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VISION

To be recognised as the leading timber certification organisation for tropical forests

MISSION

To establish and operate a credible and internationally recognised national timber certification scheme towards promoting sustainable forest management in Malaysia



CORPORATE PROFILE

The Malaysian Timber Certification Council (MTCC) is an independent organisation established in October 1998 to develop and operate the Malaysian Timber Certification Scheme (MTCS). Incorporated under the Companies Act 1965 as a company limited by guarantee, MTCC is governed by a Board of Trustees and started its operation in January 1999.

MTCC's main activities are to :

- Operate a voluntary national timber certification scheme, the MTCS
- Cooperate and liaise with the appropriate standards setting body in formulating standards related to timber certification and keeping them under review periodically
- Process applications for timber certification, exercise control over assessments of forest management and chain-of-custody in the applicant enterprises, and make decisions regarding the applications for certification
- Formulate procedures and guidelines for assessment of forest management and chain-of-custody
- Implement a system to monitor the operation of the MTCS, including appeals procedures, surveillance mechanism for periodic review of compliance by certified enterprises, and rules for the use and issuance of certificates
- Liaise closely with the national accreditation body and other certification organisations in matters related to timber certification
- Coordinate with national, regional and international bodies related to timber certification to facilitate cooperation and mutual recognition arrangements
- Conduct programmes to promote and publicise the MTCS, both locally and internationally

BOARD OF TRUSTEES

The Board of Trustees, comprising the Chairman and ten other members, is the governing body which decides the overall policy and direction in carrying out MTCC's activities. In addition to the Chairman, the members comprise of two representatives each from academic and research institutions, the timber industry, social and environmental non-governmental organisations (NGOs) and government agencies.

The members of the Board of Trustees in 2007 were:

Chairman

Dato' Dr. Freezailah Che Yeom

Members

- | | |
|-----------------------------------|---|
| • Mohd Aminuddin Hashim | Ministry of Plantation Industries and Commodities
(up to 29 August 2007) |
| • Nurmala Abd. Rahim | Ministry of Plantation Industries and Commodities
(w.e.f. 30 August 2007) |
| • Aziyah Mohamad | Ministry of Natural Resources and Environment
(up to 27 November 2007) |
| • Letchumanan a/l Ramatha | Ministry of Natural Resources and Environment
(w.e.f. 28 November 2007) |
| • Prof. Dr. Aminuddin Mohamad | Universiti Malaysia Sabah (up to 29 August 2007) |
| • Dato' Dr. Abdul Razak Mohd. Ali | Forest Research Institute Malaysia
(w.e.f. 30 August 2007) |
| • Jayl Langub | Universiti Malaysia Sarawak |
| • Anthony Sebastian | Malaysian Nature Society (up to 29 August 2007) |
| • Tan Chin Tong | Malaysian Nature Society (w.e.f. 30 August 2007) |
| • Ding Seling | Orang Ulu National Association |
| • Datuk Leo Chai | Sarawak Timber Association (up to 29 August 2007) |
| • Datuk James Hwong | Sabah Timber Industries Association
(w.e.f. 30 August 2007) |
| • William Yeoh Keat Hin | Malaysian Wood Moulding and Joinery Council
(up to 29 August 2007) |
| • Ir. Hj. Wahid Jaafar | Persatuan Pengusaha-Pengusaha Kayu-Kayan dan
Perabot Bumiputera Malaysia (w.e.f. 30 August 2007) |
| • Dr. Henry Chok | Sabah Environmental Protection Association
(w.e.f. 30 August 2007) |
| • Dr. Banabas Tapin | Kadazandusun Cultural Association
(w.e.f. 30 August 2007) |



Thirty-Third meeting of Board of Trustees

The Board of Trustees met three times in 2007 as follows:

Thirty-Second Meeting	-	22 March
Thirty-Third Meeting	-	6 September
Thirty-Fourth Meeting	-	29 November

CERTIFICATION COMMITTEE

The MTCC management continued to carry out the functions of the Certification Committee which are (i) to decide on applications for forest management and chain-of-custody certification based on assessment reports submitted by independent assessors/certification bodies; (ii) to decide on the registration and de-registration of independent assessors; and (iii) to consider applications for registration as peer reviewers.

The Certification Committee met seventeen times in 2007 as follows:

Twenty-Sixth Meeting	-	8 January	Thirty-Fifth Meeting	-	18 June
Twenty-Seventh Meeting	-	26 January	Thirty-Sixth Meeting	-	6 July
Twenty-Eighth Meeting	-	15 February	Thirty-Seventh Meeting	-	8 July
Twenty-Ninth Meeting	-	28 March	Thirty-Eighth Meeting	-	30 August
Thirtieth Meeting	-	6 April	Thirty-Ninth Meeting	-	13 September
Thirty-First Meeting	-	13 April	Fortieth Meeting	-	18 October
Thirty-Second Meeting	-	11 May	Forty-First Meeting	-	13 November
Thirty-Third Meeting	-	18 May	Forty-Second Meeting	-	27 November
Thirty-Fourth Meeting	-	23 May			

APPEALS COMMITTEE

The Appeals Committee, made up of the full Board, is responsible for dealing with appeals related to applications for forest management and chain-of-custody certification.

INVESTMENT COMMITTEE

The Investment Committee oversees the overall implementation of MTCC's investment policy, particularly in the management of the Endowment Fund. The Committee is also responsible for the formulation of policies and procedures on matters related to the establishment of the Fund.

The members of the Investment Committee in 2007 were:

Chairman

Dato' Dr. Freezailah Che Yeom

Member

Mohd Aminuddin Hashim (*up to 29 August 2007*)

Nurmala Abd. Rahim (*w.e.f. 30 August 2007*)

Mustafar Taib

Chew Lye Teng

ANNUAL GENERAL MEETING

The Eighth Annual General Meeting was held on 11 September during which the Audited Accounts for the financial year ended 31 December 2006, Reports of the Trustees and Auditors and the Annual Report for the year 2006, were tabled and adopted by the Members.



Eighth Annual General Meeting

APPRECIATION DINNER FOR BOARD OF TRUSTEES AND FOUNDING MEMBERS

MTCC hosted an appreciation dinner on 11 September in Kuala Lumpur to acknowledge and thank its founding Members as well as present and past Trustees for their contributions and support towards the efforts and achievements of the MTCC over the past eight years since its establishment in 1999. The event was also attended by Datu Dr. Michael Dosim Lunjew, Secretary General of the Ministry of Plantation Industries and Commodities, and Datuk Suboh Mohd. Yassin, Secretary General of the Ministry of Natural Resources and Environment.



Datu Dr. Freezailah addressing the guests

MTCC Chairman Dato' Dr. Freezailah expressed his deep appreciation on the goodwill and cooperation that had been extended by all the Trustees and Members. He also conveyed a special word of thanks to Datuk Haron Siraj and Dato' Haji Abdul Rashid Mat Amin, the founding Members and first Trustees of MTCC. The event ended with presentation of souvenirs to the two founding Members.



Presentation of souvenir to Dato' Haji Abdul Rashid



Presentation of souvenir to Datuk Haron

ORGANISATION STRUCTURE

MANAGEMENT TEAM



IN-HOUSE INVESTMENT COMMITTEE

The In-House Investment Committee monitors the implementation of the decisions of the Investment Committee, as well as formulates investment recommendations for the consideration of the Investment Committee.

The members of the In-House Investment Committee in 2007 were:

Chew Lye Teng (Chairman)

Harnarinder Singh

Ismail Ibrahim

Yong Teng Koon

Noor Eshah Yat (Secretary)

Company Secretary	Company Auditors
Zainal Abidin Pit (MAICSA 7014057) ZAP Management Services Sdn. Bhd. 15B, 2 nd Floor, Jalan Tengku Ampuan Zabedah F9/F, 40100 Shah Alam, Selangor	Moores Rowland (No. AF: 0539) Wisma Selangor Dredging 7 th Floor, South Block 142-A, Jalan Ampang 50450 Kuala Lumpur



CHAIRMAN'S STATEMENT

It is with pleasure and much satisfaction that I present this Annual Report detailing the work, activities and progress of MTCC for 2007. The year had been unusually busy, straining and stretching the small but dedicated secretariat resources led by Mr. Chew Lye Teng. Equally, the year had chalked much progress. Indeed, the MTCC has reached a major milestone in its growth and development and is poised to gain a higher level of international market acceptance and meet public procurement policies of major consuming countries for sustainable timber.

As indicated in this report, there has been a small increase in the total area of certified forests worldwide but with little increase for natural tropical forests. In this context Malaysia is the biggest contributor with almost four million hectares under the MTCS and another 55,000 hectares under the FSC scheme.

Implementing sustainable management and certification of natural tropical forests is a huge challenge demanding skills, strong institutions and resources, both financial and human, which are scarce in developing countries. It is therefore most courageous and creative of the European Union (EU) in promoting a Voluntary Partnership Agreement (VPA) under its Forest Law Enforcement Governance and Trade (FLEGT) Action Plan, under which it cooperates with partner countries to develop a Legality Assurance System (LAS) for timber products. The LAS, which is subject to third party monitoring, will assure that only legal timber will be able to enter markets in the 27 member states of the EU. Legal timber, verified through the LAS, is therefore a major milestone on the long and difficult journey to achieve sustainable timber. The VPA is thus a pragmatic initiative that will play a strategic and catalytic role in progressing towards sustainable forest management (SFM) and certification. Malaysia is currently negotiating with the EU to conclude

a VPA and MTCC's experience in stakeholder consultations, standard setting and auditing is invaluable in the formulation of the Malaysian Timber Legality Assurance System (TLAS).

The year under review was also a period of transition for the use of the *Malaysian Criteria and Indicators for Forest Management Certification* [MC&I(2002)], the new and more stringent standard. I note with much satisfaction that the Negeri Sembilan and Pahang Forest Management Units (FMUs) were the first to meet the requirement of the MC&I(2002), thanks to the dedication of the forest managers in these two states. Other FMUs awarded certificates under MC&I(2001) are making steady progress to meet the requirements of the new standard.

Another noteworthy development is the finalization of the draft of the MC&I for certification of forest plantations which had been initiated in 2006 by a special Technical Working Group (TWG). The field test of this draft MC&I (Forest Plantations) will be conducted by independent assessors to be appointed by the National Steering Committee (NSC) next year.

Also noteworthy is work towards the implementation of a new institutional arrangement for the MTCS. In this, MTCC collaborated closely with Department of Standards Malaysia (Standards Malaysia), the national Accreditation Body (AB). Under this new arrangement, MTCC will play the role of the National Governing Body (NGB). Assessment and award of certification will be made by Certification Bodies (CBs) which need to be accredited to the AB. Such an arrangement, in the separation of functions, will be in compliance with international principles and norms.

The MTCC management has also been busy making preparations to submit the MTCS for endorsement by the Programme for the Endorsement of Forest Certification Schemes (PEFC) to which MTCC had been a member since 2002.

In view of the foregoing developments, MTCC can look forward to the coming year with greater confidence. In this context, I wish to pay special tribute to the members of the Board Of Trustees, NSC, TWGs, the Ministry of Plantation Industries and Commodities, the Ministry of Natural Resources and Environment, the Forestry Departments in Sabah, Sarawak and Peninsular Malaysia and all stakeholder groups for their sustained support which has enabled the MTCS to become one of the foremost national certification schemes for both natural and plantation forests in the tropics.



