INTERNATIONAL TIMBER AND TIMBER PRODUCTS TRADE WORKSHOP

organized by
Chinese State Forestry Administration
(6 - 7 December 2008)
Beijing, China
MALAYSIAN PERSPECTIVE & EXPERIENCE IN TRACING TIMBER

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Malaysian Timber Council
TRADE BARRIERS

TARIFF BARRIERS

Requirements / TBs

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

NON-TARIFF BARRIERS

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)

Independent Monitoring

Definition of Legality

Define Control Procedures

Forests

Processing Mill

Export Points

Export Consignment

Verification

Issuance of FLEGT Licences
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