



ANNUAL REPORT 2014







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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 voluntary 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 is the national governing body (NGB) which has overall responsibility for the MTCS. MTCC's main activities are to:

- support the standard-setting process by serving as the secretariat to the appropriate standard setting body in formulating standards related to timber certification and keeping them under review periodically
- process applications for MTCS notification of certification bodies (CBs) operating forest management system and/or chain of custody certification and issuance of logo usage licences to certificate holders
- implement a procedure for the investigation and resolution of disputes, complaints and appeals related to its role as the NGB
  - 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 members, is the governing body which decides the overall policies and direction in carrying out MTCC's activities. The members comprise of representatives from the academic

or research and development institutions, private sector (timber industry associations), non-governmental organisations (social and environmental interests) and government.

## CHAIRMAN



**Dato' Dr. Freezailah Che Yeom**

## MEMBERS



**Datuk M. Nagarajan**  
Ministry of Plantation  
Industries and  
Commodities



**Wan Hasmah Wan Mohd**  
Ministry of Natural  
Resources and  
Environment  
(up to 1 August)



**Datuk James Hwong**  
Sabah Timber  
Industries Association



**Dr. Melvin Gumal**  
Wildlife Conservation  
Society, Malaysia  
Program



**Dr. (H) Banabas Tapin**  
Kadazandusun  
Cultural Association



**Mohd Khalid Atan**  
Timber Employees  
Union Peninsular  
Malaysia



**Ho Khoy Lim**  
Malaysian  
Panel-Product  
Manufacturers'  
Association



**Dr. Liew Kang Chiang**  
Universiti Malaysia  
Sabah



**Gerawat Gala**  
Federation of Orang  
Ulu Associations,  
Sarawak



**Dr. Rasmina Halis**  
Universiti Putra  
Malaysia



The Board of Trustees met four times as follows:



**Fifty-Eighth Meeting, 20 March, Kota Kinabalu**



**Fifty-Ninth Meeting, 6 June, Kuala Lumpur**



**Sixtieth Meeting, 30 September, Kuala Lumpur**



**Sixty-First Meeting, 19 December, Kuala Lumpur**

## 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 and management of the Endowment Fund. The Investment Committee met once on 19 March to discuss investment options for the funds invested in the form of fixed deposits.

### Members of the Investment Committee

Dato' Dr. Freezailah Che Yeom (Chairman)

Datuk M. Nagarajan – Ministry of Plantation Industries and Commodities

Mustafar Taib – Ministry of Finance

Yong Teng Koon – CEO



## DISPUTE RESOLUTION COMMITTEE

The independent three-member Dispute Resolution Committee (DRC) appointed by the MTCC Board deals with any disputes submitted to the MTCC related to MTCC's role as the NGB. The Committee met once in 2014.

### Members of the Dispute Resolution Committee

Tan Sri Dato' Seri Dr. Salleh Mohd. Nor (Chairman)

Dato' Dr. Baharuddin Ghazali

Datuk Eric Juin



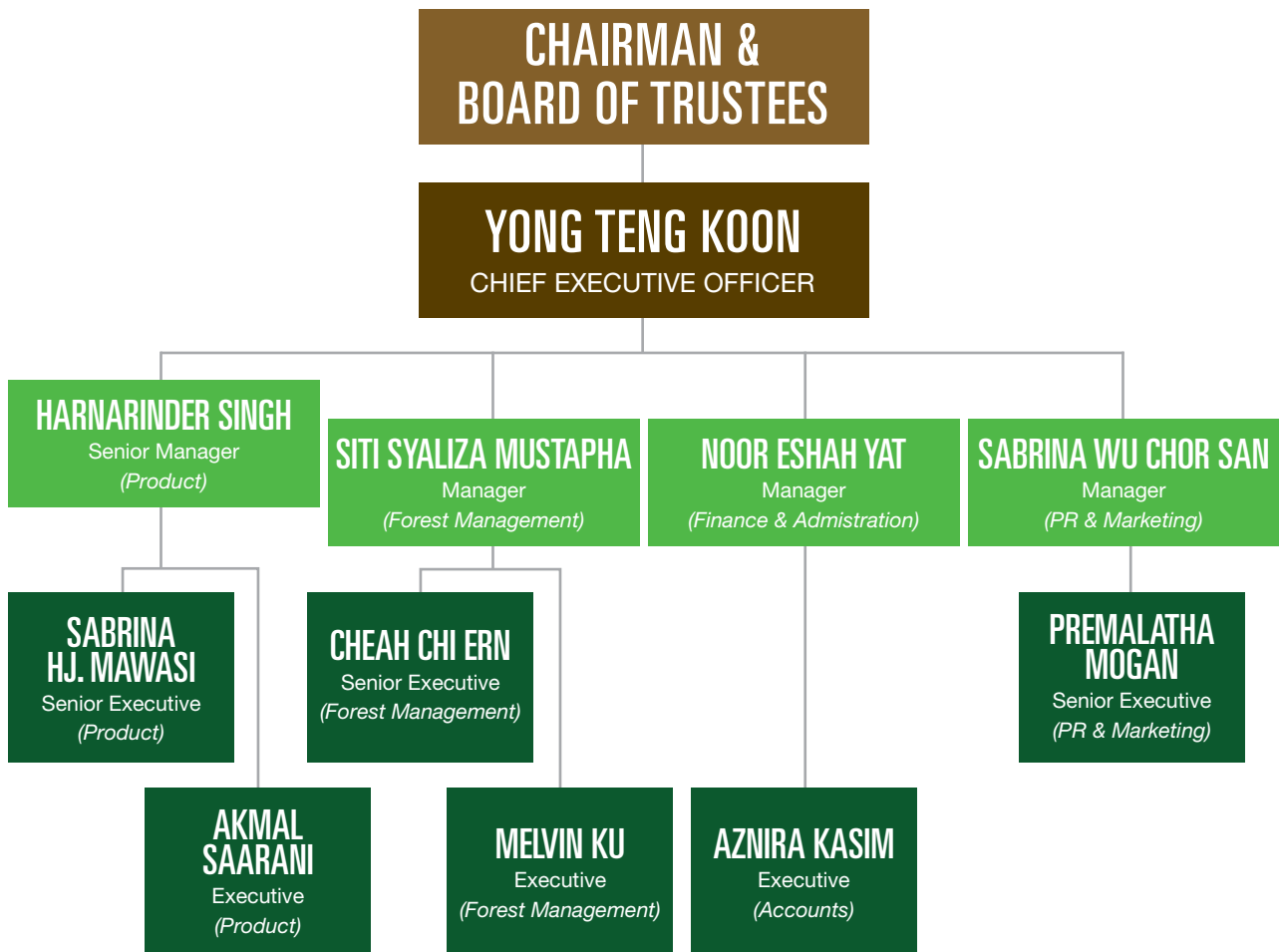
**Dispute Resolution Committee Meeting on 18 March**

## ANNUAL GENERAL MEETING



The Fifteenth Annual General Meeting was held on 27 June in Kuala Lumpur during which the Audited Accounts for the Financial Year ended 31 December 2013, Reports of the Trustees and Auditors, and the Annual Report for the Year 2013, were tabled and adopted by the Members.

# ORGANISATION STRUCTURE



## MANAGEMENT TEAM AND SUPPORTING STAFF

### Standing left to right:

Aznira Kasim, Nur Ashykin Ab. Shukor, Adam Firdaus Abd Razak, Akmal Saarani, Cheah Chi Ern, Melvin Ku, Norashida Md. Zin, Sabrina Hj. Mawasi, Rasyidah Abdul Rahman

### Sitting left to right:

Siti Syaliza Mustapha, Harnarinder Singh, Yong Teng Koon, Noor Eshah Yat, Sabrina Wu

### Absent from picture:

Premalatha Mogan, Ahmad Muzhaffar Razali





## NOTIFICATION COMMITTEE

The Notification Committee, which is responsible for the notification of certification bodies (CBs) and issuance of logo usage licences to certificate holders under the MTCS, met four times as follows:

**56<sup>th</sup> Meeting on 3 March**

**57<sup>th</sup> Meeting on 21 July**

**58<sup>th</sup> Meeting on 26 September**

**59<sup>th</sup> Meeting on 13 November**

### Members of the Notification Committee

Yong Teng Koon (Chairman)

Harnarinder Singh

Siti Syaliza Mustapha

## 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.

### Members of the In-House Investment Committee

Yong Teng Koon (Chairman)

Harnarinder Singh

Siti Syaliza Mustapha

Noor Eshah Yat (Secretary)

## COMPANY SECRETARY

**Zainal Abidin Pit** (MA/CSA 7014057)

**ZAP Management Services Sdn. Bhd.**

15B, 2nd Floor, Jalan Tengku Ampuan Zabedah F9/F  
40100 Shah Alam, Selangor

## COMPANY AUDITORS

**Mazars** (No. Af: 1954)

**Wisma Selangor Dredging**

7th Floor, South Block, 142-A, Jalan Ampang  
50450 Kuala Lumpur

## CHAIRMAN'S STATEMENT



On behalf of the Board of Trustees of the Malaysian Timber Certification Council (MTCC), I am pleased to present the Annual Report of the Council for 2014, detailing the work and activities of the organisation, its audited financial statements and highlighting certain global and other developments to situate MTCC's activities and progress into perspective in the world of forest and timber certification.

On the demand side, intensification and expansion of various initiatives and measures continued, for sustainable and legal timber products. In terms of legislation, the US Lacey Act had been implemented since May 2008, the European Union Timber Regulation since March 2013, whilst the Australian Illegal Logging Prohibition Act came into force in November 2014. Other consumer countries may be expected to enact similar legislation. Major consumer countries now also demand legal and/or sustainable timber for government projects through their timber procurement policies. The Consumer Goods Forum, one of the largest global industry networks, pledges to achieve zero net deforestation by 2020 and in pursuit of this goal, promotes the purchase of sustainable timber. The World Business Council for Sustainable Development and several major banks are equally committed and implement various measures to achieve such objectives. The wave of green consumerism is fast becoming a tsunami!

Whilst developing tropical countries can understand the need for such initiatives by consumers, which are undoubtedly well-intentioned in order to promote sustainable forest management and combat illegal logging, they face enormous challenges. Implementation of sustainable forest management and certification of tropical forests is most demanding requiring strong institutions, skills and resources, both human and financial, which are both in short supply in many tropical countries. Understanding the definitions of timber legality under the US Lacey Act, the European Union Timber Regulation and



the Australian Illegal Logging Prohibition Act, in addition to the numerous other initiatives, is difficult enough, let alone being able to meet the varying and stringent requirements. There is certainly a need for some form of coordination and harmonisation amongst consumers. Proliferation of schemes with different requirements, all intended to achieve similar objectives, can only compound difficulties to exporters and cause confusion in the market place.

In spite of what has sometimes been said, the commitment and response to implement sustainable forest management and combat illegal logging is demonstrably positive in many tropical countries. In the context of the EU Forest Law Enforcement, Governance and Trade, Voluntary Partnership Agreement (FLEGT VPA), six countries (Cameroon, Central African Republic, Ghana, Indonesia, Liberia and Republic of the Congo) have concluded negotiations and signed the FLEGT VPA, nine countries (Cote d'Ivoire, Democratic Republic of the Congo, Gabon, Guyana, Honduras, Laos, Malaysia, Thailand and Vietnam) are in various stages of negotiations, whilst another eleven countries (Bolivia, Colombia, Ecuador, Guatemala, Peru, Philippines, Cambodia, Myanmar, Papua New Guinea, Solomon Islands and Sierra Leone) are described as in the 'informing stage'. Malaysia is one of the earliest countries to commence negotiations and substantial progress has been made. Although some countries have concluded negotiations and signed the FLEGT VPA, these countries are still making preparations to finalise and implement an agreed Timber Legality Assurance System (TLAS) so that FLEGT licensed timber may be able to enter the EU market through the 'green lane'. These developments clearly demonstrate the commitment of tropical countries and the lack of FLEGT licensed timber at present is not for want of efforts on their part.

It is reported that 10 percent of the world's forests, both tropical and non-tropical, amounting to some 446 million ha have been certified. Out of this total, tropical forests

account for only 37 million ha. With more than 5 million ha certified (4.66 million ha under PEFC/MTCS and 0.52 million ha under the FSC), Malaysia's contribution of forests certified is significant. Our forest managers can truly be proud of their performance and achievement. Indeed, currently more than one third of Malaysia's permanent reserved forests have been certified and our forest managers are doing their utmost to strengthen management so that the entire permanent reserved forests can be certified.

Although Malaysia is yet to conclude negotiations and sign the FLEGT VPA, considerable progress has been made in the development of a TLAS for Peninsular Malaysia and Sabah resulting from six meetings of the Joint Expert Group comprising both EU and Malaysian experts. Indeed, the TLAS is now being implemented as MYTLAS, as a purely Malaysian initiative to meet the Due Diligence requirements of the European Union Timber Regulation, pending the conclusion of the FLEGT VPA. Such an outcome is possible with some flexibility on both sides.

Though not often realised or appreciated, MTCC's contributions go well beyond certified forests. There are other important results both tangible and intangible of equal or even of greater significance. The work and activities of MTCC, and the many stakeholder consultations held, have generated a whole new understanding and culture on transparency and forest governance issues regarding sustainable forest management. Conservation and sustainable forest management do not fall only on the shoulders of forest managers. The timber trade and industry, social groups, forest and timber industry workers, environmental NGOs and indeed all citizens have a role and contribution to make to protect, conserve and sustainably manage and utilise, our incomparable forest resources. Perhaps, the conduct of stakeholder consultation in an inclusive, participatory and transparent manner may be singled out as one of the most important contributions

of MTCC in pursuit of sustainable forest management. I recall the first such consultation held in October of 1999 at the Flamingo Hotel in Kuala Lumpur. During such consultations, all stakeholders may voice their concerns and articulate their proposals, no matter how controversial or radical they may be. All views must be heard and the resulting discussions, taking into account the perspectives and viewpoints of different stakeholder groups, forged into a compromise or consensus on the way forward, especially on the formulation of standards for certification. In this process, the standards adopted and implemented for certification will have ownership and support of all stakeholders. Obviously, in such a process no one group could dominate the discussions or get what they want one hundred percent. But the results would be something that all of us can live with in the full knowledge that such standards are not cast in stone and would be reviewed and strengthened every five years. All stakeholders also realise that forest managers have constraints in terms of the resources and capacity to implement sustainable forest management and this must be taken into account. In this context also, research and development plays a vital role, as new findings, new knowledge and new technologies would also contribute to the strengthening of standards from time to time.

The story and success of the MTCS revolve around the critical understanding and cooperation of all Malaysian stakeholders in spite of the divergent views which they may hold in order to make progress. The professionalism and dedication of our forest managers must also be acknowledged. Equally, the political commitment at the highest level ensuring support and provision of adequate resources is yet another vital element which contributes to MTCC's success. It is a pleasure for me to pay tribute

to the then Minister responsible for both the forestry and timber sectors, the late Tun Dr. Lim Keng Yaik for his vision which resulted in the establishment of MTCC. Sustainable forest management and certification to be successful must be largely country-driven. But I must also not fail to acknowledge the assistance and support of the Governments of the Netherlands, Denmark and the Free and Hanseatic City of Hamburg, Germany.

MTCC has indeed come a very long way, since its establishment in 1998 and the PEFC endorsement of the MTCS in 2009. It has not been an easy journey and not without some detractors as may be expected in such a complex initiative involving so many stakeholder groups. Because of its nature of work and evolving process for continuous improvement and the vital inputs and feed-back of all Malaysian stakeholders, MTCC must be always open and alert, and indeed welcome any constructive proposals and criticisms. MTCC cannot rest on its laurels or fall prey to complacency or arrogance. With the understanding and cooperative vigilance of all stakeholders, and the solid foundation and process for certification, which MTCC helped to lay, we may look to the future with confidence.



**DATO' DR. FREEZAILAH CHE YEOM**

Chairman

2 July 2015



## REVIEW OF OPERATIONS



The MTCS achieved another significant milestone when it was re-endorsed by the PEFC Council on 29 July 2014 for another period of five years until 2019. The re-endorsement process of the MTCS by the PEFC was subjected to a very rigorous evaluation, starting with the PEFC appointed consultant conducting a conformity assessment on the MTCS against the PEFC requirements which included an international stakeholder consultation. The assessment report prepared by the consultant was subsequently subjected to an evaluation by a Panel of Experts appointed by the PEFC, before the recommendation for re-endorsement was considered by the PEFC Board of Directors. Finally, the PEFC Board's recommendation for re-endorsement of the MTCS was subjected to a postal ballot by the members of the PEFC Council. The re-endorsement reconfirms the robustness of the MTCS in continuing to meet the PEFC's strict international Sustainability Benchmarks.

One other significant milestone was the acceptance of the MTCS as meeting the requirements of the Dutch Procurement Policy for Sustainable Timber, after a lengthy assessment process by the Timber Procurement Assessment Committee (TPAC) which started in 2009, including an appeal process, as well as numerous debates in the Dutch Parliament.

The year saw the successful completion of the two-year review of the MC&I(Forest Plantations) standard, with the revised standard MC&I Forest Plantation.v2 being finalised by the Standards Review Committee (SRC) on 31 October, and subsequently adopted by the MTCC Board of Trustees at its 61<sup>st</sup> Meeting held on 19 December. The review process to finalise the forest plantation standard was comprehensive and extensive, and involved the conduct of two public comments on the enquiry drafts, three regional consultations, and two meetings of the SRC during the year.

While the total number of FMUs certified against the MC&I(Natural Forest) remained the same at ten covering a total area of 4,649,913 ha of natural forest, I am pleased to report that the Shin Yang Kuala Baram FPMU and the Samling Segan LPF 0014 FPMU, covering a total area of 11,807 ha, became the first two forest plantation areas in the country to be certified against the requirements of the MC&I(Forest Plantations).

Another 51 companies were awarded the PEFC *Certificate for Chain of Custody* in 2014. However, the year also saw the withdrawal of 16 certificates, resulting in a slight increase in the total number of PEFC certificate holders from 275 in 2013 to 310 by the end of December 2014. In addition, a total of 17 new Logo Usage Licences were issued to the qualified certificate holders.

Beginning 1 July 2014, MTCC implemented a new administrative decision to collect PEFC Notification fee from all certificate holders, in line with the PEFC Council's decision to charge one notification fee to the Certification Bodies per issued certificate. Certificate holders can now obtain a PEFC Logo Use Licence without additional charge. Under this arrangement, the Certification Bodies have been collecting the notification fee as part of its audit fee, on behalf of MTCC.

As an outreach and awareness building programme to promote the use of MTCS-certified timber locally, especially under the Green Building Index (GBI) rating tool, MTCC organised a familiarisation programme on timber tracking system and documentation review under the MTCS chain of custody (CoC) certification for members of the Malaysian Green Building Confederation (MGBC). Representatives from architectural firms, GBI facilitators, property developers, building contractors and independent consultants participated in the programme. Additionally, MTCC conducted a series of training on forest management and CoC certification for relevant parties in order to equip them regarding the requirements of the certification standards used under the MTCS.

Being the PEFC National Governing Body in Malaysia, MTCC participated actively in the programmes and activities of the PEFC Council to ensure that when key PEFC technical and guidance documents are being developed or revised, the interest of tropical forests, and the challenges and constraints faced by Malaysia as a developing country, are presented and taken into account by the PEFC. In 2014, MTCC participated in the annual General Assembly of the PEFC Council held in Paris, two meetings of the PEFC National Members held in Berlin and Paris, as well as in various Technical Working Groups (TWGs) and Task Forces established to carry out specific work of the PEFC.

The export volume of timber products certified under the MTCS showed a slight increase of 1% from 164,612 m<sup>3</sup> in 2013 to 168,094 m<sup>3</sup> in 2014, of which 132,656 m<sup>3</sup> (80%) were PEFC-certified. The United Kingdom remained the biggest market for PEFC-certified products, accounting

for 21% of the total export, which was followed by The Netherlands at 19.5%. Canada, Cyprus, Egypt, Lithuania, Suriname and Thailand became the latest destinations for certified timber products from Malaysia, adding to the existing list of 39 countries.

Activities to publicise the MTCS as a PEFC-endorsed scheme were continued through promotional programmes such as the Ministerial Promotion Mission to The Netherlands and Belgium, and the conduct of the Parliamentary Evening in Berlin. Other activities conducted included the participation in exhibitions, and dissemination of publicity brochures during business visits, conferences, seminars, workshops, trade fairs and exhibitions conducted both locally and internationally; through on-line circulation of the *MTCC News*, as well as one-to-one discussions with key contacts by MTCC or our public relations representatives in The Netherlands and Germany.

The work of the MTCC depends greatly on the contributions and support of the various stakeholder groups, as reflected in the multi-stakeholder Board of Trustees, Standards Review Committee for the review of the MC&I(Forest Plantations) standard, as well as the various stakeholder consultation processes related to the review of standards. In relation to this, MTCC greatly appreciates the cooperation, understanding and support of all the Malaysian stakeholders who represent the social, economic and environmental interest groups, as well as the relevant government departments and agencies in Sabah, Sarawak and Peninsular Malaysia, in the successful review and formulation of the MC&I Forest Plantation.v2 standard. MTCC looks forward to strengthen our relationship with all the parties concerned to further promote and encourage the practice of sustainable forest management and the implementation of the MTCS in Malaysia.

I am indebted to the Chairman and Board of Trustees, as well as the Members of MTCC, for their continued trust and guidance throughout the year. Finally, I wish to express my sincere thanks to the MTCC staff – managers, executives and supporting staff - for carrying out their duties and responsibilities with much enthusiasm, dedication and commitment, resulting in the successful implementation of the various activities and events in 2014.



**YONG TENG KOÖN**

Chief Executive Officer  
2 July 2015





OPERATIONS



# OPERATIONS

## FOREST MANAGEMENT CERTIFICATION

All the eight certified Forest Management Units (FMUs) in Peninsular Malaysia continued to maintain their PEFC *Certificate for Forest Management* in 2014, after successfully undergoing surveillance audits against the *Malaysian Criteria and Indicators for Forest Management Certification* (Natural Forest) or MC&I(Natural Forest) standard.

In Sarawak, the Anap Muput FMU was successful in maintaining its certificate after undergoing surveillance audit against the MC&I(Natural Forest) while in Sabah, the surveillance audit for the Segaliud-Lokan FMU which was to be conducted at the end of 2014 was postponed to early 2015 with agreement from the certification body due to a change in the management of the FMU.

Additionally, two Forest Plantation Management Units (FPMUs), Shin Yang Kuala Baram and Samling Segan LPF 0014, became the first two forest plantation areas to be certified against the *Malaysian Criteria and Indicators for Forest Management Certification (Forest Plantations)* or MC&I(Forest Plantations) in 2014.

This enabled all the 12 holders of the PEFC *Certificate for Forest Management* to produce and supply PEFC-certified timber and timber products to the market. Details regarding the PEFC-certified FMUs and FPMUs are shown in **Table 1**.

**Table 1:** Details of PEFC-certified FMUs and FPMUs

Natural Forest					
FMU	Certification Body	Certificate Number	Validity of Certificate	Latest Audit Date	Area (ha)
Negeri Sembilan	SIRIM QAS International Sdn. Bhd.	FMC 0002	1 Jun 2013 to 28 Dec 2015	2-4 Sep 2014	154,577
Johor	SGS (Malaysia) Sdn. Bhd.	SGS-MTCS/ FM0102	1 Apr 2013 to 31 March 2016	5-8 May 2014	351,302
Terengganu	SGS (Malaysia) Sdn. Bhd.	SGS-MTCS/ FM0103	1 Apr 2013 to 31 March 2016	2-5 June 2014	516,697
Kedah	SIRIM QAS International Sdn. Bhd.	FMC 0003	1 Jun 2013 to 31 May 2016	22-25 Sep 2014	307,046
Pahang	SGS (Malaysia) Sdn. Bhd.	SGS-MTCS/ FM0104	1 Jun 2013 to 31 May 2016	16-20 June 2014	1,524,827
Perak	SIRIM QAS International Sdn. Bhd.	FMC 0004	1 Jun 2013 to 31 May 2016	27-31 Oct 2014	991,436
Selangor	SGS (Malaysia) Sdn. Bhd.	SGS-MTCS/ FM0105	1 Jun 2013 to 31 May 2016	19-21 Aug 2014	238,749
Kelantan	SIRIM QAS International Sdn. Bhd.	FMC 0005	9 Feb 2014 to 8 Feb 2017	12-16 Oct 2014	424,497
Segaliud-Lokan	SIRIM QAS International Sdn. Bhd.	FMC 0001	1 Jun 2013 to 2 Dec 2015	26-29 Nov 2013	57,247
Anap Muput	SIRIM QAS International Sdn. Bhd.	FMC 0006	25 Jul 2013 to 24 Jul 2016	23-29 Jun 2014	83,535
Total:					4,649,913 ha

Forest Plantations					
FPMU	Certification Body	Certificate Number	Validity of Certificate	Latest Audit Date	Area (ha)
Shin Yang Kuala Baram	SIRIM QAS International Sdn. Bhd.	FPMC 0001	18 Jul 2014 to 17 Jul 2017	22-24 Oct 2014	1,007
Samling Segan LPF 0014	SIRIM QAS International Sdn. Bhd.	FPMC 0002	18 Jul 2014 to 17 Jul 2017	20-21 Oct 2014	10,800
					<b>Total: 11,807 ha</b>
					<b>Grand Total: 4,661,720 ha</b>

## CHAIN OF CUSTODY CERTIFICATION

Another 51 companies were awarded the PEFC *Certificate for Chain of Custody* by four of the PEFC-notified CBs under the MTCS in 2014.

Of this total, 50 certificates were issued by the local CBs, i.e. 21 certificates by SGS (Malaysia) Sdn. Bhd., 22 certificates by SIRIM QAS International Sdn. Bhd. and seven certificates by Intertek Certification International Sdn. Bhd. The remaining certificate was issued by Scientific Certification Systems (SCS) based in the USA.

With the addition of the new certificates and also the withdrawal of 16 certificates in 2014, the number of PEFC *Certificate for Chain of Custody* holders increased to 310 by the end of December. The full list of PEFC certificate holders for chain of custody is available on the PEFC website at <http://www.pefc.org/find-certified/certified-certificates>

## ISSUANCE OF PEFC LOGO USAGE LICENCE

In 2014, 17 applications for the PEFC Logo usage licence were approved by the Notification Committee. Of this total, 13 of the logo usage licences were issued to CoC

certificate holders, three to forest management certificate holders, while the remaining licence was issued to the Timber Exporters' Association of Malaysia (TEAM).



## NOTIFICATION OF CERTIFICATION BODIES

No new application was received by MTCC from any accredited CB for PEFC-notification to operate forest management or chain of custody certification under the MTCS. Hence, the total number of PEFC-notified

CBs remained unchanged at 12, with two operating forest management certification and 10 operating CoC certification, as shown in **Table 2**.

**Table 2: PEFC-notified CBs under the MTCS**

Type of Certification	PEFC-notified CB	Notification Date
Forest Management Certification	SIRIM QAS International Sdn. Bhd.	10 December 2009
	SGS (Malaysia) Sdn. Bhd.	24 December 2009
CoC Certification	SIRIM QAS International Sdn. Bhd.	2 September 2009
	Japan Gas Appliances Inspection Association	2 October 2009
	SGS South Africa Pty Ltd - Qualifor Programme	2 October 2009
	SGS (Malaysia) Sdn. Bhd.	24 December 2009
	Intertek Certification International Sdn. Bhd.	20 August 2010
	Scientific Certification Systems, USA	20 August 2010
	BM Trada Certification Ltd., UK	14 September 2012
	Holz und Wald Zertifizierungsgesellschaft GmbH, Germany	14 September 2012
	Bureau Veritas Certification France	17 May 2013
	Bureau Veritas Sverige AB, Sweden	6 September 2013

## PEFC NOTIFICATION FEE UNDER THE MTCS

The PEFC guidance document *PEFC GD 1006:2012, PEFC Notification of Certification Bodies by PEFC Council* stipulates the revised structure and tariffs of fees charged for issued PEFC certificates for forest management and CoC, and logo usage licenses.

With effect from 1 January, the PEFC Council is charging only the notification fee per issued certificate, without charging an additional fee to the certificate holder for the PEFC Logo usage license. PEFC is of the view that with the revised fee structure, a PEFC Logo usage license will be available for the certified entity (FMU or company) without any additional cost.

Following a decision made by the MTCC Board at its 58<sup>th</sup> Meeting held on 20 March, MTCC has started to impose a PEFC Notification fee on all the certificate holders under the MTCS beginning 1 July. The Notification fee will be collected annually by the certification bodies on behalf of MTCC as part of the total auditing cost.

The rates of the Notification fee approved by the Board are shown in **Table 3**.

**Table 3: PEFC Notification Fee Schedule under the MTCS**

Notification Category	Subset	Annual Fee (RM)
A. Forest Management Certificate	Natural Forest and Forest Plantations	0.018 per ha of certified forest
B. CoC Certificate	Based on annual total turnover (RM):	–
	Up to 5 Million	300.00
	Over 5 Million and up to 20 Million	500.00
	Over 20 Million and up to 50 Million	750.00
	Over 50 Million and up to 100 Million	1,000.00
	Over 100 Million	2,000.00

# EXPORT OF TIMBER PRODUCTS CERTIFIED UNDER THE MTCS

The export of timber products certified under the MTCS showed a small increase of 1% from 164,612 m<sup>3</sup> in 2013 to 168,094 m<sup>3</sup> in 2014. Canada, Cyprus, Egypt, Lithuania, Suriname and Thailand became the latest destinations for the year 2014, and were added to the existing list of 39 countries comprising Albania, Australia, Bahrain, Belgium, China, Denmark, Finland, France, Germany, Greece, India, Indonesia, Iraq, Ireland, Italy, Japan, Jordan, Kuwait, Lebanon, Libya, Mauritius, Netherlands, New Zealand, Norway, Oman, Pakistan, Philippines, Sudan, Sweden, United Kingdom, United States of America, Poland, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Switzerland, and The United Arab Emirates.

A cumulative total of 983,027 m<sup>3</sup> of certified timber products had been exported by the end of 2014. The Netherlands continued to remain the biggest contributor with 405,151 m<sup>3</sup> (41% of the total quantity) exported since July 2002.

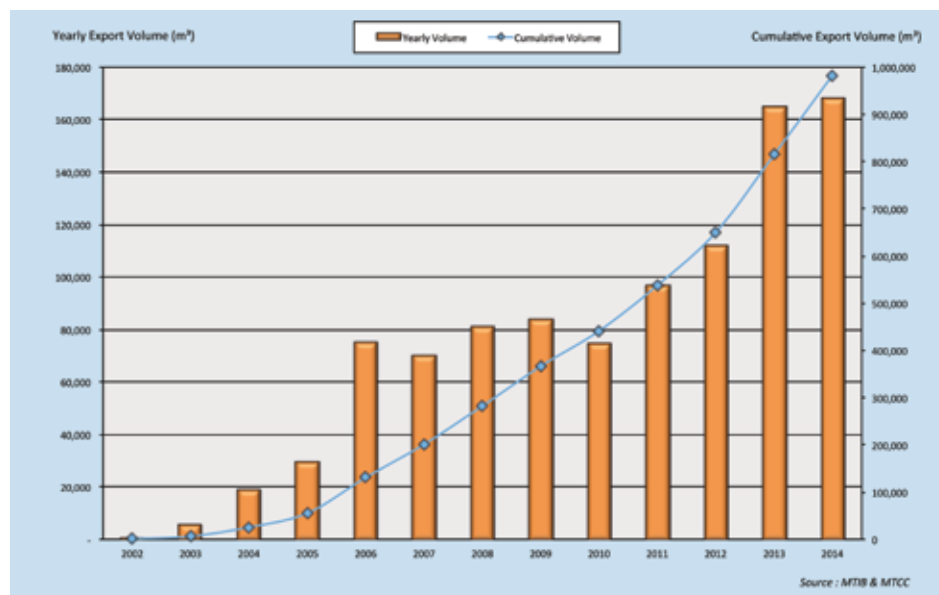
Since the decision taken by MTCC to encourage all the PEFC CoC certificate holders to use the PEFC Logo on MTCS-certified products beginning 2012, the export of PEFC-certified products has rapidly increased, along with the number of CoC certificate holders. Of the total 168,094 m<sup>3</sup> exported, 132,656 m<sup>3</sup> or 80% were PEFC-

certified. The month of March recorded the highest export figure of 21,299 m<sup>3</sup>. By the end of 2014, a total cumulative of 330,060 m<sup>3</sup> of PEFC-certified products had been exported. The United Kingdom imported 27,884 m<sup>3</sup> (21%), thus making it the largest market for PEFC-certified products from Malaysia, followed closely by The Netherlands importing 25,920 m<sup>3</sup> (19.5%).

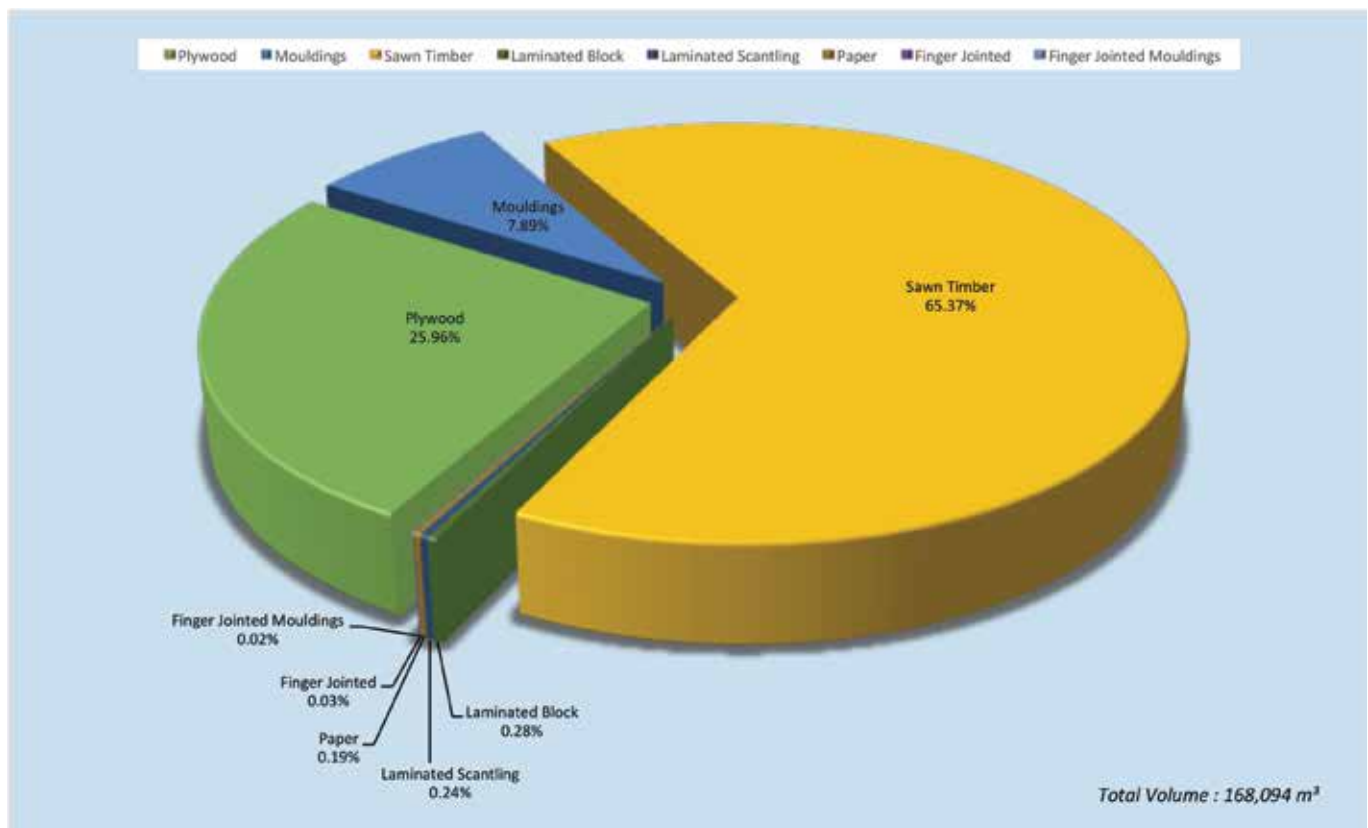
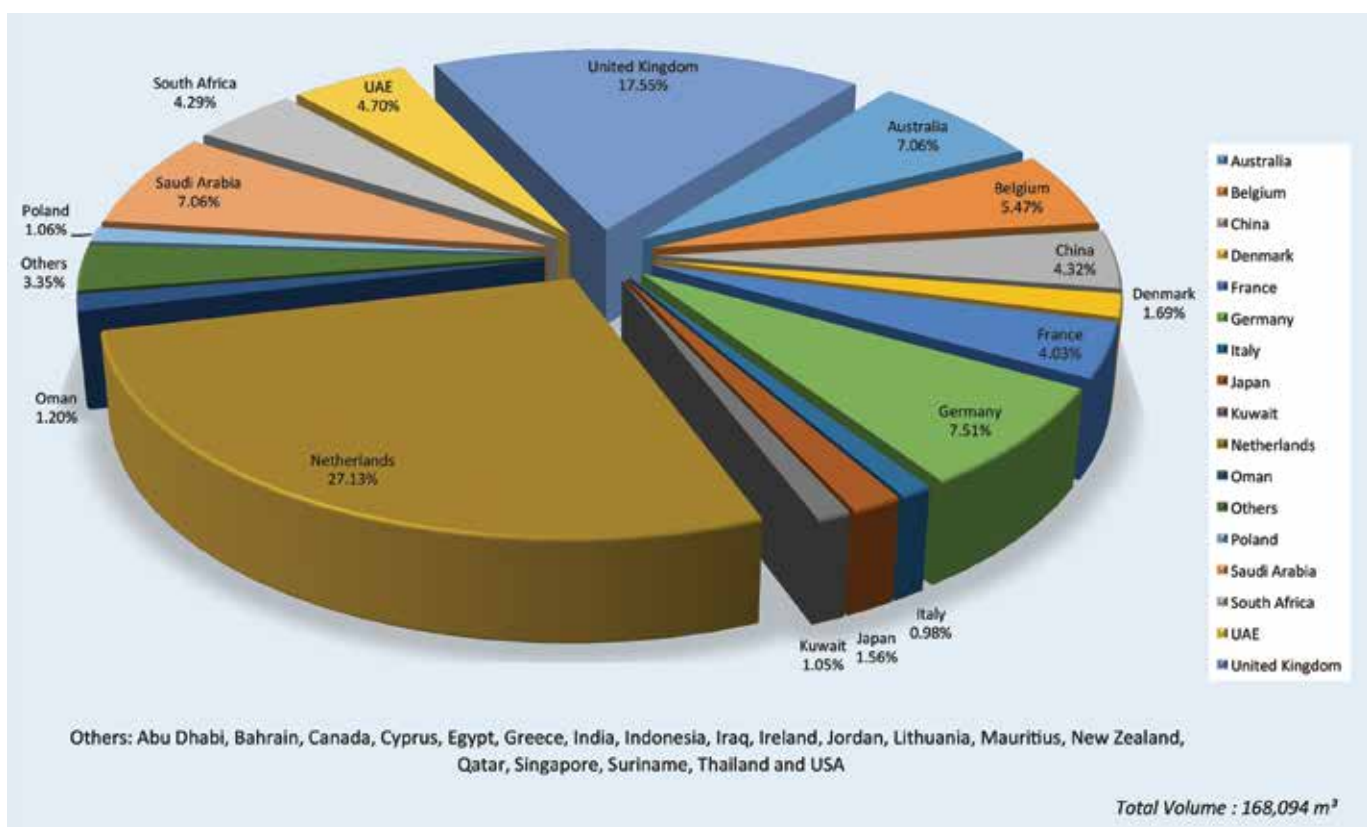
Sawn timber, plywood and mouldings remained as the major products exported, followed by laminated blocks, laminated scantlings, paper-based products and laminated finger-jointed products. In 2013, the new “PEFC Controlled Sources” claim was introduced in the PEFC CoC system, and this has allowed rubberwood to be used as a source of material in the production of timber products that can carry the PEFC claim. In relation to this, more furniture companies have started to express interest in obtaining PEFC CoC certification under the MTCS. In 2014, another three furniture manufacturers were awarded certification compared to only one company in 2013.

**Figure 1** shows the export of timber products certified under the MTCS by year, as well as the cumulative volume since July 2002. **Figures 2** and **3** provide the percentage breakdown of the certified products exported in 2014 by product type and destination, respectively.

**Figure 1: Export of timber products certified under the MTCS, July 2002 – December 2014**





**Figure 2:** Export of timber products certified under the MTCS by product type, 2014**Figure 3:** Export of timber products certified under the MTCS by destination, 2014

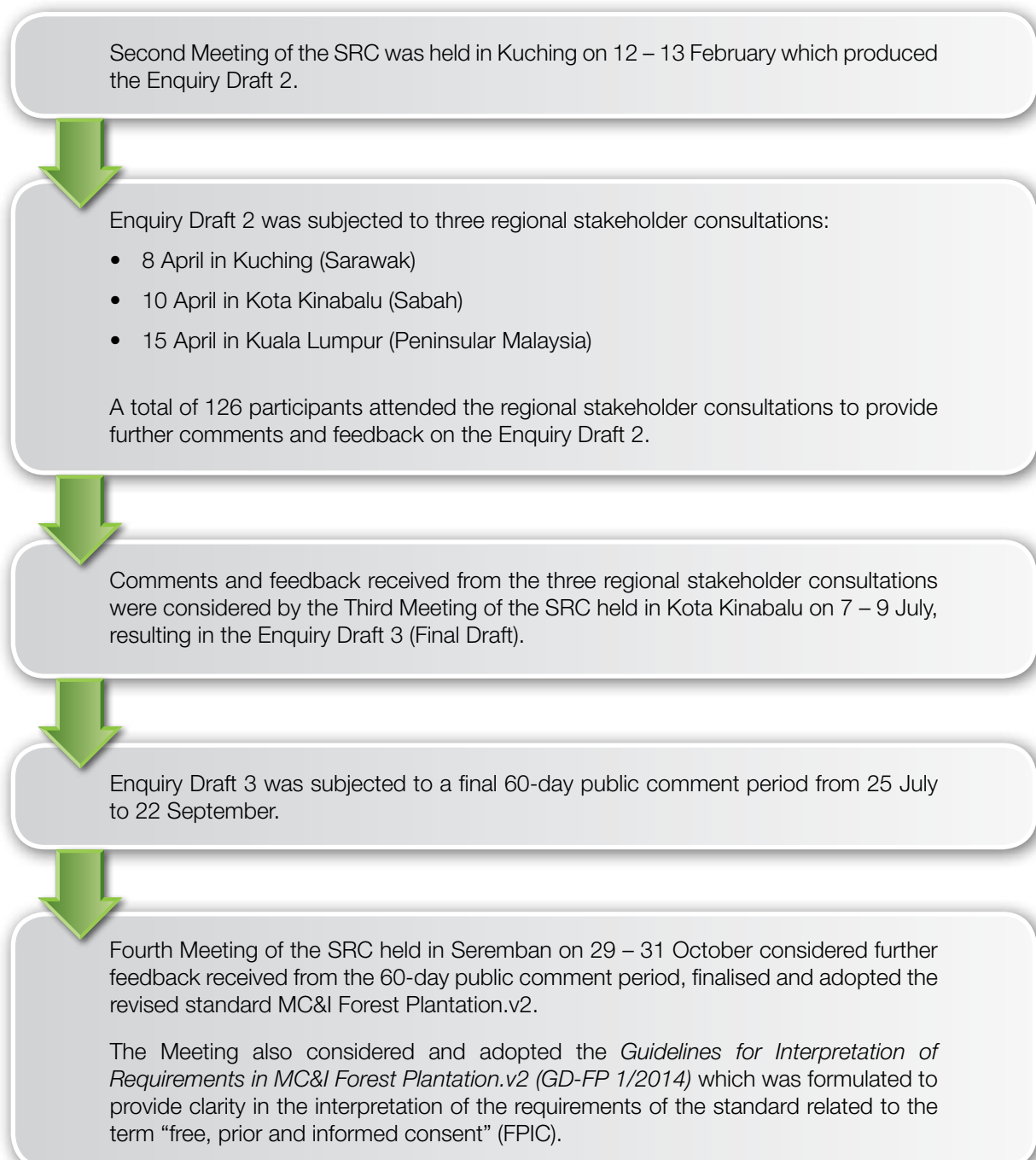
# CERTIFICATION STANDARDS

## REVIEW OF MC&I(FOREST PLANTATIONS)

The review of the MC&I(Forest Plantations) which commenced in January 2013 was brought to a successful conclusion when the revised standard MC&I Forest Plantation.v2 was adopted at the Fourth Meeting of the Standards Review Committee (SRC) that was held on 29 – 31 October. The revised standard was subsequently

endorsed by the MTCC Board of Trustees at its 61<sup>st</sup> Meeting held on 19 December.

The standard review process and activities that preceded the adoption and endorsement of the revised standard in 2014 are summarised below:





**Regional Consultation in Sarawak**



**Regional Consultation in Sabah**



**Regional Consultation in Peninsular Malaysia**



**Second Meeting of SRC**



**Third Meeting of SRC**



**Fourth Meeting of SRC**



## ASSESSMENT OF THE MTCS FOR PEFC RE-ENDORSEMENT

The MTCS achieved yet another milestone when the PEFC International announced the re-endorsement of the MTCS for another period of five years, from 29 July 2014 until 29 July 2019.

The assessment of the MTCS for PEFC re-endorsement was subjected to a rigorous and stringent process with the revised scheme being first evaluated by a PEFC appointed consultant and subjected to an international stakeholder consultation. The report prepared by the independent consultant was subjected to an evaluation by a Panel of Experts appointed by the PEFC Council before the final report with the recommendations for re-endorsement was submitted to the PEFC Board of Directors for its consideration and approval. Finally, the PEFC Board's

recommendation for the re-endorsement of the MTCS was subjected to a postal ballot by the members of the PEFC Council.

The re-endorsement of the MTCS therefore means that the scheme has passed the most stringent test and continues to meet the PEFC strict international Sustainability Benchmarks. The re-endorsement is an attestation of the robustness of the MTCS. It further reaffirms and recognises the efforts taken by the stakeholders in Malaysia towards achieving sustainable forest management and that the forests certified under the MTCS are being managed responsibly in line with globally recognised best practice requirements.



# TRAINING

## TRAINING ON FOREST MANAGEMENT CERTIFICATION

### Peer Reviewer Training on MC&I (Forest Plantations)

In line with the requirements of the ACB-FMC document: "Peer Review Process Requirements for Bodies Operating Forest Plantation Management Certification", MTCC organised a training for peer reviewers on the use of the MC&I (Forest Plantations) on 27 March.

Under the MTCS, reports for Stage 2 and recertification audits for forest management certification prepared by a certification body have to undergo the peer review process. The aim of the peer review is to obtain a second opinion

by independent experts on the level of compliance of the FPMU concerned and to confirm that the audit team has carried out an objective and professional audit of the FPMU against the requirements of the MC&I(Forest Plantations). In this connection, one criterion for the appointment of peer reviewers is the possession of a good understanding of the MC&I(Forest Plantations) standard and its related assessment procedures. The training was attended by three participants, namely Dr Sanath Kumaran, Dr Woon Weng Chuen and Dr Alias Mohd Sood.



Peer reviewer training in progress

## Training Course on MC&I(Forest Plantations)

Upon request by Shin Yang Plywood (Bintulu) Sdn. Bhd., an in-house training course on the requirements of the MC&I(Forest Plantations) was conducted on 12 September at the company's premises.

The training was aimed at familiarising the company's staff on the requirements of the MC&I(Forest Plantations)

standard and auditing process involved in obtaining forest management certification under the MTCS. A total of 24 staff members of the company attended the training course.



Presentation by Siti Syaliza at the training session



Yong and Siti Syaliza with the training participants

## TRAINING ON CHAIN OF CUSTODY CERTIFICATION

### Training Course for Consultants

A two-day training course was conducted on 1-2 April in Kuala Lumpur for consultants under the "Capacity Building for Compliance with Requirements for Chain of Custody under the MTCS" project implemented by the Malaysian Timber Industry Board (MTIB). The aim of the training course was to provide the consultants with a better understanding

of the *PEFC Chain of Custody of Forest Based Products- Requirements (PEFC ST 2002:2013)* standard, as well as the revised PEFC Guidance document, *PEFC Chain of Custody of Forest Based Products- Guidance for Use (PEFC GD 2001: 2014)*. A total of 24 participants attended the training.



Sabrina Mawasi making her presentation



Harnarinder briefing the participants at the training course



A black and white bird, possibly a hornbill, is perched on a tree branch. The bird has a large, yellow, slightly curved beak and a black cap. Its body is black with white underparts. The background is a dense green forest with many leaves and branches.

PROMOTION



# PROMOTION

## PARTICIPATION IN PROMOTION MISSION



First Meeting of the Malaysia-The Netherlands JWG in progress

MTCC CEO participated in the Timber and Oil Palm Promotion Mission to The Netherlands and Belgium led by the Honourable Minister for Plantation Industries and Commodities, Datuk Amar Douglas Uggah Embas on 8-11 December.

MTCC participated in the following activities during the Mission:

- (i) First Meeting of the Malaysia – The Netherlands Joint Working Group (JWG) on Timber and Commodities on 8 December in the Hague;
- (ii) Roundtable Discussion with the Netherlands Timber Trade Association on 8 December in the Hague; and
- (iii) Roundtable Discussion with the Belgian Timber Trade Federation on 10 December in Brussels.

The newly established JWG on Timber and Commodities provides the platform for Malaysia and The Netherlands to

discuss bilateral issues of concern related to timber and commodities. The First Meeting of the JWG was chaired by Sharon Dijksma, Dutch Minister of Agriculture, Ministry of Economic Affairs. The Meeting endorsed the Terms of Reference (TOR) of the JWG, as well as the TOR for a Sub-Committee on Oil Palm for cooperation on palm oil, its derivatives and trade.

The Roundtable Discussions with the Netherlands Timber Trade Association and the Belgian Timber Trade Federation discussed on the latest developments related to timber trade in the Netherlands and Belgium, with the view to increase the market share of Malaysian timber and timber products in the two countries. In the Netherlands, it was reported that there has been a general increase in the import of PEFC-certified timber and timber products from Malaysia, attributed mainly to the implementation of the European Union Timber Regulation (EUTR), as well as the acceptance of the MTCS as a source of sustainable timber under the Dutch Timber Procurement Policy.



**Roundtable Discussion with the Netherlands Timber Trade Federation**



**Roundtable Discussion with the Belgian Timber Trade Federation**

## GERMAN PARLIAMENTARY EVENING

MTCC and the Malaysian Timber Council (MTC) jointly organised the German Parliamentary Evening with the theme “Certification of Sustainable Forest Management in Malaysia: Experiences, Challenges and Perspectives” which was hosted by the Malaysian Embassy in Berlin on 26 November. The aim of the event was to encourage the use of PEFC certified timber from Malaysia in Germany and to strengthen the network of support for sustainable tropical forest management.

More than 60 German participants including Members of the German Federal Parliament (Bundestag) and co-

workers of Members of Parliament, and representatives of the Federal Ministries, timber and forestry related associations, scientific institutions and certification bodies attended the Parliamentary Evening.

MTCC Chairman Dato’ Dr. Freezailah, in his keynote address, presented the main elements of the MTCS, the achievement of timber certification in Malaysia and its challenges, as well as the international recognition that has been accorded to the MTCS.



MP Cajus J. Caesar, who had earlier in August led an official German fact-finding mission to Malaysia, emphasized in his speech the immense effort taken by MTCC to improve the MTCS to meet international standards. He congratulated MTCC on the re-endorsement of the MTCS by the PEFC in July 2014.

In his speech, Georg Schirmbeck, Chairman of the German Forestry Council, pointed out that forestry in Malaysia, particularly in Peninsular Malaysia, is a model for tropical countries not only in the Asian region but across the world.

He noted that the PEFC endorsement of the MTCS in May 2009 had turned out to be a starting point for other countries with tropical forests, like Indonesia and China, to align their forest management policies with international requirements.

In her presentation, Sheam Satkuru-Granzella, MTC Director for Europe, highlighted the strong commitment of the Malaysian timber industry towards sustainable forest management and sustainability certification.



**Q&A session in progress**



**Participants at the Parliamentary Evening**

## WORKING VISIT TO GERMANY

As part of MTCC's promotion programme in Germany, MTCC CEO participated in a working visit to Germany which was organised and coordinated by MTCC's public relations agency in Germany, KaiserCommunication from 16 to 20 June.

Among the key activities organised included the MTCC Roundtable Discussion with the theme "Sustainable Forest Management and Timber Certification in the Tropics: The Malaysian Experience" which was held at the Malaysian Embassy in Berlin on 16 June. The Roundtable Discussion was aimed at raising awareness on sustainable management of tropical forests under the MTCS, strengthening networking and promoting the use of PEFC-certified timber for public procurement in Germany.

The Roundtable Discussion saw the attendance of more than 30 participants, including representatives of the timber and forestry related associations, scientific institutions and certification bodies, students and lecturers from the University for Sustainable Development, Eberswalde, and co-workers of Members of the German Parliament.

Yong visited a wooden window manufacturer, HFBB in Bernau on 19 June, where he was provided with a guided tour of the manufacturing facility by the Managing Director, Karsten Haeber. One specific focus of the tour was to witness and appreciate the utilisation of MTCS-certified scantlings by the company.

A small roundtable discussion was held with representatives of HFBB and the local journalists after the guided tour, where Yong took the opportunity to emphasise on the importance of sustainable forest management and the need for timber certification to meet the requirements of the European wooden window market in light of the implementation of the EUTR since March 2013.

Yong also visited a public school in the district of Stubenhofer Weg in Hamburg on 20 June where MTCS-

certified scantlings had been used for the construction of wooden windows. A guided tour of the school building was conducted by the architect responsible for the project, Marc-Olivier Mathez and the school's deputy headmaster, Matthias Herpé. Several timber traders and representatives of associations and authorities also participated in the visit.



**Clockwise starting from top right picture: Ambassador Datuk Salman Ahmad presenting his introductory remark at the MTCC Roundtable Discussion in Berlin, Yong at the Roundtable Discussion, Yong at the window manufacturer HFBB in Bernau, and Briefing by Marc-Olivier Mathez in Hamburg**

## LECTURE ON TIMBER CERTIFICATION

MTCC CEO Yong gave a lecture on timber certification to 26 students of the Postgraduate Diploma on Sustainable Tropical Forest Management Programme on 10-11 February in Kuching. The programme is a joint effort between the Lincoln University of New Zealand and Sarawak Timber Association (STA) to enhance the knowledge and skill of the staff of its member companies to implement sustainable forest management.

The lecture covered the concept and practice of forest management certification systems and their application to tropical forest management, with particular reference to Sarawak. The lecture focused on timber certification procedures and the requirements of the two certification standards MC&I(Natural Forest) and MC&I(Forest Plantations) used under the MTCS.



**Yong presenting his lecture on timber certification under the MTCS**

## Seminar on the MTCS and Requirements for Forest Management Certification

A one-day seminar on the MTCS and requirements for forest management certification was held on 21 October in Kota Kinabalu with the collaboration of the Sabah Forestry Department. The seminar was attended by 33 participants representing the timber concessionaires in Sabah and officers from the Sabah Forestry Department. The main

aim of the seminar was to brief the timber concessionaires on the application and auditing procedures related to forest management certification and on the requirements of the MC&I(Natural Forest) and MC&I(Forest Plantations) under the MTCS.



**Yong making his presentation at the seminar**



## MTCC & MGBC PROGRAMME ON TIMBER TRACKING SYSTEM AND DOCUMENTATION REVIEW

MTCC and the Malaysian Green Building Confederation (MGBC) jointly organised a Familiarisation Programme on Timber Tracking System and Documentation Review under the MTCS CoC Certification on 28 October in Kuala Lumpur. The programme was attended by 11 MGBC members comprising representatives from architectural firms, property developers, building contractors, Green Building Index (GBI) facilitators and consultants.

The programme was conducted on site at a flooring manufacturing facility, Kim Teck Lee Timber Flooring Sdn. Bhd. (KTL) in Banting. Besides being briefed by MTCC

on the CoC certification process under the MTCS, the participants were also briefed and shown the timber tracking system implemented by the company to fulfill the requirements for CoC certification, including its sale and communication documents when dealing with MTCS-certified timber.

Following the familiarisation programme, a networking cocktail reception was held where an additional 20 MGBC members and Board members attended, along with the MTCC management, MTCS CoC certificate holders and representatives from the timber associations.



**Clockwise from top right: Participants at the receiving and unloading area; Participants being shown the storage and segregation facility; Yong speaking to the attendees at the networking cocktail reception; Harnarinder in discussion with participants during the reception**

## PUBLICITY PROGRAMMES / EXHIBITIONS

Publicity brochures as well as information on the developments related to the MTCS were distributed at the following fairs and exhibitions in which MTCC participated:

- Ecobuild, 4-6 March, London
- Malaysia International Furniture Fair (MIFF), 4-8 March, Kuala Lumpur
- Export Furniture Exhibition (EFE), 5-8 March, Serdang
- SPOGA 2014, 31 August - 2 September, Cologne
- Timber Expo, 7-8 October, London
- International Greentech and Eco Products Exhibition Malaysia (IGEM), 16-18 October, Kuala Lumpur
- FurniPRO Asia, 6-8 November, Singapore
- NAWLA Traders Market, 12-14 November, Chicago



**Melvin Ku represented MTCC at the joint stand with MTC at SPOGA 2014 (standing far left in photo on left) where PEFC-certified garden furniture and timber flooring sponsored by Kim Teck Lee were displayed (photo on right)**



**MTC-MTCC-Finewood Marketing joint stand at Timber Expo, London**



**PEFC International – MTCC joint stand at FurniPRO Asia**



**MTCC represented by Siti Syaliza participated in the North American Wholesale Lumber Association (NAWLA) Traders Market as part of the MTC Marketing Mission delegation to the USA**



**MTCC booth at IGEM 2014. IGEM is regarded as the largest green exhibition in the South East Asia region**

## PUBLICATIONS

In 2014, MTCC published three issues of its newsletter, *MTCC News*, to keep certificate holders and stakeholder groups updated on the latest developments in the MTCS and matters related to timber certification and sustainable forest management.

The following articles, information updates and press releases were issued by MTCC and posted on the MTCC website:

- Summary of Second Public Comment on Review of MC&I(Forest Plantations), 4 February
- ANNOUNCEMENT: Public Consultation on Enquiry Draft of PEFC GD 2001:201X, Chain of Custody of Forest-Based Products – Guidance for Use, 11 February
- Regional Consultation on Enquiry Draft 2 – Review of MC&I(Forest Plantations), 25 March
- Invitation to Participate in the Stakeholder Consultation of Anap Muput FMU Surveillance Audit, 5 June
- PEFC Notification Fee under the Malaysian Timber Certification Scheme (MTCS), 5 June
- Relief and Disbelief in Malaysia on MTCS-Acceptance, 23 June
- Compilation of Comments Received from Regional Stakeholder Consultations on Enquiry Draft 2 – Review of MC&I(Forest Plantations), 1 July
- Third Public Comment (60-day) on Enquiry Draft 3 – Review of MC&I(Forest Plantations), 24 July
- Guidelines for the Interpretation of Requirements in the Malaysian Criteria and Indicators for Forest Management Certification (Natural Forest) [MC&I(Natural Forest)], 1 August
- Global Recognition of MTCS Continues, 22 August
- Reminder: Third Public Comment (60-day) on Enquiry Draft 3 – Review of MC&I(Forest Plantations), 25 August
- Summary of Third Public Comment on Enquiry Draft 3 of Review of MC&I(Forest Plantations), 16 October

The following press releases were also issued by Smeets Stuger De Vries in The Netherlands and Kaiser Communication in Germany:

- Relief and disbelief in Malaysia on MTCS-Acceptance, 19 June
- PEFC International has announced the re-endorsement of the Malaysian Timber Certification Scheme (MTCS) for another period of 5 years, 21 August
- What do you know about Malaysia and sustainable forestry? Come to Tropical Island on 14 September and find it out. Attractive prizes are waiting for you!, 10 September



Throughout 2014, the following print and online publications published editorials and special feature reports on MTCC and the MTCS:

### German publications

- Holzforum Holz-Zentralblatt
- Taspo – The Green Market
- B+H
- Dds
- Exakt
- Holzhelden – Timber Heros
- Beschaffungsdienst Galabau
- Renovation & Modernization
- German Federal Association ProTimber Windows
- Genau

### Dutch publications

- Houtwereld
- De Telegraaf
- Timmerfabrikant

### Other local and international publications

- Bernama
- Business Times
- FuturArc
- Asian Timber



**Article title :** PEFC Forest Certification week  
**Publication :** FUTURARC, Singapore



**Article title :** Harmless Tropical Timber (page 40)  
**Publication :** Renovation & Modernization (Consumer Magazine)



**Article title :** 'Relief and Disbelief over MTCS'  
**Publication :** Houtwereld



**Article title :** European Mega-fine threaten timber lobby / End to timber war  
**Publication :** De Telegraaf, The Netherlands  
**Published date :** 16 April and 3 June, respectively



**Article title :** Temporary MTCS-PEFC Recognition  
**Publication :** Timmerfabrikant



**Article 1** : The Window Aesthetics

**Article 2** : Tropical Timber on the track

**Publication** : Genau - German professional newspaper



**Article title** : Malaysian Timber Certification Scheme is reliable

**Publication** : Annual report 2014 of the German Federal Association ProTimber Windows

## PARTICIPATION IN CONFERENCES / SEMINARS / WORKSHOPS / COURSES / MEETINGS

MTCC 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:

- Lecture on Postgraduate Diploma on Sustainable Tropical Forest Management Programme, 10-11 February, Kuching
- 2<sup>nd</sup> Stakeholder Engagement for Major Projects Forum 2014, 19 February, Kuala Lumpur
- Seminar on Forest Management Certification, 20 August, Kuching
- International Workshop on Forest Certification, 16 September, Beijing
- Fifth Meeting of the Expert Group on Sustainable Forest Management and Trade in Legally Obtained Timber, 31 October, Yokohama
- FurniPro Asia 2014 – Unlock Opportunity for Woodworking Furniture and Panel Production Industry in Asia, 6 November, Singapore
- Familiarisation Programme for MTC Staff, 27 November, Selangor
- Forestry Certification Workshop, 8-9 December, Hanoi and Ho Chi Minh

# RECOGNITION OF MTCS

## Public Procurement Policies

As a PEFC-endorsed scheme, the MTCS continued to be accepted under the national timber procurement policies of Denmark, United Kingdom, Germany, Finland, Belgium, Switzerland, France and New Zealand, as well as the Keurhout System of The Netherlands as meeting the requirements for sustainable timber.

The MTCS also continued to be accepted by the following:

- The Forestry Agency, Ministry of Agriculture, Forestry and Fisheries, Japan which lists MTCS in its *Guideline for Verification on Legality and Sustainability of Wood and Wood Products* (since April 2006)
- The Free and Hanseatic City of Hamburg, Germany which has granted full acceptance of the MTCS in its procurement policy (since December 2009)



## Green Building Systems

The PEFC-endorsed MTCS continued to be recognised under the green building schemes of Australia, Italy, Singapore, Netherlands, United Kingdom, Canada, United States of America, Japan and Abu Dhabi, UAE.



The GBI in Malaysia has recognised the MTCS under its Sustainable Timber Criterion since April 2010.

## RECOGNITION OF THE MTCS UNDER THE DUTCH PROCUREMENT POLICY FOR SUSTAINABLE TIMBER

On 2 June, the State Secretary of the Dutch Ministry of Infrastructure and Environment, Ms. Wilma Mansveld announced the acceptance of the MTCS as meeting the requirements of the Dutch Procurement Policy for Sustainable Timber. The two-year conditional acceptance of the MTCS came after a lengthy assessment process by the Timber Procurement Assessment Committee (TPAC) which started in 2009, including an appeal process, as well as numerous debates in the Dutch Parliament. The conditional acceptance is based on the MTCS having met seven out of the nine TPAS Principles for sustainable forest management, which is the minimum requirement for fulfilling the Dutch Procurement Policy. The two-year timeframe was given to bridge the remaining gaps between the MTCS and the Dutch Procurement Policy in order to enable full acceptance after this period.



# PEFC RELATED ACTIVITIES

## PEFC 19<sup>TH</sup> GENERAL ASSEMBLY

MTCC CEO Yong attended the 19<sup>th</sup> General Assembly (GA) of the PEFC Council which was held on 19 November in Paris. The GA was attended by PEFC Members, Extraordinary Members, invited guests and members of the Board of Directors of the PEFC Council.

In presenting the PEFC Report for the year 2014, Ben Gunneberg, PEFC Secretary General highlighted that the extent of PEFC certified forests had grown from 250 million ha in 2013 to 264 million ha in 2014. As a result of market outreach, there were now hundreds of companies and stakeholders in Australasia, China, Japan and Indonesia, and the Asia Promotions programme had singled out India and Vietnam for further promotion and engagement.

The GA agreed on the key work areas for 2015 covering market outreach, ensure system integrity, establish PEFC as a partner of choice, provide technical training and capacity building for PEFC Members, product development and relevancy with focus on PEFC controlled sources, inclusion of PEFC in other sustainability initiatives, PEFC product identity and branding, advocacy and communication.

Two Malaysians namely Sheam Satkuru-Granzella, MTC Director for Europe and MTCC Chairman Dato Dr.

Freezailah Che Yeom, were appointed as Vice Chairman of the PEFC Council Board of Directors for a three-year term (2014-2017), and as Member of the Nominations Committee for 2015, respectively.

The GA considered and approved the endorsement of three new national schemes; i.e. China Forest Certification Scheme, Argentine Forest Certification System and Indonesian Forestry Certification Cooperation, and the endorsement of five revised national schemes, i.e. Spanish Forest Certification Scheme, Slovenian Forest Certification Scheme, Swiss PEFC Scheme, Luxemburg Forest Certification Scheme and the MTCS.

The GA also approved the application of Sustainable Green Ecosystem Council (SEGC) as the PEFC NGB in Japan, as well as the applications submitted by Suzano Pulp and Paper, PT Purinusa Ekapersada (Asia Pulp and Paper), International Paper, and The Center for Peoples and Forests (RECOFTC) to become International Stakeholder Members of the PEFC Council. The New Zealand Forest Certification Association Incorporated (NZFCA) submitted its application to become the PEFC NGB and made a presentation on the development of the New Zealand national forest certification scheme.



19<sup>th</sup> PEFC General Assembly in session



Yong with Ben Gunneberg, Secretary General of PEFC (left) and Bill Street, Chairman of PEFC (right). Yong was presented with the Certificate for Re-endorsement for MTCS at the PEFC GA



Yong at the PEFC GA

## PEFC STAKEHOLDER DIALOGUE

The PEFC Stakeholder Dialogue with the theme “Addressing deforestation: joining forces to stimulate demand for sustainable products” was held on 20 November, following the 19<sup>th</sup> PEFC GA. The Stakeholder Dialogue brought together key actors and stakeholders along the forest products value chain to discuss and identify new collaborative approaches and actions to stimulate demand for sustainable forest products and to strengthen the profile of the forest sector. The event sought to strengthen the collective understanding on consumer’s perception, engagement and commitment to sustainable forest products.

The Stakeholder Dialogue which was conducted over five sessions had a consumer and supply chain focus for forest products and forest certification services as follows:

- i. **Session 1: Consumer goods & deforestation** with a keynote presentation on the latest research from Forest Trends and UK Government on commodity and market drivers;
- ii. **Session 2: Consumer perceptions & behaviour** with three experts looking at the latest evidence base;
- iii. **Session 3: Engaging consumers on sustainability** with six case studies from different actors on understanding needs and changing behaviour;
- iv. **Session 4: Emerging initiatives & alliances** with four knowledge blasts on new innovations; and
- v. **Session 5: Designing forest product supply-chains fully supported by certification solutions** with nine breakout groups to obtain insights on scale-up challenges and opportunities.

Ben Gunneberg concluded the Stakeholder Dialogue by presenting the following reflections of the key stakeholder groups:

## Consumers

- expect products to be sustainably produced and retailers to provide them, though not willing/able to pay more
- expect companies to communicate sustainable sourcing through labels such as PEFC; labels are more trusted than brands

## (Consumer Goods) Companies

- Use certification to help manage supply chain risks
- Utilize procurement policies and commitments (individually & collectively)
- Benefit from labels to communicate responsible sourcing

## Governments

- Have major impact through combined purchasing power and policy frameworks
- Are increasingly moving from legal to sustainable

## Public-private Partnerships

- Increasing number of initiatives in multiple sectors addressing sustainable sourcing and deforestation challenge
- Forest certification is part of the solution

Overall, the stakeholders agreed that forest certification is a proven tool in achieving sustainable forest management but noted the need for scaling up to ensure supply and benefits to forests and those dependent on them, better collaboration/integration with related sustainability standards (cross-sector, landscape level) and to better communicate and label throughout the value chain.



**Delegates at the PEFC Stakeholder Dialogue**







A high-angle, vertical photograph of a dense, lush green forest covering a hillside. The trees are thick and vibrant green, with varying shades of foliage. In the upper center, a prominent, bare, light-colored tree trunk stands out against the green canopy. The word "COOPERATION" is overlaid in white, uppercase letters across the middle of the image.

COOPERATION



## COOPERATION

### THIRTEENTH MEETING OF THE WORKING GROUP ON A PAN ASEAN TIMBER CERTIFICATION INITIATIVE

MTCC led the Malaysian delegation at the 13<sup>th</sup> Meeting of the Working Group on a Pan ASEAN Timber Certification Initiative (WG-PATCI) which was held on 3-4 June in Nay Pyi Taw, Myanmar. The meeting was also attended by delegates from Brunei Darussalam, Indonesia, Lao PDR, Myanmar, Philippines and Thailand, as well as representatives from the European Forest Institute (EFI) EU Forest Law Enforcement, Governance and Trade (EU-FLEGT) Facility and the ASEAN Secretariat. The Malaysian delegation comprised representatives from the Ministry of Natural Resources and Environment (NRE), Forestry

Department Peninsular Malaysia (FDPM), MTIB, Sarawak Forestry Corporation (SFC), MTC, STA and MTCC.

Hosted by the Ministry of Environmental Conservation and Forestry of Myanmar (MOECF), the meeting was officiated by H.E. U Win Htun, the Union Minister of MOECF. He highlighted the importance of forest certification, emphasised the growing demand for certified timber products and increasingly stricter requirements, and acknowledged the achievements of the WG-PATCI.



Meeting in session





**Yong delivering the Opening Remarks**



**Yong being interviewed by the media during the meeting**

The meeting was chaired by Shwe Kyaw, Chairman of the Myanmar Forest Certification Committee (MFCC) MOECF, with Fe C. Oliveros, Senior Forest Management Specialist, Forest Management Bureau, Department of Environment and Natural Resources of the Philippines as the vice chairperson.

Concerning the progress in the implementation of the policy framework related to ASEAN cooperation in forestry, the meeting noted that the 16<sup>th</sup> ASEAN Senior Officials on Forestry (ASOF) and the Special Senior Official Meeting of the 34<sup>th</sup> ASEAN Ministers on Agriculture and Forestry (Special SOM-34 AMAF) had acknowledged the progress of the WG-PATCI in particular on the on-going exchange of information and experiences on:

- (i) Criteria and Indicators (C&I) for legality of timber or forest management certification and/or implementation of timber certification and legality assurance systems;
- (ii) country preparation for negotiation with the EU on a Voluntary Partnership Agreement (VPA); and
- (iii) Lacey Act under the US Law and its impact on timber exporting countries.

Additionally, the Special SOM-34<sup>th</sup> AMAF noted that the WG-PATCI had already fulfilled its mandate and proposed

the conduct of assessment on this WG. It was further noted that the WG-PATCI needed clear and specific guidance from ASOF with regards to its role within the ASEAN framework with particular reference to the AEC Blueprint to achieve trading in legal and sustainable timber by 2015.

The meeting also discussed on the progress on a "Stock taking study on existing initiatives for ensuring legal and sustainable timber in ASEAN" and agreed that a new consultant be appointed to complete the study, with inputs from EFI. The meeting also noted that the "Customs Study on Timber" had been completed, with recommendations that timber legality issues be discussed at customs and trade facilitation fora; customs be involved in the advancement of TLAS systems development; and that links be increased between the ASEAN member states (AMS) on development pertaining to timber legality. The meeting further discussed the proposal by the EU FLEGT Facility on "Collaboration to improve timber legality within ASEAN" and noted that the AMS are at different stages of development with regard to the implementation of timber legality and SFM. The meeting agreed that more time would be needed to study the proposal at the ASEAN level.

## OTHER ACTIVITIES

### PILOT STUDY ON GROUP CERTIFICATION OF RUBBER SMALLHOLDINGS UNDER THE MTCS



**Stage 1 audit on rubber smallholdings for group certification under the MTCS**

The pilot study that commenced in 2011 aimed to explore the feasibility of implementing group certification of rubber smallholdings under the MTCS as a response to requests by the industry players for certified rubberwood. The MTIB led the implementation of the project, in collaboration with the Malaysian Rubber Board, Federal Land Development Authority (FELDA), Rubber Industry Smallholders' Development Authority (RISDA), Federal Land Consolidation and Rehabilitation Authority (FELCRA), MTC, MTCC and Malaysian Furniture Promotion Council (MFPC). The project was carried out in FELDA Bukit Rokan, Negeri Sembilan.

Throughout 2014, the Project Technical Committee (PTC) met five times, on 21 January, 21 April, 21 July, 8 September and 14 November, to provide technical advice to the project consultant as well as to ensure the timely implementation of the various project activities. The Project Steering Committee (PSC), responsible for overseeing the overall implementation of the project, met twice, on 4 February and 25 September.

Following the preparatory phase, SIRIM QAS International Sdn. Bhd. was appointed in February 2014 to undertake the audit of the project area for group certification. The Stage 1 audit was carried out on 29 – 30 April to assess compliance against the MC&I(Forest Plantations). 32 issues of concern (IOC) were raised during the audit involving the group administrative structure as well as non-compliances to the requirements of the standard related to aspects pertaining to training of workers and environmental impact mitigation, such as establishment of buffer zones and protection of representative areas of natural forests, amongst others.

At the end of the project, it was concluded that group certification of rubber smallholdings was not feasible under the existing procedures and requirements of the MTCS due to a number of challenges in terms of maintaining the group structure, as well as the strict requirements in the application of the certification standard and high cost in maintaining group certification for the rubber smallholdings.

## CAPACITY BUILDING FOR COMPLIANCE WITH REQUIREMENTS FOR CHAIN OF CUSTODY CERTIFICATION UNDER THE MTCS

The two-year duration of the project *Capacity Building for Compliance with Requirements for Chain of Custody Certification under the MTCS* was supposed to have ended by August 2013. However, in view of the positive feedback received on the project, the MTIB requested for a 2-year extension until December 2015, which was approved by the National Committee of the Timber Industry Development Levy Fund.

Under the project, briefing sessions to the timber industry were conducted to provide a better understanding in the application of the PEFC CoC technical documents and details on obtaining PEFC CoC certification under the MTCS. MTCC participated in all the five briefing sessions that were held throughout Peninsular Malaysia, i.e. on

10 June in Muar, 18 June in Sungai Petani, 30 June in Kuantan, 3 December in Petaling Jaya and 23 December in Muar.

MTCC also conducted a training on 1-2 April for the consultants under this project with the aim to provide them with a better understanding on the standard, *PEFC Chain of Custody of Forest Based Products-Requirements* (PEFC ST 2002:2013) and the revised Guidance Document, *PEFC Chain of Custody of Forest Based Products- Guidance for Use* (PEFC GD 2001: 2014).

A total of 25 companies that had been provided with assistance under this project managed to obtain the PEFC *Certificate for Chain of Custody* in 2014.

## USE OF LOCAL TIMBER SPECIES FOR CERTIFIED PRODUCTS SUPPLIED FOR BUILDING PROJECTS UNDER THE MALAYSIA GREEN BUILDING INDEX (GBI)

The GBI is Malaysia's industry-recognised green rating tool for buildings to promote sustainability in the built environment, which focuses on increasing the efficiency of resource use – energy, water and materials – while reducing building impact on human health and the environment during the building's lifecycle, through better siting, design, construction, operation, maintenance and removal. The rating tool also provides an opportunity to raise awareness among developers, architects, engineers, planners, designers, contractors and the public about environmental issues and responsibility to future generations.

The MTCS is recognised under the GBI green rating tool to promote sustainability in the built environment. As stipulated under Part 4: Materials & Resources (MR4-Sustainable Timber) of the document entitled "GBI Residential New Construction (RNC) – Design Reference Guide and Submission Format", the criterion promotes the use of environment-friendly materials sourced from sustainable sources. Two points will be allocated under this

criterion, if  $\geq 75\%$  of wood-based materials and products used for the building project are MTCS-certified.

Based on the discussion held between Greenbuildingindex Sdn. Bhd. (GSB) and MTCC on 2 May, GSB has specified that the CoC certificate holders under the MTCS are required to supply certified products that use local timber species for building projects approved under the GBI. The rationale behind this is to promote the use of certified local timber species in the building industry in Malaysia.

For ease of identification of such certified products by GSB and the local contractors undertaking GBI projects, the MTCC Board at its 61<sup>st</sup> Meeting held on 19 December had approved the use of the MTCC Logo on-product by certificate holders who supply PEFC-certified material using local timber species to the GBI projects. However, the earlier decision by the MTCC Board to use only the PEFC Logo for the export market remains unchanged.



# SIGNIFICANT EVENTS

## MTCC organised/coordinated the following events in 2014

Local Events	Date	Venue
Second Meeting of the Standards Review Committee (SRC) for the Review of MC&I(Forest Plantations)	12 February	Kuching
First Meeting of Dispute Resolution Committee (DRC)	18 March	Kuala Lumpur
Peer Reviewer Training on MC&I(Forest Plantations)	27 March	Kuala Lumpur
Chain of Custody Capacity Building Workshop	1-2 April	Kuala Lumpur
Regional Consultation for the Review of MC&I(Forest Plantations) – Sarawak	8 April	Kuching
Regional Consultation for the Review of MC&I(Forest Plantations) – Sabah	10 April	Kota Kinabalu
Regional Consultation for the Review of MC&I(Forest Plantations) – Peninsular Malaysia	15 April	Kuala Lumpur
Visit to Selangor FMU by Dutch Delegation	13 June	Sungai Tekala
Third Meeting of the Standards Review Committee (SRC) for the Review of MC&I(Forest Plantations)	7-8 July	Kota Kinabalu
PEFC Chain of Custody Training	7 August	Penang
Visit to Pahang FMU by German Parliamentarians	20 August	Kuala Lipis
Training Course on MC&I(Forest Plantations) for Shin Yang Plywood (Bintulu) Sdn. Bhd.	12 September	Bintulu
Visit to Pahang FMU by WWF Malaysia	25 September	Kuala Lumpur
Chain of Custody Training for Auditors of SIRIM QAS International Sdn. Bhd.	9 October	Kuala Lumpur
Seminar on MTCS and the Requirements for Forest Management Certification	21 October	Kota Kinabalu
MTCC-MGBC Joint Programme on Timber Tracking System and Chain of Custody Certification under the MTCS	28 October	Kuala Lumpur
Fourth Meeting of the Standards Review Committee (SRC) for the Review of MC&I(Forest Plantations)	29-31 October	Seremban

## VISIT BY DUTCH DELEGATION TO PEFC-CERTIFIED FOREST IN SELANGOR FMU



Photo on left: Harnarinder explaining the details of the FMU map to Her Excellency Sharon Dijksma, Dutch State Secretary for Economic Affairs. Photo on right: Yong leading Dijksma in enjoying a first-hand experience of walking in a regenerated tropical rainforest



District Officer, Mr. Awang Shaffie briefing the delegation on the regeneration status of the logged over forest



## VISIT BY GERMAN PARLIAMENTARIANS TO HULU JELAI FOREST RESERVE LOCATED IN LIPIS FOREST DISTRICT OF PAHANG FMU



Clockwise from top right: Lim Kee Leng, Deputy Director (Development) of the Pahang State Forestry Department briefing the delegation on the status of a logged-over forest; tasting forest fruits; MP Caesar presenting his concluding remarks; the delegation being shown a protected and marked mother tree during the field visit



## VISIT BY WWF MALAYSIA TO PEFC-CERTIFIED FOREST IN PAHANG FMU



Clockwise from top right: Witnessing reduced impact logging using the Rimbaka system; Dr. Henry Chan walking along a skid trail in a logged-over forest area; Lim Kee Leng briefing Dr. Sundari on the status and condition of the residual stand; Lim and Harnarinder briefing the visitors on information contained in the FMU maps

## MTCC held discussions with the following visitors in 2014

Visitors	Date
Dr. Sundari Ramakrishna, WWF Malaysia Dr. Pan Khan Aun, WWF Malaysia	13 January
Visitors from Guyana <ul style="list-style-type: none"> <li>Honourable Minister Robert M. Persaud, Ministry of Natural Resources and the Environment</li> <li>Gavin Agard, Ministry of Natural Resources and the Environment</li> <li>Tasreef Khan, Guyana Forestry Commission</li> <li>Mohindra Chand, Barama Company Limited</li> </ul>	20 February
Shantini Sukumaran, Centre of Malaysian Indigenouse Studies, University of Malaya	24 March
Barber Cho, Myanmar Timber Merchants Association (MTMA)	8 May
Dana Smith, The Prospect Group	27 May
Rachel Butler, European Timber Trade Federation (ETTF)	14 July
Peter Feilberg, NEPCon Christian Schriver, NEPCon	25 July
Shantini Sukumaran, Intern of EFI Asia Regional Office Lena Strobel, Intern of EFI Asia Regional Office Aimi Lee Abdullah, EFI Asia Regional Office	5 August
Patrick Lee, The STAR Newspaper	14 August
Ho Khoy Lim, Sabah Forestry Industries (SFI) M. Susiman, Sabah Forestry Industries (SFI) Apolinar Tolentino, Building and Woodworkers' International (BWI) Mohammad Khalid Atan, Timber Employees Union Peninsular Malaysia (TEUPM)	15 August
Lucie Wassink, Agricultural Counsellor for Indonesia and Malaysia, Dutch Embassy Ho Li Huan, Dutch Embassy	17 September
Glen MacNair, Forest Solution Malaysia Chris Garside, Forest Solution Malaysia	18 September
Rik van Vliet, Utrecht University, The Netherlands	19 September
Noor Azlin, Greentech Malaysia Nur Syahira Abd Rahim, Greentech Malaysia	23 September
Karel Pinxten, European Court of Auditors, Luxembourg Gerard Madden, European Court of Auditors, Luxembourg	29 October





Visitors from the European Court of Auditors, Luxembourg



Visit by Rik van Vliet from the Netherlands



Visit by the Guyana delegation



Visit by Dutch Agricultural Counsellor for Indonesia and Malaysia



Visitors from NEPCon



Yong being interviewed by EFI interns



Discussion with Greentech Malaysia



Meeting between BWI and SFI facilitated by MTCC



## MTCC participated in the following international events in 2014

International Conferences/Seminars/ Workshops/Meetings	Date	Venue
PEFC Branding Workshop	17-18 February	Kuala Lumpur
PEFC CoC Working Group	11-12 March	Geneva
15 <sup>th</sup> Seminar on Current International Issues Affecting Forestry and Forest Products: REDD+ Financing Mechanisms, SFM and Livelihoods	11 June	Siem Reap
17 <sup>th</sup> Meeting of the ASEAN Senior Officials on Forestry (17 <sup>th</sup> ASOF)	12-13 June	Siem Reap
Regional Wood and Forestry Conference: Advancing Trade Union Agenda in Sustainable Forest Management	12-13 August	Bali
Bilateral Meeting between Ministry of Plantation Industries and Commodities and delegation from the German Parliament and the German Federal Ministry of Food and Agriculture	19 August	Putrajaya
International Workshop on Forest Certification*	16 September	Beijing
PEFC Asia Promotion 10 <sup>th</sup> Anniversary*	30 October	Tokyo
5 <sup>th</sup> Meeting of the Expert Group on Sustainable Forest Management and Trade in Legally Obtained Timber*	31 October	Tokyo
50 <sup>th</sup> Session of International Tropical Timber Council (ITTC)	3-8 November	Yokohama
FurniPro Asia 2014 – Unlock Opportunity for Woodworking Furniture and Panel Production Industry in Asia*	6 November	Singapore
Ministerial Promotion Mission to Europe	8-12 December	The Netherlands and Belgium
Forestry Certification Workshop*	8 December 9 December	Hanoi Ho Chi Minh

\* MTCC made a presentation on the MTCS at the event

**MTCC participated in the following events within Malaysia in 2014**

Local Conferences/Seminars/Workshops/ Meetings	Date	Venue
Conference on 'Harmonising States' Land Use Policies-Forest Conservation in the Face of Competing Claims for Land'	7 January	Petaling Jaya
Taklimat dan Konsultasi Industri Perakayuan Mengenai Isu-Isu FLEGT VPA – Kutipan Ses Pembangunan Hutan dan Cadangan Entry Point Program (EPP) National Timber Industry Policy (NATIP)	9 January	Petaling Jaya
Bengkel Penyediaan input Rancangan Malaysia ke-11 (RMKe 11)	10-11 January	Bangi
21 <sup>st</sup> Meeting of the Market Advisory Committee (MAC)	10 January	Kuala Lumpur
Mesyuarat Jawatankuasa Teknikal Projek (PTC) Kajian Perintis Pensijilan Ladang Getah Secara Berkumpulan bagi Pekebun Kecil di bawah MTCS	21 January 4 February 21 July 8 September 25 September 14 November	Kuala Lumpur
National Timber Industry Policy (NATIP) Meeting	4 February	Kuala Lumpur
Lecture on Timber Certification for Postgraduate Diploma on Sustainable Tropical Forest Management Programme*	10-11 February	Kuching
Mesyuarat Membincangkan Penyediaan Maklum balas dan Pendirian Negara ke atas Draf Terkini Dokumen "Revised ITTO Guidelines for Sustainable Management of Natural Tropical Forest"	14 February 31 March	Putrajaya
2 <sup>nd</sup> Stakeholder Engagement for Major Projects Forum 2014*	19 February	Kuala Lumpur
Sesi Taklimat mengenai Wood Tracking System oleh Global Forestry Services Sdn. Bhd.	25 February	Sandakan
Component 1 Workshop Technical Requirements for Measurement and Monitoring European Union (EU) Funded Programme "Tackling Climate Change through Sustainable Forest Management & Community Development"	12 March	Kota Kinabalu
Majlis Sambutan Hari Hutan Antarabangsa Peringkat Kebangsaan Tahun 2014 di Pusat Pendidikan Pelancongan (Edu-Ecotourism) Pengurusan Hutan Tropika, Hutan Simpan Sg. Menyala	21 March	Negeri Sembilan
TEAM 59 <sup>th</sup> AGM Dinner	21 March	Petaling Jaya
The University of Nottingham, Malaysia Campus (UNMC) Environmental Seminar	28 March	Kuala Lumpur

Local Conferences/Seminars/Workshops/ Meetings	Date	Venue
Sustainable Selangor Conference 2014	29 March	Kuala Lumpur
Taklimat Berkenaan “Forest Law Enforcement, Governance, and Trade Voluntary Partnership Agreement (FLEGT VPA) and Timber Legality Assurance System (TLAS)”	2 April	Kuala Lumpur
Meeting and discussion on MTCS with Greenbuildingindex Sdn. Bhd.	2 May	Kuala Lumpur
Mesyuarat Teknikal Projek “Capacity Building for Compliance with Requirements for Chain of Custody Certification under the MTCS”	23 May 10 November	Kuala Lumpur
Mesyuarat bagi Memurnikan Kertas Cadangan bertajuk “Integrated Approach to Restore and Rehabilitate Degraded Coastal Mangrove Ecosystem with Involvement of Local Communities, Peninsular, Sabah dan Sarawak”	28-29 May	Taiping
Sesi Perbincangan Kumpulan Focus bagi Tema Perhutanan, Hidupan Liar, Tanah Lembap dan Kawalan Perlindungan	18 June	Kuala Lumpur
MTC Talk Series	19 June 20 November	Kuala Lumpur
CETDEM Sustainability Selangor Experience Conference	24 June	Kuala Lumpur
Mesyuarat Membincangkan Projek “Development of Standard and Procedures for Legality Verification System in ASEAN Member States for Timber Trade”	25 June	Putrajaya
Majlis Penyampaian Sijil Perhutanan Renjer Hutan Sesi 2012-2014 dan Sijil Perhutanan Pengawas Hutan sesi 2013-2014	26 June	Kepong
Mesyuarat Jawantankuasa Teknikal Kajian Semula Dasar Perhutanan Negara 1978 bil 1-2014	22 July	Putrajaya
Briefing on ASEAN cooperation in the Forestry Sector towards 2020	24 July	Kuala Lumpur
Seminar on Forest Management Certification*	20 August	Kuching
Meeting on “Strategic Plan for the ASEAN Cooperation in Food, Agriculture and Forestry (2016-2020)”	28-29 August	Putrajaya
Workshop on Identification of Standard for MyHijau Mark Registration	29 August	Putrajaya
Persidangan Kebangsaan Penilaian Ekonomi Sumber dan Perkhidmatan Hutan 2014	3-5 September	Putrajaya



Local Conferences/Seminars/Workshops/ Meetings	Date	Venue
Certificate Presentation Ceremony for Forest Management (Forest Plantation) Syarikat Samling Timber Sdn. