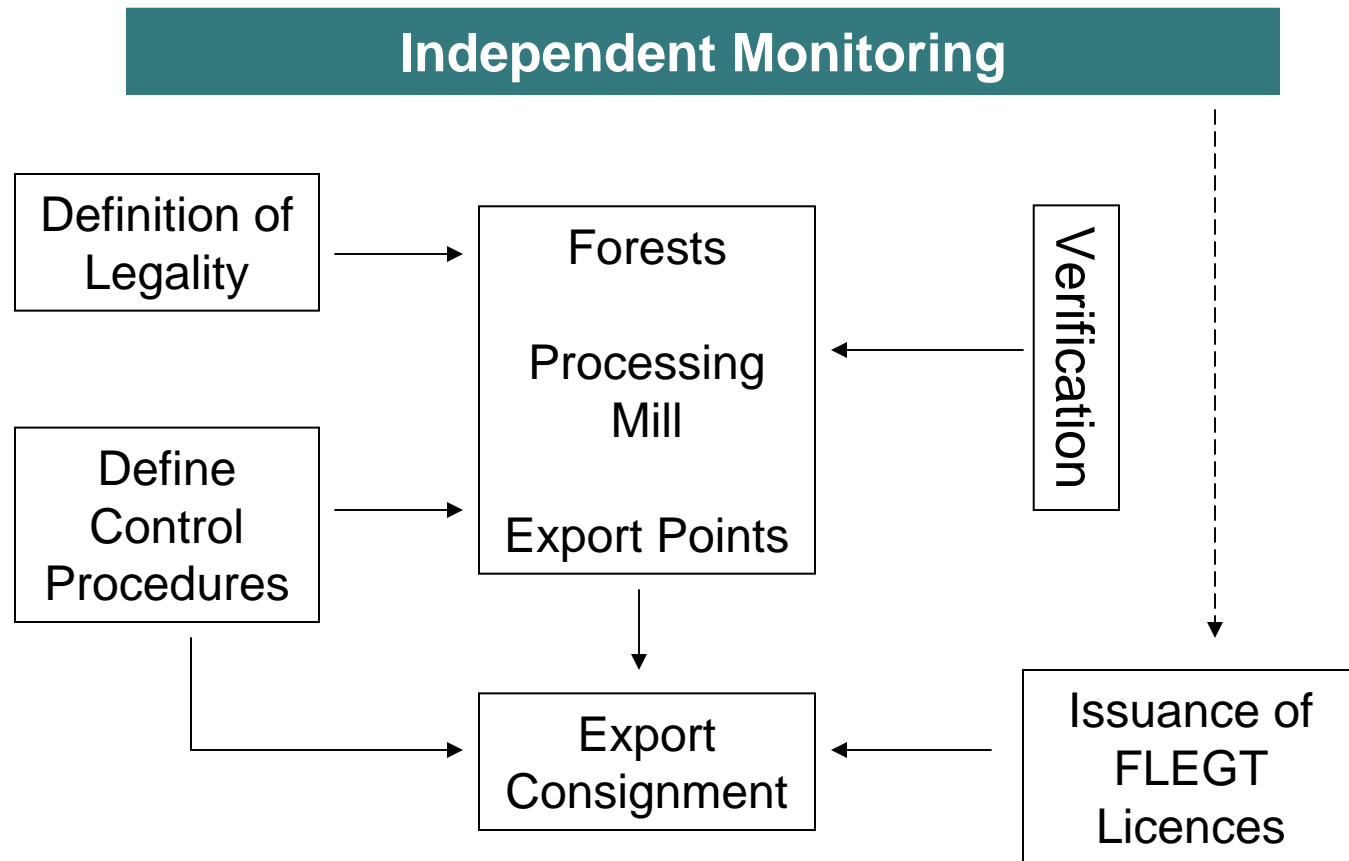


The existing system for licensing exports of logs and processed timber products will be applied. Current export licensing is based on ensuring that:

- logs originate from licensed forest operations, are exported by a licensed operator, and royalties and other charges are paid; and**
- processed products are exported by a licensed operator and all the relevant charges are paid.**



Key Elements of Malaysia's Timber Legality Assurance System (TLAS)





Control Procedures

Implemented by the Malaysian Timber Industry Board (MTIB) in Sabah and Peninsular Malaysia, and the Sarawak Timber Industry Development Corporation (STIDC) in Sarawak

Thank you