Dato' Dr. Freezailah Che Yeom

Chairman

25 August 2008



REVIEW OF OPERATIONS

The momentum of the work carried out in 2006 in the change to the use of the new forest management certification standard [*MC&I(2002)*] in the MTCS was maintained in 2007, which saw the assessment of six of the nine certified FMUs and assessment of one new FMU to the requirements of the *MC&I(2002)*. These assessments resulted in two FMUs (Negeri Sembilan and Pahang) becoming the first and second FMUs respectively, to be awarded the new *Certificate for Forest Management* for compliance with the *MC&I(2002)*. In addition, pre-assessments of two new FMUs to the requirements of the *MC&I(2002)* were carried out.

The success achieved by the Negeri Sembilan and Pahang FMUs in complying with the stringent requirements of the *MC&I(2002)* is a clear vindication of MTCC's adoption of a phased approach in implementing timber certification in Malaysia. The phased approach has enabled our forest managers to strengthen and improve their procedures, documentation and field practices, as well as their human resources, based on their experience with the *MC&I(2001)* standard used in the first phase, thus enabling the FMUs concerned to make a reasonably smooth transition when assessed for compliance with the requirements of the *MC&I(2002)*.

Further progress was achieved in the preparations for the implementation of the new institutional arrangement for the MTCS. Beginning in April, only CBs which had been accredited with the Standards Malaysia, the national accreditation body, under relevant ISO guides such as Guide 62, 65 or 66 under other programmes were appointed to conduct assessments and surveillance visits under the MTCS. Resulting from the work of the TWG, in which MTCC played an active role, Standards Malaysia announced in October that it had finalised its accreditation programme for forest management system certification, and its readiness to accept applications from potential CBs for accreditation under this new programme.

The number of holders of the MTCC *Certificate for Chain-of-Custody* increased from 99 to 113. A total of 70,385 cubic metres of MTCS-certified timber products were exported. This brought the cumulative total exported since July

2002 to 201,206 cubic metres. South Africa, South Korea, the United States of America, Japan and Mauritius were added to the list of countries importing MTCS-certified products, bringing the total number to 17.

With regard to the MTCC-Hamburg project, the main milestones in the activities carried out were the Inception Workshop in January and the Mid-Term Workshop in June. Both these Workshops were well-attended by representatives from the various stakeholder groups. MTCC was also very pleased that the representatives of Free and Hanseatic City of Hamburg (FHH), German Timber Trade Federation (GTTF), German Agency for Technical Cooperation (GTZ) and University of Hamburg (UHH), its partners in this project, were able to attend the Mid-Term Workshop as well as the post-Workshop field visit.

There was further progress in the work on the development of the standard for the certification of forest plantations. Following deliberations of the TWG, the draft forest plantation standard, the *MC&I*(Forest Plantations), was subject to public comment from 30 April to 30 June through various channels. The draft *MC&I*(Forest Plantations) was subsequently reviewed by the TWG to take into account the comments received, and preparations for the field-testing of the draft standard were made.

Efforts to promote the scheme were continued, including participation in the Working Visit by YB Datuk Peter Chin Fah Kui, Minister of Plantation Industries and Commodities, to Australia (Sydney and Hobart), the International Green Week Fair in Berlin, the German Timber Day in Cologne, and the Malaysia International Commodity Conference and Showcase (MICCOS) 2007 organised under Ministry of Plantation Industries and Commodities.

MTCC continues to encourage cooperation and dialogue among the various stakeholder groups pertaining to issues related to SFM. In this connection, MTCC helped to organise the second Malaysian Forest Dialogue (MFD) as a member of the Steering Committee for the MFD. The second MFD focused on native customary rights (NCR) in forested land, SFM and forest communities and financing of SFM.

In carrying out all these activities, I am most grateful for the cooperation and support that we continue to receive from the forest managers, timber companies, independent assessors, facilitators and representatives of the environmental, social and economic stakeholder groups in Sabah, Sarawak and Peninsular Malaysia.

I wish to thank the Chairman and Board of Trustees, as well as the Members of MTCC, for their continued guidance and support to the MTCC management in operating the MTCS. Last but not least, I would like to thank my team - the MTCC managers, executives and supporting staff, for the diligence and commitment that they have shown throughout 2007 which has enabled the MTCS to achieve further progress and improvements.



Chew Lye Teng
Chief Executive Officer
25 August 2008

OPERATIONS

FOREST MANAGEMENT CERTIFICATION

A total of nine FMUs were subjected to pre-assessment / assessment / verification against the requirements of the MC&I(2002) as follows:

Forest Management Unit (FMU)		Pre-assessment	Assessment	Verification
1.	Kubaan Puak (Sarawak)	12 - 16 March	-	-
2.	Segaliud-Lokan (Sabah)	16 - 19 July	-	-
3.	Pahang	-	-	3 - 7 September
4.	Johor	-	2 - 6 April	-
5.	Kedah	-	-	2 - 6 December
6.	Perak	-	-	12 - 16 November
7.	Negeri Sembilan	-	9 - 13 April	-
8.	Kelantan	-	-	28 October - 1 November
9.	Anap-Muput (Sarawak)	-	23 - 27 July	18 - 20 November

As a result of the assessment/verification, the Negeri Sembilan and Pahang FMUs became the first and second FMUs respectively to be certified under the requirements of the MC&I(2002). The other FMUs assessed were not certified due to the issuance of at least one major corrective action request (CAR).

Surveillance visits against the requirements of the MC&I(2001) were conducted on two FMUs i.e. the Terengganu and Sela'an-Linau FMUs. As a result of the surveillance visit, the suspension of the *Certificate for Forest Management* for the Terengganu FMU imposed on 13 December 2006 was lifted on 18 October, and the certificate remained valid until it expired on 13 December.



Consultation with indigenous people during pre-assessment of Kubaan Puak FMU



Pre-assessment of Segaliud-Lokan FMU



Implementing reduced impact logging in Pahang FMU

The surveillance visit conducted on the Sela'an-Linau FMU resulted in the raising of the minor CAR, relating to a blockade (SEL-07), to a major CAR. Following the verification conducted on 2-4 May on the actions to be taken to address the major CAR, the assessor concluded that the major CAR cannot be closed and recommended the suspension of the *Certificate for Forest Management*.

However, following an appeal by the FMU, an extension of six months was granted, based on the exceptional circumstances faced, to allow the FMU more time to implement a specific plan of actions to address the major CAR. The verification of actions taken was conducted on 28-30 November. As a result of progress made to resolve the dispute, the assessor agreed to close the major CAR and recommended that the certificate be maintained.

In addition, the *Certificate for Forest Management* issued to the Selangor FMU against the MC&I(2001) expired on 13 December.



Opening meeting during assessment of Kelantan FMU



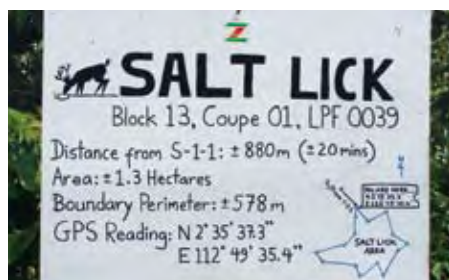
Skid trail constructed in accordance with prescribed standard observed in Kedah FMU



Construction of sump to channel surface water flow along feeder road observed in Perak FMU



Inspection of lorry transporting logs during assessment of Johor FMU



Signage indicating the location of a salt lick in Anap-Muput FMU



Rehabilitation of log landing using seedling of indigenous tree species in Negeri Sembilan FMU

As at the end of December, the holders of the MTCC *Certificate for Forest Management* [accounting for 3.85 million ha of Permanent Reserved Forest (PRF)] are as shown in the table below:

Table 1: Holders of *Certificate for Forest Management*

Forest Management Unit (FMU)		Certificate Number	Issuance Date	Area of FMU (ha)	
				MC&I(2002)	MC&I(2001)
1.	Pahang	FMC 001	13 November 2007	1,418,853	-
2.	Johor	FMC 004	6 October 2003	-	356,922
3.	Kedah	FMC 005	6 October 2003	-	344,530
4.	Perak	FMC 006	6 October 2003	-	884,205
5.	Negeri Sembilan	FMC 007	30 August 2007	160,151	-
6.	Kelantan	FMC 008	5 July 2004	-	629,687
7.	Sela'an-Linau (Sarawak)	FMC 009	18 October 2004	-	55,949
Total Certified Area				1,579,004	2,271,293
Grand Total				3,850,217	

CHAIN-OF-CUSTODY CERTIFICATION

The Certification Committee considered the applications and decided to award the MTCC *Certificate for Chain-of-Custody* to the following 14 companies in 2007:

- YST & Sons Holdings Sdn. Bhd., Ulu Yam Baru, Selangor
- Lee Wah Sawmill Sdn. Bhd., Gemas, Negeri Sembilan
- World Parade Sdn. Bhd., Mentakab, Pahang
- GL Wan Enterprise Sdn. Bhd., Kuala Besut, Terengganu
- Seng Chap Wah Timber Merchant Sdn. Bhd., Jerantut, Pahang
- Ah Hai Industries Sdn. Bhd., Parit Sulong, Johor
- Fast Orient Sdn. Bhd., Jalan Tuaran, Kota Kinabalu
- Blue Star Sawmill Sdn. Bhd., Karak, Pahang
- Planet Products Sdn. Bhd., Parit Sulong, Johor
- Bukit Minda Sdn. Bhd., Gemas, Negeri Sembilan
- H. T. Wood Creation Sdn. Bhd., Bukit Rambai, Melaka
- Eco Lumber Sdn. Bhd., Ampang, Selangor
- Thye Hing Sawmill Sdn. Bhd., Mentakab, Pahang
- Gimzan Plywood Sdn. Bhd., Hulu Terengganu, Terengganu

Hence, by the end of 2007, a total of 113 companies had been awarded the *Certificate for Chain-of-Custody*.

Table 2: Holders of *Certificate for Chain-of-Custody*

No	Company	Certificate Number	Issuance Date	Scope
1.	Bortim Sdn. Bhd., Petaling Jaya, Selangor	COC 001	3 November 2006	Sawn timber
2.	Mentakab Sawmill Sdn. Bhd., Temerloh, Pahang	COC 002	3 November 2006	Sawn timber
3.	United Trading & Sawmill Sdn. Bhd., Kuala Lipis, Pahang	COC 003	3 November 2006	Sawn timber
4.	Maran Road Sawmill Sdn. Bhd., Medan Pasar, Kuala Lumpur	COC 004	11 December 2006	Sawn timber, S4S timber and solid finger-jointed timber
5.	Pan Resources Sdn. Bhd., Petaling Jaya, Selangor	COC 005	8 November 2006	Sawn timber
6.	Mahawangsa Timber Industries Sdn. Bhd., Mentakab, Pahang	COC 006	30 November 2006	Sawn timber
7.	Kilang Papan Datuk Wan Ahmad (Raub) Sdn. Bhd., Raub, Pahang	COC 007	30 November 2006	Sawn timber
8.	Asrama Raya Sdn. Bhd., Medan Pasar, Kuala Lumpur	COC 008	8 November 2006	Sawn timber and S4S timber

No	Company	Certificate Number	Issuance Date	Scope
9.	Lionex (M) Sdn. Bhd., Jalan Ipoh, Kuala Lumpur	COC 009	11 December 2006	Sawn timber
10.	Exsell Corporation Sdn. Bhd., Petaling Jaya, Selangor	COC 010	30 November 2006	Sawn timber
11.	Finewood Export Associates Sdn. Bhd., Jalan Kelang Lama, Kuala Lumpur	COC 011	3 November 2006	Sawn timber
12.	Arif Jasa Industries Sdn. Bhd., Kajang, Selangor	COC 012	11 December 2006	Sawn timber
13.	Arah Asia Sdn. Bhd., Raub, Pahang	COC 013 (Certificate suspended w.e.f. 26 October 2005 at company's request)	14 December 2001	Sawn timber
14.	Pesaka Terengganu Berhad., Dungun, Terengganu	COC 014	11 December 2006	Sawn timber
15.	Leung Huat Timber Industries (M) Sdn. Bhd., Kuala Terengganu, Terengganu	COC 015 (Certificate expired on 12 December 2006)	14 December 2001	Sawn timber
16.	Besut Tsuda Industries Sdn. Bhd., Jerleh, Terengganu	COC 016 (Certificate suspended w.e.f. 26 October 2005 at company's request)	14 December 2001	Sawn timber
17.	General Lumber Trading Sdn. Bhd., Shah Alam, Selangor	COC 017 (Certificate withdrawn w.e.f. 26 October 2005 at company's request)	12 April 2002	Sawn timber
18.	Costraco Sdn. Bhd., Kelana Jaya, Selangor	COC 018	8 January 2007	Sawn timber & finger-jointed timber
19.	TSL Timber Sdn. Bhd., Kalumpang, Selangor	COC 019	8 January 2007	Sawn timber
20.	Jerleh Timber Enterprise Sdn. Bhd., Jerleh, Terengganu	COC 020	6 April 2007	Sawn timber
21.	Salak Soon Lee Sawmill Sdn. Bhd., Sepang, Selangor	COC 021	26 January 2007	Sawn timber
22.	Seng Peng Sawmill Sdn. Bhd., Gambang, Pahang	COC 022	8 January 2007	Sawn timber
23.	Lionvest Corporation Sdn. Bhd., Temoh, Perak	COC 023	12 April 2002	Sawn timber

No	Company	Certificate Number	Issuance Date	Scope
24.	Suria Dayapi Timber Products Sdn. Bhd., Bukit Bandaraya, Kuala Lumpur	COC 024	3 November 2006	Sawn timber
25.	Sri Rawang Sdn. Bhd., Bukit Bandaraya, Kuala Lumpur	COC 025 (Certificate withdrawn w.e.f. 7 April 2004 at company's request)	12 April 2002	Sawn timber
26.	Legend Wood Sdn. Bhd., Simpang Renggam, Johor	COC 026	28 March 2007	Sawn timber
27.	Aikbee Sawmill Sdn. Bhd., Jalan Kepong, Kuala Lumpur	COC 027	1 March 2003	Sawn timber
28.	Pesama Timber Corporation Sdn. Bhd., Kemaman, Terengganu	COC 028	8 January 2007	Sawn timber, solid wood moulding (including finger-jointed moulding)
29.	Gunung Seraya Wood Products Sdn. Bhd., Port Klang, Selangor	COC 029	13 April 2007	Sawn timber, solid wood moulding, finger-jointed timber and laminated timber
30.	Hang Tuah Sawmill Berhad, Bahau, Negeri Sembilan	COC 030	6 October 2003	Sawn timber
31.	Bormill Wood (Terengganu) Sdn. Bhd., Kuala Terengganu, Terengganu	COC 031	28 March 2007	Sawn timber, S4S and solid wood moulding
32.	P.I.F. Sdn. Bhd., Taman Maluri, Kuala Lumpur	COC 032	6 October 2003	Sawn timber
33.	Straits Timber Products (Pahang) Sdn. Bhd., Lancang, Pahang	COC 033	6 October 2003	Solid wood moulding
34.	Yap Swee Thiam & Sons Industries Sdn. Bhd., Batu Caves, Selangor	COC 034 (Certificate suspended w.e.f. 26 October 2005 at company's request)	6 October 2003	Solid wood moulding, door sets, window sets, solid wood components for conservatories, garden furniture and components
35.	CHG Plywood Sdn. Bhd., Jalan Cheras, Selangor	COC 035	6 October 2003	Plywood and laminated veneer lumber
36.	Kilang Papan Bukit Emas Sdn. Bhd., Raub, Pahang	COC 036	6 October 2003	Sawn timber

No	Company	Certificate Number	Issuance Date	Scope
37.	Victory Enterprise Sdn. Bhd., Klang, Selangor	COC 037	8 January 2007	Finger-jointed laminated core lumber, sawn timber, moulding and S4S (solid wood)
38.	Samling DorFoHom Sdn. Bhd., Bintulu, Sarawak	COC 038	22 October 2003	Moulded door skin (fibre product)
39.	Leong Seng Sawmill Sdn. Bhd., Kuantan, Pahang	COC 039	28 March 2007	Sawn timber
40.	Prominent Picture Frame Sdn. Bhd., Sungai Buloh, Selangor	COC 040	26 March 2004	Assembled picture frames
41.	Samling Plywood (Baramas) Sdn. Bhd., Miri, Sarawak	COC 041	31 March 2004	Plywood
42.	Papanjaya Sdn. Bhd., Semenyih, Selangor	COC 042	8 January 2007	Sawn timber
43.	Sim Seng Huat Timber Industries Sdn. Bhd., Klang, Selangor	COC 043	30 August 2007	Solid wood moulding including finger-jointed moulding, sawn timber
44.	Dyera Tim Sdn. Bhd., Ipoh, Perak	COC 044	18 June 2007	Sawn timber and solid wood moulding
45.	Guan Hin Sawmill & Hardware Sdn. Bhd., Chemor, Perak	COC 045	8 January 2007	Sawn timber
46.	Strategi Mutiara (M) Sdn. Bhd., Kuala Pilah, Negeri Sembilan	COC 046	5 July 2004	Garden furniture and furniture components
47.	Kwong Yuen Sang Sawmill Sdn. Bhd., Temoh, Perak	COC 047	28 March 2007	Sawn timber
48.	Low Fatt Wood Industries Sdn. Bhd., Hulu Terengganu, Terengganu	COC 048	2 September 2004	Sawn timber and solid wood mouldings
49.	Finewood Forest Products Sdn. Bhd., Klang, Selangor	COC 049	2 September 2004	Solid wood mouldings and joinery products
50.	Supreme Fame Sdn. Bhd., Kuantan, Pahang	COC 050	2 September 2004	Sawn timber and solid wood mouldings
51.	Lengkap Arif Sdn. Bhd., Seremban, Negeri Sembilan	COC 051	2 September 2004	Sawn timber

No	Company	Certificate Number	Issuance Date	Scope
52.	Star Lumber Sdn. Bhd., Batu Caves, Selangor	COC 052	2 September 2004	Sawn timber
53.	Maica Wood Industries Sdn. Bhd., Kulim, Kedah	COC 053 (Certificate withdrawn w.e.f. 16 March 2007 at company's request)	18 October 2004	Solid wood mouldings and laminated boards
54.	Kilang Papan Jendela Baru Sdn. Bhd., Sg. Siput, Perak	COC 054	13 April 2007	Sawn timber
55.	Zeng Lee Trading Sdn. Bhd., Ipoh, Perak	COC 055	18 October 2004	Sawn timber
56.	Ivory Pearl Sdn. Bhd., Chemor, Perak	COC 056	29 December 2004	Solid wood doors and door frames
57.	Mediarex Sdn. Bhd., Klang, Selangor	COC 057	31 December 2004	Solid and finger-jointed mouldings, solid and finger-jointed S4S, graphic stand and picture frames, sawn timber
58.	Global Wood Products Sdn. Bhd., Klang, Selangor	COC 058	13 April 2007	Solid wood mouldings and S4S
59.	Yee Poh Timber Sdn. Bhd., Bandar Sri Damansara, Kuala Lumpur	COC 059	30 August 2007	Sawn timber
60.	Ekowood International Berhad, Gopeng, Perak	COC 060	17 February 2005	Engineered solid hardwood flooring
61.	Rosewood Corporation Sdn. Bhd., Jalan Pinang, Kuala Lumpur	COC 061	17 February 2005	Sawn timber
62.	Maju Weko Timber Industries Sdn. Bhd., Gerik, Perak	COC 062	18 June 2007	Sawn timber, solid wood mouldings and laminated timber
63.	Asia Plywood Company Sdn. Bhd., Sungai Petani, Kedah	COC 063	6 April 2007	Plywood
64.	Straits Timber Products Sdn. Bhd., Ipoh, Perak	COC 064	26 January 2007	Solid wood mouldings, door and window components, door frame components

No	Company	Certificate Number	Issuance Date	Scope
65.	Select Door Industries Sdn. Bhd., Kota Samarahan, Sarawak	COC 065 (Certificate withdrawn w.e.f. 14 February 2007 at company's request)	17 February 2005	Solid wood doors and door
66.	Euro Asia Timber Export Sdn. Bhd., Petaling Jaya, Selangor	COC 066	20 December 2006	Sawn timber
67.	Timbertech Wood Industries Sdn. Bhd., Kuala Langat, Selangor	COC 067	6 April 2007	Sawn timber and solid wood mouldings (including S4S)
68.	Chye Hin Sawmill Sdn. Bhd., Ampang, Kuala Lumpur	COC 068	26 October 2005	Sawn timber
69.	Kim Ban Huat Sdn. Bhd., Rompin, Negeri Sembilan	COC 069	26 October 2005	Sawn timber
70.	R. J. Timur Sdn. Bhd., Kuching, Sarawak	COC 070 (Certificate withdrawn w.e.f. 14 February 2007 at company's request)	26 October 2005	Sawn timber
71.	PTC Timber Sdn. Bhd., Cheras Kuala Lumpur	COC 071	6 April 2007	Sawn timber
72.	Firmwood Sdn. Bhd., Klang, Selangor	COC 072	26 October 2005	Sawn timber
73.	Shin Yang Plywood Sdn. Bhd., Miri, Sarawak	COC 073	28 March 2007	Plywood and laminated veneer lumber
74.	Zedtee Plywood Sdn. Bhd., Bintulu, Sarawak	COC 074	26 October 2005	Plywood
75.	Kim Teck Lee Timber Flooring Sdn. Bhd., Banting, Selangor	COC 075	6 July 2007	Solid wood flooring, finger-jointed and/or laminated wood moulding (flooring)
76.	Forescom Plywood Berhad, Bintulu, Sarawak	COC 076	26 October 2005	Plywood and veneer
77.	Shin Yang Plywood (Bintulu) Sdn. Bhd., Bintulu, Sarawak	COC 077	26 October 2005	Plywood
78.	Goodwood Resources Sdn. Bhd., Seremban, Negeri Sembilan	COC 078	13 December 2005	Laminated timber products
79.	Golden Pharos Doors Sdn. Bhd., Klang, Selangor	COC 079	13 December 2005	Engineered doors and door frames

No	Company	Certificate Number	Issuance Date	Scope
80.	Besgrade Products Sdn. Bhd., Alor Setar, Kedah	COC 080	13 December 2005	Plywood
81.	Zhen Chen Thai Plywood Sdn. Bhd., Alor Setar, Kedah	COC 081	13 December 2005	Plywood
82.	Asiaprima Resources Sdn. Bhd., Mentakab, Pahang	COC 082	13 December 2005	Logs, sawn timber and sawmill off-cuts
83.	PIO Hardwoods (M) Sdn. Bhd., Jalan Ipoh, Kuala Lumpur	COC 083	13 December 2005	Sawn timber
84.	Kilang Papan Lim Ah Soon Sdn. Bhd., Beranang, Selangor	COC 084	7 February 2006	Sawn timber, finger-jointed and/or laminated moulding and timber, and sliced-laminated veneer
85.	Kim Teck Leong Import & Export Sdn. Bhd., Klang, Selangor	COC 085	3 March 2006	Sawn timber
86.	Komill Corporation Sdn. Bhd., Desa Sri Hartamas, Kuala Lumpur	COC 086	3 March 2006	Sawn timber, dressed timber, solid wood mouldings, and finger-jointed and laminated mouldings
87.	Mentakab Veneer & Plywood Sdn. Bhd., Mentakab, Pahang	COC 087	10 May 2006	Plywood
88.	Pekan Sawmill Sdn. Bhd., Kuantan, Pahang	COC 088	14 June 2006	Sawn timber
89.	Furni-World (Malaysia) Sdn. Bhd., Banting, Selangor	COC 089	14 June 2006	Solid wood outdoor furniture, furniture components and solid wood flooring
90.	Carl Ronnow (Malaysia) Sdn. Bhd., Kota Kinabalu, Sabah	COC 090	14 June 2006	Sawn timber
91.	Kim Hiap Seng Furniture Co. Sdn. Bhd., Bukit Rambai, Melaka	COC 091	14 June 2006	Solid wooden furniture and furniture components
92.	Wasaniaga Sdn. Bhd., Batu Pahat, Johor	COC 092	14 June 2006	Solid wooden furniture
93.	B.K.B. Hevea Products Sdn. Bhd., Ipoh, Perak	COC 093	8 November 2006	Three-layered solid wood parquet

No	Company	Certificate Number	Issuance Date	Scope
94.	Société Forestière du Maine SA, Le Mans, France	COC 094	8 November 2006	Sawn timber
95.	J.P. Beurier SAS, Saone, France	COC 095	8 November 2006	Sawn timber
96.	Wood Village Industries Sdn. Bhd., Banting, Selangor	COC 096	8 November 2006	Solid wood moulding and furniture
97.	Lam Yang Furniture Manufacturer Sdn. Bhd., Klang, Selangor	COC 097	3 November 2006	Solid wood outdoor furniture
98.	Hok Lai Timber (M) Sdn. Bhd., Bidor, Perak	COC 098	3 November 2006	Sawn timber
99.	Plus Intervest Sdn. Bhd., Batu Kikir, Negeri Sembilan	COC 099	3 November 2006	Veneer and plywood
100.	YST & Sons Holdings Sdn. Bhd., Ulu Yam Baru, Selangor	COC 100	26 January 2007	Solid door and door frame, solid wood mouldings builders' carpentry and joinery
101.	Lee Wah Sawmill Sdn. Bhd., Gemas, Negeri Sembilan	COC 101	8 January 2007	Sawn timber
102.	World Parade Sdn. Bhd., Mentakab, Pahang	COC 102	18 June 2007	Sawn timber
103.	GL Wan Enterprise Sdn. Bhd., Kuala Besut, Terengganu	COC 103	18 June 2007	Sawn timber
104.	Seng Chap Wah Timber Merchant Sdn. Bhd., Jerantut, Pahang	COC 104	6 July 2007	Sawn timber
105.	Ah Hai Industries Sdn. Bhd., Parit Sulong, Johor	COC 105	30 August 2007	Sawn timber, solid wood mouldings, finger-jointed and laminated wood, door and window frames, and interior wood profiles
106.	Fast Orient Sdn. Bhd., Jalan Tuaran, Kota Kinabalu	COC 106	30 August 2007	Sawn timber
107.	Blue Star Sawmill Sdn. Bhd., Karak, Pahang	COC 107	30 August 2007	Sawn timber and solid wood mouldings

No	Company	Certificate Number	Issuance Date	Scope
108.	Planet Products Sdn. Bhd., Parit Sulong, Johor	COC 108	27 September 2007	Sawn timber, solid wood mouldings, finger-jointed and laminated timber, door and window frames and interior profiles
109.	Bukit Minda Sdn. Bhd., Gemas, Negeri Sembilan	COC 109	13 November 2007	Sawn timber
110.	H. T. Wood Creation Sdn. Bhd., Bukit Rambai, Melaka	COC 110	13 November 2007	Indoor and outdoor furniture
111.	Eco Lumber Sdn. Bhd., Ampang, Selangor	COC 111	13 November 2007	Sawn timber
112.	Thye Hing Sawmill Sdn. Bhd., Mentakab, Pahang	COC 112	13 November 2007	Sawn timber
113.	Gimzan Plywood Sdn. Bhd., Hulu Terengganu, Terengganu	COC 113	13 November 2007	Veneer & plywood

INDEPENDENT ASSESSORS / RECOGNISED CERTIFICATION BODIES

In line with the implementation of the new institutional arrangement for the MTCS, with effect from 1 April 2007, only CBs accredited with Standards Malaysia under the relevant MS ISO Guides 62, 65 or 66 under other programmes [such as the MS ISO 9001 (quality management system) and MS ISO 14000 (environmental management system)] were recognized and appointed to conduct assessments and surveillance visits for forest management and chain-of-custody (CoC) certification. This was a measure taken to encourage MTCC registered assessors to become accredited to Standards Malaysia, as preparation for the implementation of the new institutional arrangement. The recognised CBs are as follows:

- i. SGS (Malaysia) Sdn. Bhd.
- ii. SIRIM QAS International Sdn. Bhd.
- iii. Moody International Certification (M) Sdn. Bhd.

In line with the measures taken within Malaysia, MTCC also decided that overseas-based CBs that are accredited against a CoC certification programme endorsed by the PEFC Council would be allowed to conduct assessments and surveillance visits against the *Requirements for Chain-of-Custody Certification (RCOC)* under the MTCS. Under this arrangement, the following two overseas-based CBs were accepted into the list of recognised CBs:

- i. Control Union Certifications B.V. (CUC), The Netherlands
- ii. Certification and Timber Grading Limited (CATG), United Kingdom

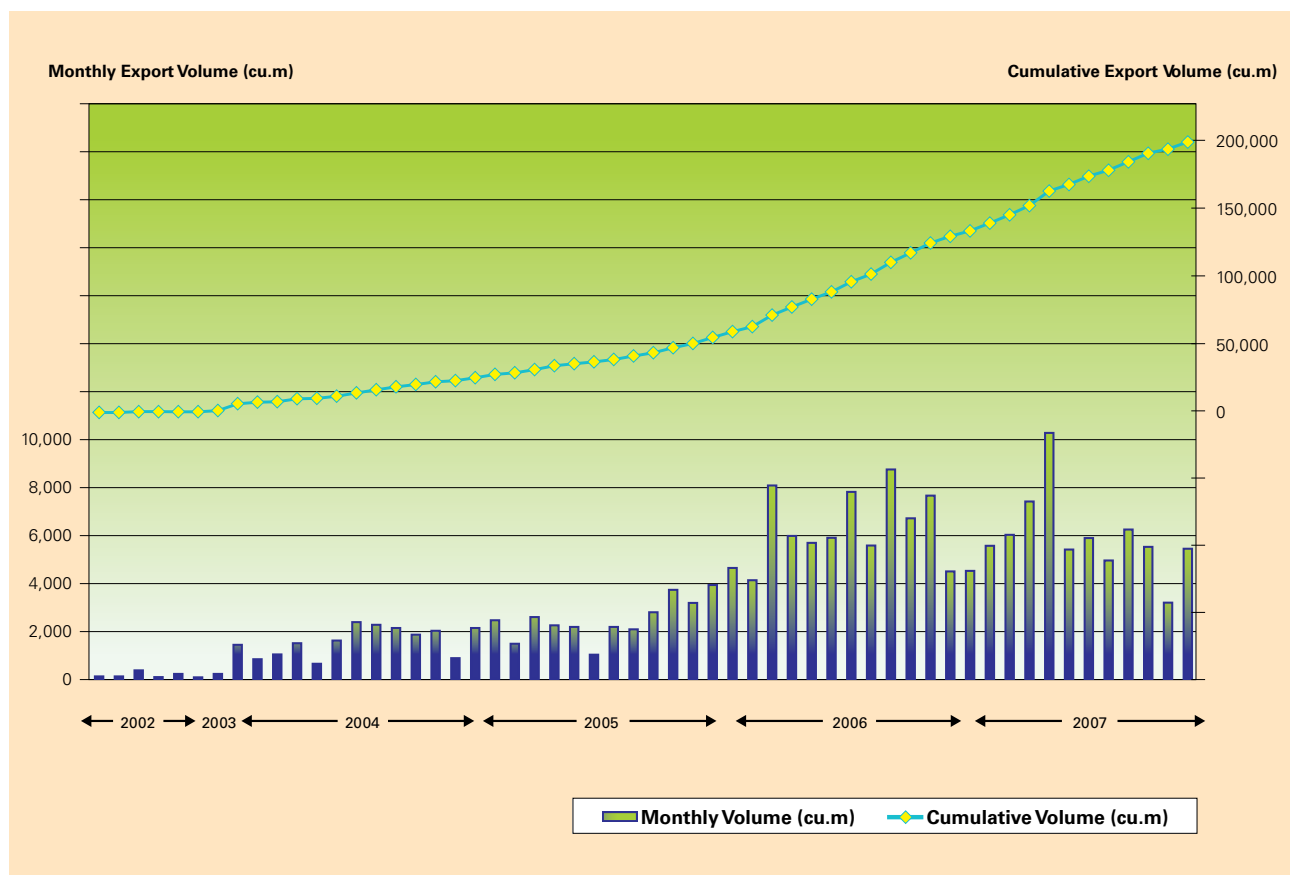
The total number of Peer Reviewers registered under the MTCS to provide expert and independent review of assessment reports of FMUs prepared by assessors remained at 16.

EXPORT OF MTCS-CERTIFIED TIMBER PRODUCTS

In 2007, a total of 70,385 m³ of MTCS-certified timber products was exported to a number of destinations which included five new destinations, i.e. South Africa, South Korea, United States of America, Japan and Mauritius. With these new destinations MTCS-certified timber products have now been exported to 17 countries i.e. The Netherlands, Belgium, Germany, the United Kingdom, France, Australia, Greece, Denmark, Poland, Italy, Norway, Indonesia, South Africa, South Korea, United States of America, Japan and Mauritius. The United Kingdom was the biggest market for MTCS-certified products in 2007, accounting for 30,561 m³ (or 43.4%) of the total quantity exported. Records show that the largest volume of MTCS-certified products was exported in the month of May, reaching a total volume of 10,264 m³.

Hence, by the end of 2007, a total cumulative of 201,206 m³ of MTCS-certified timber products had been exported, with The Netherlands remaining as the biggest market overall, accounting for 97,499 m³ (or 48.4%) of the total quantity exported since July 2002. The certified products cover a wide range including sawn timber, moulding, laminated finger-jointed timber, plywood, furniture and furniture components, picture frames, flooring, and door and window components.

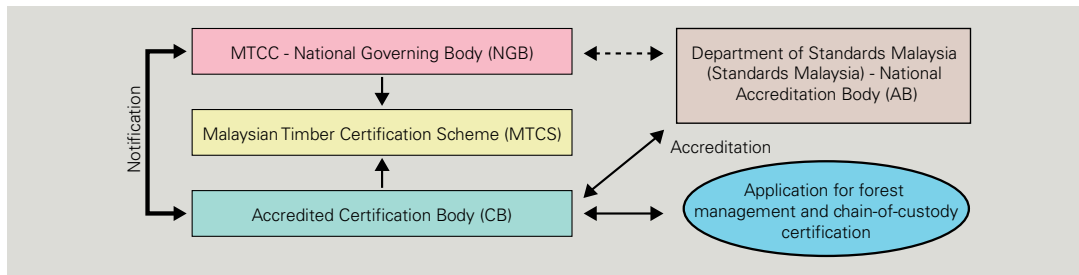
Figure 1: Export of MTCS-Certified Timber Products



IMPLEMENTATION OF NEW INSTITUTIONAL ARRANGEMENT

Work towards the implementation of a new institutional arrangement (**Figure 2**) for the MTCS that was initiated in 2005 was further continued in 2007. MTCC has set a target date of 1 April 2008 for the establishment and operation of the new institutional arrangement, under which MTCC will continue to play the role of the national governing body (NGB) in the MTCS, while the independent assessors will become the CBs and are required to be accredited to Standards Malaysia, which is the national Accreditation Body (AB).

Figure 2: New Institutional Arrangement for MTCS



Besides being an important measure to further strengthen and enhance the acceptance of the MTCS in the international market, the new institutional arrangement is necessary as part of the preparations by MTCC for the submission of the MTCS to the PEFC Council for endorsement. Furthermore, the new arrangement will also meet the requirements of the public procurement policies for timber of key importing countries of Malaysian timber products, particularly in Europe such as the United Kingdom, Germany and The Netherlands.

One of the main activities towards the implementation of the new institutional arrangement was to cooperate with and assist Standards Malaysia in the development of accreditation programmes that will be implemented by Standards Malaysia for CBs operating forest management system certification and CoC certification. Towards this, the TWG that was formed in 2005 by Standards Malaysia held six meetings throughout 2007 to finalise the documentation and procedures for these accreditation programmes.

In October, Standards Malaysia announced that it had finalised its accreditation programme for forest management system certification and was ready to accept applications from potential CBs for accreditation under this programme.

Following the announcement by Standards Malaysia, MTCC also informed all its registered assessors regarding the finalisation of the accreditation programme, and reminded the potential CBs to obtain accreditation with Standards Malaysia so as to qualify as an accredited CB under the MTCS to carry out assessments for forest management certification.

A meeting was also held on 30 November between Standards Malaysia, MTCC and the potential CBs to discuss in detail the mechanism for the implementation of the finalised accreditation programme for forest management system certification.

In line with its decision to use only CBs accredited with Standards Malaysia beginning 1 April 2007, MTCC also decided that overseas-based CBs that are accredited against a CoC certification programme endorsed by the PEFC Council can now apply to be a recognised CB with MTCC to conduct assessments and surveillance visits against the *RCOC*. Under this arrangement, two overseas-based CBs were accepted as recognised CBs, namely Control Union Certifications B.V. (CUC) based in Zwolle, The Netherlands, and Certification and Timber Grading Limited (CATG) based in Lancashire, United Kingdom. This allows overseas timber companies applying for CoC certification under the MTCS to be assessed by these recognised CBs.

In addition, based on feedback obtained from the PEFC Council, MTCC developed an alternative to Appendix I of the PEFC Council international chain of custody standard (i.e. Technical Document Annex 4: *Chain of Custody of Forest Based Products - Requirements*) for the purposes of the MTCC label and declarations. Timber companies which comply with this document and PEFC Annex 4 will qualify to use both the PEFC and MTCC logos and/or declarations on their certified timber products, once the MTCS has been endorsed by the PEFC Council.

DEVELOPMENT OF MALAYSIAN CRITERIA AND INDICATORS FOR FOREST MANAGEMENT CERTIFICATION (FOREST PLANTATIONS)

The Third Meeting of the Technical Working Group (TWG) on MC&I(Forest Plantations) held on 6 February considered the various amendments made by the three regional consultations in finalising the draft MC&I(Forest Plantations) which was subsequently tabled for the consideration of the Tenth Meeting of the National Steering Committee (NSC) held on 27 March. The NSC considered the outcome of the regional consultations and the recommendations made by the TWG and agreed that the revised draft MC&I(Forest Plantations) be subjected to public comments over a 60-day period in line with the *Rules on Standard Setting Process for Development of Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations)*.



Third Meeting of Technical Working Group on MC&I(Forest Plantations)



Fourth Meeting of Technical Working Group on MC&I(Forest Plantations)



Tenth Meeting of National Steering Committee



The draft MC&I(Forest Plantations) was subsequently subjected to public comments by the Malaysian stakeholder groups from 30 April to 30 June. The notification for public consultation/comment on the draft MC&I(Forest Plantations) was made through various channels such as the MTCC website, MTCC News, e-mail as well as through the post where soft/hard copies of the draft standard were sent to 144 organizations representing the various social, economic and environmental stakeholder groups, and relevant government agencies, to solicit their comments and feedback on the draft standard.

The comments received from the public consultation were deliberated by the Fourth Meeting of the TWG held on 21 August. A summary of the comments received, the outcome of the deliberations by the TWG on these comments, as well as the revised MC&I(Forest Plantations) were made available on the MTCC website. The TWG also agreed that the draft standard be subject to field testing in the three regions of Malaysia, i.e. Sabah, Sarawak and Peninsular Malaysia.

The field test of the draft MC&I(Forest Plantations) will be conducted by independent assessors to be appointed by the NSC Secretariat. The TWG agreed that a representative each from the various stakeholder groups will be invited to participate as observers in the field tests in the respective regions.

PROMOTION

WORKING VISIT TO AUSTRALIA

Y.B. Datuk Peter Chin Fah Kui, Minister of Plantation Industries and Commodities led a five-member delegation to Australia for a Working Visit on 20-24 August with the objective of having discussions with his Ministerial counterparts on matters of interest to both countries, such as illegal logging, timber trade, SFM and timber certification. In addition, the working visit was aimed at (i) promoting closer cooperation between MTCC and Australian Forestry Standard Limited (AFSL), which is the National Governing Body (NGB) of the national timber certification scheme in Australia, (ii) holding discussions with the timber trade associations on the promotion of Malaysian timber products in the Australian market and (iii) obtaining more information about the forest plantation practices in the State of Tasmania and the operations of the Ta Ann Tasmania veneer mill in Huon, Tasmania. MTCC was represented in the delegation by the Chief Executive Officer, Mr. Chew.

The discussion with Senator the Hon. Eric Abetz, Minister for Fisheries, Forestry and Conservation, covered a wide range of subjects, including cooperation between the two countries in the timber trade, timber certification, forest plantations, and in tackling issues such as illegal logging and trade in illegal timber. Senator Abetz highlighted the Australian policy on illegal logging which was about to be released. The policy provides practical measures that will help to sustainably manage the world's forests and reduce timber imports from illegal sources.

In the meeting with Mr. Paul Lennon, the Premier of Tasmania, Mr. Lennon expressed his satisfaction with the investment made by Ta Ann, which has created wealth and provided employment to the local community in the forestry-based region around Huon.

Following an exchange of information about the latest developments in the Australian Forest Certification Scheme (AFCS) and the MTCS, the discussion with Mr. Mark Edward of the AFSL covered the 'green premium' for certified products, the activities of the Green Building Council in Australia and the need for the PEFC scheme to be more aggressively promoted.

The meeting with the timber associations i.e. the Timber and Building Materials Association (TABMA), Timber Development Association (TDA) and Australian Timber Importers Federation (ATIF) dealt with the current situation of the building and construction sector in New South Wales, and the Australian government policy on the trade in illegal timber. The timber associations expressed their interest to work closely with Malaysia, especially MTCC, to promote its certification scheme in Australia.

In conclusion, this Working Visit has helped to further enhance cooperation between Malaysia and Australia in the fields of timber trade, SFM and timber certification, including efforts to combat illegal logging and trade in illegal timber products.



Discussion with Premier of Tasmania, Mr. Paul Lennon



Delegation at Ta Ann Tasmania rotary veneer mill



Billets produced by Tasmania Forestry Merchandiser



Cross-cut saw at Merchandiser

PUBLICITY

Publicity brochures as well as information on the development of MTCS were distributed during fairs and exhibitions in which MTCC participated, such as:

- International Green Week Fair, Berlin, Germany (January) - Jointly with MTC
- MICCOS 2007, Kuala Lumpur (July)
- German Timber Day, Cologne, Germany (October)

At the international level, the Malaysian Timber Council (MTC) kindly helped to distribute the MTCC brochures and standards in fairs and exhibitions such as:-

- BAU 2007, Munich, Germany (January)
- BUDMA 2007, Poznan, Poland (January)
- SAIEDUE, Bologna, Italy (March)
- Domotex Asia, Shanghai, China (March)
- MOSBUILD, Moscow, Russia (April)
- ARCHITECT, Bangkok, Thailand (May)
- CONSTRUCT, Colombo, Sri Lanka (August)
- INDEX Interfurn, Mumbai, India (October)
- The 4th China-ASEAN Expo, Nanning, China (October / November)
- Afribuild 2007, Johannesburg, South Africa (October / November)
- BATIMAT 2007, Paris, France (November)
- Japan Home & Building Show 2007, Tokyo, Japan (November)

In 2007, MTCC issued six copies of MTCC News to keep certificate holders and local stakeholder groups updated on the latest developments in the MTCS and matters related to timber certification and SFM in Malaysia.

ADVERTISEMENTS

In 2007, MTCC placed advertisements in the following local and overseas publications:

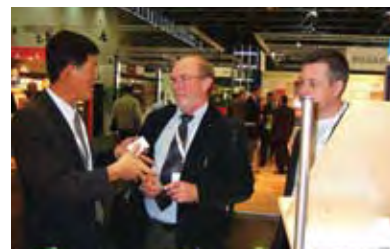
- Malaysian Wood Moulding and Joinery Council (MWMJC) Trade Directory
- Malaysian Wood Industries Association (MWIA) Members Directory
- Timber in Construction, United Kingdom
- Timber Trade Journal (TTJ), United Kingdom
- Timber Design New Zealand

MTCC contributed articles to the following publications:

- PEFC Newsletter
- Timber Malaysia (MTC)



Datuk Peter Chin visits MTCC booth at MICCOS 2007 in Kuala Lumpur



Visitors to MTCC booth at German Timber Day in Cologne



MTC-MTCC booth at International Green Week Fair in Berlin



The following press releases/articles/information updates and public notifications were issued by MTCC and uploaded in the MTCC website:

- UK Government Continues to Accept MTCS as Assurance of Legally Harvested Timber (January)
- MTCC's reply to the 'The Star' article *Disputed Papers* (January)
- MTCC's reply to Centre for Orang Asli Concerns (COAC) letter in 'The Star' (February)
- MTCC's response to 'The Star' article (April)
- Public Notification and Call for Comment on Draft *MC&I*(Forest Plantations) (April)
- Statement by MTCC on Keurhout Board of Appeal Ruling on Lionex (M) Sdn. Bhd. (May)
- Public Notification: Forest Management Assessment of Anap Muput FMU (July)
- UK Timber Trade Federation (TTF) Comment on 'The Star' article (August)
- Negeri Sembilan FMU First to be Certified against *MC&I*(2002) (September)
- Overseas Based Accredited CBs Recognised - Overseas Timber Companies can now Apply for Chain-of-Custody Certification (November)
- Terengganu FMU *Certificate for Forest Management* Extended (November)
- Pahang FMU Second to be Certified under *MC&I*(2002) (December)
- Expiry of Validity of the *Certificate for Forest Management* (December)

The following editorials and special feature reports on MTCC were published:

- Timber in Construction, UK
- Neue Landwirtschaft, Germany
- New Straits Times, Malaysia

ADVERTISEMENTS, EDITORIALS AND SPECIAL FEATURE REPORTS ON MTCC



PARTICIPATION IN CONFERENCES/ SEMINARS/ WORKSHOPS/ COURSES/ MEETINGS

MTCC also participated in a number of international and local conferences, seminars, workshops, courses and meetings during which presentations on the MTCS and other activities were made. These included the following:-

- Presentation on MTCC - *Certifying Sustainable Products for the Green Market* at the Malaysian International Furniture Fair 2007 - Industry Seminar Series, 9 March, Kuala Lumpur
- Second Malaysia-European Commission Senior Officials Meeting (SOM) on FLEGT VPA, 17-18 March, Brussels
- National Conference on the Management and Conservation of Forest Biodiversity in Malaysia: *Forest Biodiversity for Better Life* organised by Forestry Department Peninsular Malaysia and Universiti Kebangsaan Malaysia (UKM), 20-21 March, Putrajaya
- Briefing Session on MC&I(2002) organised by Perak State Forestry Department, 16 April, Ipoh
- Forestry and Finance Workshop by Citibank Group, 8 May, Kuala Lumpur
- Food and Agriculture Organisation (FAO) Regional Workshop - *Progress with the Implementation of Codes of Forest Harvesting Practices and Actions for the Future*, 14-18 May, Sandakan
- MTC Familiarization Programme, 4 July, Seremban
- Ministerial Working Visit to Australia, 20-24 August, Sydney and Hobart



Participants during MTCC presentation at MIFF 2007 Industry Seminar Series



Ismail Ibrahim giving presentation at MIFF 2007



Food and Agriculture Organisation (FAO) Regional Workshop

PRESENTATIONS / BRIEFING SESSIONS

MTCC also made presentations and conducted the following briefing sessions:

- Discussion with Human Rights Commission of Malaysia (SUHAKAM), 26 March, Kuala Lumpur
- Briefing Session on Implementation of MTCS for officials of relevant government agencies in Sarawak, 2 August, Kuching
- Briefing Session on MC&I(2002) for FMU Managers in Sarawak (jointly with SFC and STA), 20 September, Kuching
- Briefing Session on the *Requirements for Chain-of-Custody (RCOC)* for members of Sarawak Timber Association (STA) (jointly with STA), 21 September, Kuching



Briefing session on implementation of MTCS for officials of relevant government agencies in Sarawak



Discussion with Human Rights Commission of Malaysia (SUHAKAM)



Briefing session on MC&I(2002) for FMU Managers in Sarawak

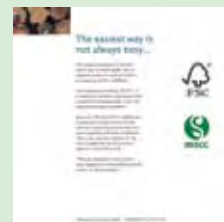
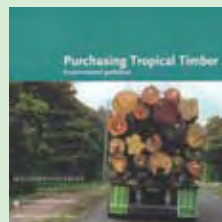


Briefing session on the RCOC for members of STA

RECOGNITION OF MTCS

As a result of MTCC's continuous efforts to promote and seek recognition of its scheme, authorities in the following countries have recognised the MTCS:

The Danish Ministry of the Environment has included the MTCS as one of the accepted certification schemes in its document entitled *Purchasing Tropical Timber - Environmental Guidelines*, describing the MTCC certificate as providing a good guarantee of legal forest management, on its way towards becoming sustainable.



Ministry of Agriculture and Forestry
Te Manatu Ahuwhenua, Ngāherehere
New Zealand

The Ministry of Agriculture and Forestry, New Zealand has listed the MTCS in the *New Zealand Timber and Wood Products Procurement Policy*.

The report commissioned by the United Kingdom's Central Point of Expertise on Timber (CPET), an expert group appointed by the Department for Environment, Food and Rural Affairs (DEFRA), United Kingdom concluded that the MTCC certificate provides assurance of legally harvested timber. The first review by the CPET in 2006 continued to accept the MTCS. In addition, CPET recognised that all MTCS-certified timber products meet the requirements for legality where previously only products containing 100% certified raw materials were recognised.



The Royal Horticultural Society of UK has listed the MTCS as one of the seven recognised certification schemes in its *Conservation and Environment Guidelines*.

The French Ministry of Environment and Sustainable Development and the Ministry of Agriculture, Food and Rural Affairs have listed the MTCS as one of the acceptable certification schemes in the French Policy on Public Procurement of Timber and Wood Products entitled *French National Timber Procurement Policy*.



The MTCS has been listed as one of the accepted certification schemes in the *Guideline for Verification on Legality and Sustainability of Wood and Wood Products* issued by the Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan.

By December, seven FMUs and 26 Holders of the MTCC *Certificate for Chain-of-Custody* have been accepted under the *Keurhout Protocol for Legal Origin* in The Netherlands.



The City of Hamburg, Germany has given a conditional recognition of the MTCS for a two-year period beginning June 2006

CERTIFIED FORESTS UNDER VARIOUS CERTIFICATION SCHEMES

The total area of certified forests worldwide continued to increase and surpassed the 300 million ha mark in 2007, reaching a total of 305 million ha by year end, an increase of nearly 4% over the 2006 figure. However, the increase in certified forests did not change the continuing global trend of having more areas in the boreal and temperate forests of Europe and North America being certified under the PEFC and FSC schemes.

The 305 million ha certified globally still represent less than 10% of the total global commercial forest area. Of this total, nearly 95% are certified under the two major certification schemes, i.e. 194.38 million ha¹ (63.7%) under the PEFC scheme making it the largest in terms of forest area certified, and a further 93.86 million ha² (30.7%) under the FSC scheme. Of the rest, 11.74 million ha² (3.8%) are certified under the American Tree Farm System (ATFS), 3.94 million ha (1.3%) under the MTCS, with another 1.06 million ha² (0.3%) under the Indonesian Ecolabelling Institute (LEI) (**Figure 3**).

The PEFC-certified forests include 75.96 million ha certified under the Canadian Standards Association (CSA), 39.30 million ha under the Sustainable Forestry Initiative (SFI) of USA, 7.85 million ha under the Australian Forestry Standard (AFS), 1.82 million ha under the Chilean Standard for Sustainable Forest Management (CERTFOR), and another 0.89 million ha under the Brazilian Programme of Forest Certification (CERFLOR).

In terms of geographical distribution (**Figure 4**), not much had changed by the end of 2007 compared with the situation in 2006. Still more than half (57%) of the world's certified forests are located in North America, while the EU/EFTA region has grown slightly to account for one-third (33%). However, the certified forest area that lies outside the North American and EU/EFTA regions still continues to account for only 10% of the global total, of which only 2% is in the Asia-Pacific region.

Figure 3: Certified Forests Under Various Certification Schemes

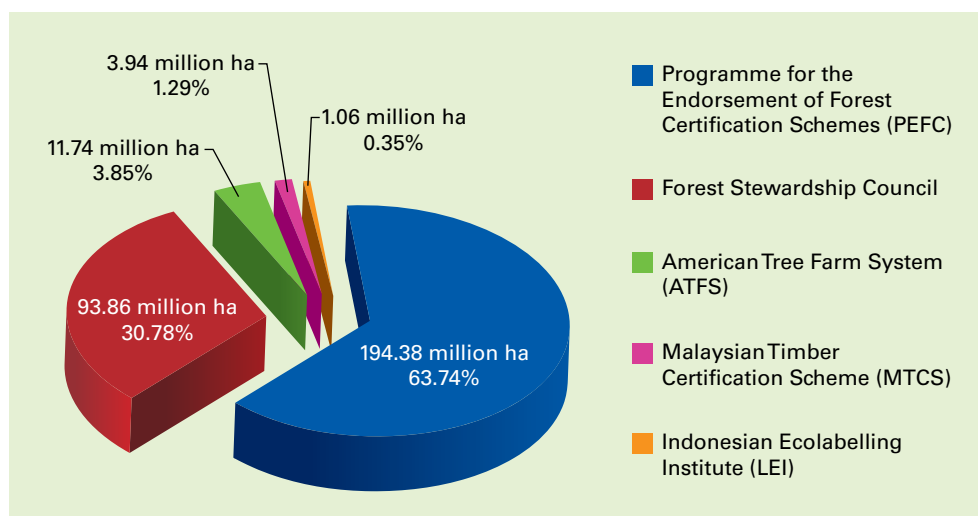
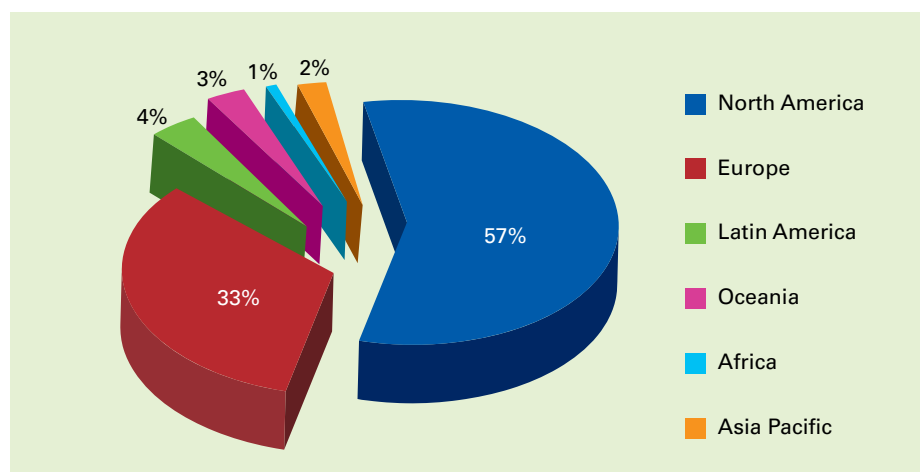


Figure 4: Certified Forests By Region



¹ PEFC Council Annual Review 2007

² Homepage of the specific certification scheme

COOPERATION

MTCC-PEFC COOPERATION

The 11th PEFC Council General Assembly was held on 5 October in Munich, Germany. It was attended by member countries, extraordinary members, invited guests and members of the Board of Directors of the PEFC Council. MTCC was represented by the Chief Executive Officer, Mr. Chew.

The General Assembly keynote speech was delivered by Professor Michael Mainelli, the founding director of Z/Yen Group Ltd., a risk/reward management consultancy company based in the United Kingdom. In his keynote address, Professor Mainelli stated that PEFC played a crucial role in helping society to gain confidence that the forests managed sustainably and emphasized that the implementation and evaluation of the strategic plan was about the PEFC community making decisions.

The PEFC Chairman Mr. Michael Clark in his report for 2007 highlighted that the hectareage of PEFC certified forests has achieved a growth of more than 50%. More timber companies in a number of countries i.e. Morocco, India and Ireland have been awarded the first-ever PEFC certificates for chain-of-custody. In addition, the number of PEFC members has increased from 31 to 33 with the admittance of the *Sociedad de Productores Forestales del Uruguay* and the Pan African Forestry Certification (PAFC Cameroon), the latter pending submission of several required documents. The Slovenian system has successfully gained PEFC endorsement, while the France and the Czech Republic were re-endorsed for the next five years bringing the number of PEFC endorsed systems to 23.



PEFC 11th General Assembly, Munich



Chew Lye Teng at the 11th General Assembly

The public procurement policies in Germany, UK as well as regional and local authorities in Italy, have given recognition to PEFC certified products. A new promotions office in Beijing, China has been launched to complement the existing initiatives in Japan and the United Kingdom in order to further contribute to the PEFC's position in the Asian markets. The PEFC Council has also launched the online global certified products database and has gained an official Observer Status in the Ministerial Conference for the Protection of Forests in Europe (MCPFE). The PEFC Council has also published the *Guideline for the Investigation and Resolution of Complaints and Appeals* and the standard for the *Avoidance of wood from Controversial Sources* which further defined PEFC's safeguards in this important area. The PEFC members also approved several changes to the PEFC Council technical documentation during the General Assembly, among them a change to the PEFC Technical Document Annex 4: *Chain of Custody of Forest Based Products - Requirements*.

One of the most significant agenda items was the PEFC's new Strategic Plan for the coming five years. The adoption of the new Strategic Plan marked a significant switch in the strategic direction of the PEFC from production to market access orientation. The PEFC Strategic Plan would be focusing on three inter-related operating strategies, i.e. (i) growth, (ii) market access and communications, and (iii) governance and operations.

As a measure to effectively deliver the new strategy, PEFC has undergone a governance review to ensure that it has the structures and procedures in place to meet the future demands on the organization. PEFC has also made mandatory a new Panel of Experts which would review all assessment reports for PEFC endorsement.

In terms of growth, over the next ten years, PEFC has planned to maintain its current share of over 60% of the total global capacity of certified industrial roundwood. PEFC would be managing this growth based on three criteria (i) the availability of appropriate resource and country specific expertise within the PEFC organization, (ii) the readiness of applicant countries to meet PEFC standards and (iii) the need to support existing PEFC members and chain of custody stakeholders in protecting and expanding existing business and in developing new markets for certified wood.

On the basis of these criteria, the plan assumed that increase in the certified area over the next five years would come from the following four main regions i.e. Russia, Asia/Pacific, Latin America and Africa. The Asia-Pacific region would therefore be one of the regions where the PEFC could be expected to focus its attention and resources in the next five years, and MTCC, as one of the PEFC members from this region, could play an important role in contributing to this growth.

MTCC-HAMBURG JOINT PROJECT

An Inception Workshop to brief and inform all relevant Malaysian stakeholders regarding the background, objective, scope and progress of implementation of the MTCC-Hamburg Joint Project was conducted in Kuala Lumpur on 9 January. The Workshop was attended by 32 participants representing the various environmental, social, economic stakeholder groups and the relevant government agencies. Dr. Reinhold Glauner representing the Federal Research Institute of Forest and Forest Products (BFH) and Dr. Michael Trockenbrodt from GTZ (Malaysian-German Forestry Education Project based in Sabah) also attended the Workshop.



Inception Workshop on MTCC-Hamburg joint project

A total of four meetings of the Joint Project Team (JPT) were held throughout the year to provide technical inputs, expertise and advice for the implementation of the project. The Second Meeting held on 9 January deliberated on the timelines for the appointment of consultants to conduct the gap analyses, as well as the scheduling of a Mid-term Workshop to present the outcomes of these analyses.



Participants at MTCC-Hamburg joint project Inception Workshop



Second Joint Project Team meeting

The aim of the Mid-Term Workshop was to brief and inform all relevant Malaysian stakeholders, as well as the German project partners regarding the progress of implementation of the project. The Workshop was jointly organized by the project partners, i.e. MTCC, the Free and Hanseatic City of Hamburg (FHH), German Agency for Technical Cooperation (GTZ), German Timber Trade Federation (GTTF), BFH and University of Hamburg (UHH). The Workshop was attended by 77 participants representing the various stakeholder groups and representatives from the project partners from Germany. In order to enable the German participants to have a first hand experience on SFM practices in Malaysia, a two-day field trip to Negeri Sembilan FMU was organized on 28-29 June.



Fourth Joint Project Team meeting

The Fifth Meeting of the JPT held on 5 November discussed the outcome and feedback received from the Mid-term Workshop, including the recommendations made by the various Break-out Group discussions to address the identified gaps, and the progress of work related to the verifier



Mid-Term Workshop on MTCC-Hamburg joint project

check on the MC&I(2002). The Meeting also discussed the planning and implementation of project activities, in particular the three regional workshops to disseminate the project outputs scheduled in February 2008.

Mr. Reinhard Stuth, the State Secretary of City of Hamburg visited MTCC on 12 November and was briefed on the progress of the project implementation. Mr. Stuth was a member of the delegation of the Prime Minister of Schleswig-Holstein (Hamburg's neighbouring state in north Germany), Mr. Peter Harry Carstensen, who visited Malaysia on 10-13 November.



Participants at MTCC-Hamburg joint project Mid-term Workshop

MALAYSIAN FOREST DIALOGUE (MFD)

The second Malaysian Forest Dialogue (MFD) was held on 22-23 October in Kuala Lumpur with the theme of *Challenges in Implementing and Financing Sustainable Forest Management*. The dialogue was organised by the MFD steering committee whose membership has expanded. The MFD steering committee comprised of HSBC Bank Malaysia Berhad, MTC, Business Council for Sustainable Development Malaysia (BCSDM), WWF Malaysia, Malaysian Nature Society (MNS), Malaysian Timber Industry Board (MTIB), Sabah Timber Industries Association (STIA), Sarawak Timber Association (STA), Sarawak Timber Industry Development Corporation (STIDC) and MTCC. The objectives of the MFD are to enhance awareness and share information on aspects affecting the forestry business, to highlight the changing market opportunities and expectations, to discuss the practical realities of implementing and financing sustainable forest management (SFM), as well as to encourage and promote active and constructive engagement amongst the various stakeholders within the Malaysian forestry and financial sectors.

The two-day dialogue focused on issues related to native customary rights (NCR), SFM and forest communities, socio-economic issues with regards to SFM practices in Malaysia and financing SFM. A total of sixteen presentations were made.

The legal aspects related to NCR were deliberated at length, with the focus on the interpretation of the laws concerned. References to the landmark decisions made at the courts of law were debated by practitioners and academics during the dialogue. The discussion on NCR has enabled the MFD participants to better appreciate the complexities of the issues surrounding the rights of the native communities from the legal perspective. The practical issues related to NCR were also discussed by the companies and authorities involved. The MFD participants recognised that the legal issues relating to NCR will take time to be resolved but acknowledged that concerns related to the rights of native communities will continue to impact the timber industry. In this regard, a more holistic approach in the operation of the timber industry is required in order to lead to a constructive and sustained engagement among the stakeholders. The dialogue also suggested that better coordination between the State and Federal authorities is needed in improving the social development and assistance programme for the native communities.

Another topic that was discussed was on financing SFM. The dialogue emphasised that third party certification was by far the internationally accepted way of proving legality and sustainability of timber products. Therefore, the timber industry was encouraged to hasten their uptake of timber certification. The MFD participants also noted that the timber industry should expect to face greater scrutiny and provide a high level of transparency in their financial and non-financial performance.

The MFD recognised the need to engage and invite more financial institutions and policy makers to the dialogue, noting that some financial institutions are averse to investing in the timber industry due to the perceived risks. Through their participation in the dialogue, the financial institution would be better informed of the needs and risks of the timber industry. On the other hand, the participation of more policy makers would facilitate high-level and inclusive discussions which would lead towards more collaborative and action-oriented recommendations and solutions to the complex forestry issues facing the stakeholders today.



Nurmala bt. Rahim, Secretary General of Ministry of Plantations Industry and Commodities delivering her keynote address at the 2nd Malaysian Forest Dialogue (MFD)

SIGNIFICANT EVENTS

MTCC organised/coordinated the following local events in 2007:

Local Events	Date	Venue
Inception Workshop on MTCC-Hamburg Joint Project	9 January	Kuala Lumpur
Second Joint Project Team (JPT) meeting for MTCC-Hamburg project	9 January	Kuala Lumpur
Third TWG Meeting on MC&I(Forest Plantations)	6 February	Kuala Lumpur
Discussion with Human Rights Commission of Malaysia (SUHAKAM)*	26 March	Kuala Lumpur
10th National Steering Committee Meeting	27 March	Kuala Lumpur
Fourth Joint Project Team (JPT) meeting for MTCC-Hamburg project	25 June	Kuala Lumpur
Mid-Term Workshop on MTCC-Hamburg Joint Project	26 - 27 June	Kuala Lumpur
Field trip in conjunction with the Mid-Term Workshop on MTCC-Hamburg Joint Project	28 June	Negeri Sembilan
MTCC-Hamburg Joint Project Group (JPG) Meeting	2 July	Kuala Lumpur
Briefing Session on Implementation of MTCS for officials of relevant government agencies in Sarawak*	2 August	Kuching
Meeting on ITTO Study on Monitoring progress in comparability and acceptance of forest certification schemes	7 August	Kuala Lumpur
Fourth TWG Meeting on MC&I(Forest Plantations)	21 August	Kuala Lumpur
Appreciation Dinner for Board of Trustees and Founding Members	11 September	Kuala Lumpur
Briefing Session on MC&I(2002) for FMU Managers in Sarawak (jointly with SFC and STA)*	20 September	Kuching
Briefing Session on the RCOC for members of STA (jointly with STA)*	21 September	Kuching
Second Malaysian Forest Dialogue (jointly with HSBC, MTC, BCSDM, WWF Malaysia, MNS, MTIB, STA, STIDC & STIA)	22 - 23 October	Kuala Lumpur
Fifth Joint Project Team (JPT) meeting for MTCC-Hamburg project	5 November	Kuala Lumpur

* MTCC made presentation on MTCS and related activities at the event



Discussion with Human Rights Commission of Malaysia (SUHAKAM)



Briefing session on MC&I(2002) for FMU Managers in Sarawak



Briefing session on the RCOC for members of STA



Fifth Joint Project Team meeting (MTCC-Hamburg joint project)



Trustees and Members during MTCC Appreciation Dinner



MTCC organised or participated in the following international events in 2007:

Missions/Visits/Discussions	Date	Venue
First Malaysia-European Commission Senior Officials Meeting on FLEGT VPA	19 January	Miri
Second Malaysia-European Commission Senior Officials Meeting on FLEGT VPA*	17 - 18 March	Brussels
Ministerial Working Visit to Australia*	20 - 24 August	Sydney and Hobart

* MTCC made presentation on MTCS and related activities at the event

MTCC held discussions with the following visitors in 2007:

Visitors	Date
Visitors of the Malaysia-Denmark Environmental Programme <ul style="list-style-type: none"> • Soren Beck, Ministry of Natural Resources & Environment • N. Manokaran, Ministry of Natural Resources & Environment • Micael Junkov, Ministry of Natural Resources & Environment • Tunku Mohd Nazim Yaacob, Ministry of Natural Resources & Environment • Dr Reza Azmi, WildAsia Sdn. Bhd. 	3 January
Dato' Lau Chen Nai, Bormill Wood (Terengganu) Sdn. Bhd. Tony Harris, PHD Timber Importers Pty. Ltd., Queensland	8 January
James Stacey, Standard Chartered, London Katherine Wong, Standard Chartered, Malaysia	19 January
Ooi Tee Ching, New Straits Times	25 January
Delegation from Pakistan: <ul style="list-style-type: none"> • Dr. Muhammad Iqbal Sial, NWFP Forest Development Corporation • Dr. Warren Weinstein, United State Agency, International Development • Salman Ahmed, United State Agency, International Development • Kaiya Yousaf, United State Agency, International Development 	7 March
<ul style="list-style-type: none"> • Tachibana Satoshi, Forestry and Forest Products Research Institute, FFPRI • Yufu Zhang, Forestry and Forest Products Research Institute, FFPRI & Japan Society for the Promotion of Science (JSPS) 	7 March
Tony Neilson, Inwood and timberDESIGN magazines, Australia and New Zealand	8 March
Michael Adande, Secretary General, Ministry of Forestry, Water, Fishing and Protected Areas of Gabon (jointly with MTIB and MTC)	26 March
Dr. Susheel Kaur, consultant for Building and Wood Workers' International (BWI) on 'Comparative Study on Sustainable Forest Management Indicators and Criteria, Policies and Programs' in Malaysia	2 April
Marco Poot, Lionex (M) Sdn. Bhd.	24 April
Jessica Tan, Citigroup Kuala Lumpur	9 May
David Ogg, Control Union Certifications, UK	15 May
Alex Newman, Bunnings Warehouse (Luncheon meeting, jointly with MTC)	15 May
Dr. Mike Packer, Globe International, United Kingdom Murugadas Loganathan, British High Commission, Kuala Lumpur	17 May
Gan C.F., Furndor, Selangor	5 June
Richard Robertson, consultant for WWF International	7 June
Yuki Okada, Consulate General of Japan in Kota Kinabalu,	5 July
Jean-Nicolas Turbang, Institute Supérieur Industriel (ISI), Belgium (Attachment Programme)	5 - 26 July

Visitors	Date
Pina Gervassi, Forestry Stewardship Council (FSC) Bill Maynard, Global Forestry Services (Malaysia) Sdn. Bhd.	13 July
Briefing session held at MTC <ul style="list-style-type: none"> • Makoto Ehara, Friends of the Earth Japan • Junichi Mishiba, Friends of the Earth Japan • Yuki Sakamoto, Global Environmental Forum 	23 July
Visitors from Stiho, The Netherlands <ul style="list-style-type: none"> • Henk Lozeman, Stiho • Marco Harkes, Stiho • Sander Daatselaar, Stiho 	19 September
Udo Riegler, Holzkraus GmbH, Schweinfurt, Germany	3 October
Michael Woodward, Finewood Marketing (UK) Ltd. Chong Yik Ing, Finewood Marketing (UK) Ltd.	12 November
Delegation from Free and Hanseatic City of Hamburg, Germany: <ul style="list-style-type: none"> • Reinhard Stuth, State Secretary of Free and Hanseatic City of Hamburg • Wolfgang Trautwein, Embassy of the Federal Republic of Germany • Jana Berg, Embassy of the Federal Republic of Germany 	12 November
Sharad Asthana, Global Corporate, Standard Chartered India	29 November
Tan Chong Sheng, Kualiti Ayu Sdn. Bhd.	5 December
Anthony Chin, Daiken, Bintulu, Sarawak	6 December
Lai Min Chong, Jasa Harapan Sdn. Bhd.	12 December



Discussion with delegation from Free & Hanseatic City of Hamburg, Germany



Discussion with delegation from Pakistan



Visitors at MTCC booth during German Timber Day in Cologne



International Green Week Fair in Berlin



Meeting with Tony Neilson of Inwood and Timber Design magazines



Meeting with visitors of the Malaysia-Denmark Environmental Programme

MTCC participated in the following events in 2007:

Fairs/Exhibitions	Date	Venue
International Green Week (IGW) Fair (Jointly with MTC)	19 - 28 January	Berlin, Germany
Malaysia International Commodity Conference and Showcase (MICCOS 2007)	3 - 8 July	Kuala Lumpur
German Timber Day	24 - 25 October	Cologne, Germany

International Conferences/Seminars/ Workshops/Meetings	Date	Venue
Briefing session of the First Malaysia-European Commission Senior Officials Meeting on FLEGT VPA*	16 January	Kuala Lumpur
Presentation on MTCC - <i>Certifying Sustainable Products for the Green Market</i> at the Malaysian International Furniture Fair 2007 - Industry Seminar Series*	9 March	Kuala Lumpur
42 nd Session of the International Tropical Timber Council (ITTC)	7 - 12 May	Port Moresby, Papua New Guinea
Regional Workshop on Progress with the Implementation of Codes of Forest Harvesting Practices and Actions for the Future	13 - 18 May	Sandakan
Food and Agriculture Organisation (FAO) Regional Workshop - <i>Progress with the Implementation of Codes of Forest Harvesting Practices and Actions for the Future</i> *	14 - 18 May	Sandakan
Sixth Meeting of <i>Ad-Hoc</i> Working Group on a Pan ASEAN Timber Certification Initiative	5 - 6 June	Hanoi
8 th Seminar on <i>Current International Issues Affecting Forestry and Forestry products</i>	11 July	Vientiane, Lao PDR
10 th Meeting of The ASEAN Senior Officials on Forestry (ASOF)	12 - 13 July	Vientiane, Lao PDR
Meeting of Expert Group on SFM under Malaysia-Japan Economic Partnership Agreement (JMEPA)	27 August	Putrajaya
DENR/ FAO/ITTO Regional Workshop on Improving Forest Laws Compliance & Enforcement in South East Asia	11 - 13 September	Manila
11 th PEFC General Assembly	5 October	Munich, Germany
43 rd Session of the International Tropical Timber Council (ITTC)	5 - 10 November	Yokohama
Seventh Meeting for the Promotion of Asia Forest Partnership (AFP 7)	12 - 15 November	Yokohama

* MTCC made presentation on MTCS and related activities at the event

Local Conferences/Seminars/Workshops/Meetings	Date	Venue
Malaysian Timber Trade Forum	15 - 19 January	Kuala Lumpur
Regional Conference - <i>Biodiversity Conservation in Tropical Planted Forests in Southeast Asia</i> jointly organised by Forest Department Sarawak, Sarawak Forestry Corporation and Grand Perfect Sdn. Bhd.	15 - 18 January	Bintulu
Field visit of the First Malaysia-European Commission Senior Officials Meeting on FLEGT VPA to Sela'an Linau FMU	20 - 21 January	Miri
National Conference and Exhibition on Sustainability	30 - 31 January	Kuala Lumpur
National Timber Industry Policy (NATIP) Seminar	8 February	Kuala Lumpur
First Stakeholders Consultation on EU FLEGT VPA	6 March	Kuala Lumpur
National Conference on the Management and Conservation of Forest Biodiversity in Malaysia: <i>Forest Biodiversity for Better Life</i> organised by Forestry Department Peninsular Malaysia and Universiti Kebangsaan Malaysia (UKM)*	20 - 21 March	Putrajaya
FRIM/GEF Project Inception Workshop - <i>Conservation of Biological Diversity Through Improved Forest Planning Tools</i>	3 April	Putrajaya
Technical Working Group of Joint Cooperation between Universiti Putra Malaysia (UPM) and Ministry of Plantation Industries and Commodities	9 April	Kuala Lumpur
Briefing Session on MC&I(2002) organised by Perak State Forestry Department *	16 April	Ipoh
Forestry and Finance Workshop by Citibank Group*	8 May	Kuala Lumpur
Training Course on IAF GD: 2006 ISO Guide 65:1996 by Department of Standards Malaysia	8 - 10 May	Putrajaya
Second Stakeholders Consultation on EU FLEGT VPA	22 June	Kota Kinabalu
MTC Familiarization Programme*	4 July	Seremban
Technical Seminar organised by MTIB with the cooperation with UPM and UITM	4 July	Kuala Lumpur
Malaysia International Trade Initiative Dialogue	12 July	Putrajaya
Malaysia-Australia Agricultural Cooperation Working Group (MAACWG) - Forestry Sub-Working Group	9 August	Putrajaya
Forum in celebration of International Day of the World's Indigenous Peoples, <i>Visions & Voices: Toward Achieving the MDGs among the Indigenous People</i> by Universiti Kebangsaan Malaysia	9 August	Bangi
Multi-Stakeholders Dialogue on the Outlook of the Malaysian Forestry Sector in the year 2020 organised by Forestry Department Peninsular Malaysia in cooperation with MTC	28 - 29 August	Kuala Lumpur
National Conference on Gaharu by Forestry Department Peninsular Malaysia	11 September	Kuala Lumpur

Local Conferences/Seminars/Workshops/Meetings	Date	Venue
Conference on Climate Change Preparedness by British High Commission	11 September	Kuala Lumpur
Workshop on Preparation of National Timber Industry Policy (NATIP)	27 - 29 September	Langkawi
Third Stakeholders Consultation on EU FLEGT VPA	15 November	Kuching
FRIM Conference on Forestry and Forest Products Research 2007: <i>Balancing Economic and Ecological Needs</i>	27 - 29 November	Kuala Lumpur
Mesyuarat Mekanisme Proses Akreditasi Badan Pensijilan Sistem	30 November	Kuala Lumpur
FRIM Seminar on <i>Management of Second Growth Forest: Challenges and Opportunities</i>	12 - 14 December	Kuantan
National Timber Industry Policy (NATIP) Workshop	13 - 15 December	Melaka
Seminar on Clean Development Mechanism (CDM) by Ministry of Plantation Industries and Commodities	18 December	Kuala Lumpur

* MTCC made presentation on MTCS and related activities at the event



Food and Agriculture Organisation (FAO) Regional Workshop



Harnarinder Singh giving presentation at the National Conference on the Management and Conservation of Forest Biodiversity in Malaysia



EU FLEGT VPA First Senior Officials Meeting - Briefing by Miri Resident, Ose Murang



Chew Lye Teng giving presentation during the briefing session of the first Malaysia-European Commission Senior Officials Meeting on FLEGT VPA

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2007

	2007 RM	2006 RM
ENDOWMENT FUND	84,000,000	84,000,000
ACCUMULATED FUND	2,346,804	2,178,318
GOVERNMENT GRANT	-	-
	86,346,804	86,178,318
<i>Represented by:</i>		
PROPERTY, PLANT & EQUIPMENT	119,919	164,686
CURRENT ASSETS		
Trade receivables	189,221	74,730
Sundry deposits	33,213	46,286
Short term investments	8,460,063	-
Fixed deposits with licensed banks	77,823,635	86,175,592
Cash and bank balances	266,783	158,961
	86,772,915	86,455,569
<i>Less :</i>		
CURRENT LIABILITIES		
Sundry payables and accruals	543,504	441,937
Current tax liability	2,526	-
NET CURRENT ASSETS	86,346,804	86,013,632
	86,346,804	86,178,318

INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

	2007 RM	2006 RM
Revenue	599,871	771,644
Direct costs	(577,255)	(743,963)
Gross (loss) / profit	22,616	27,681
Other operating income	4,758	27,896
Administrative and general expenses	(2,386,750)	(2,625,758)
Deficit from operations	(2,359,376)	(2,570,181)
Interest income	2,253,388	2,286,190
Surplus (Deficit before taxation)	171,012	(283,991)
Tax expense	(2,526)	-
NET SURPLUS FOR THE YEAR	171,012	(283,991)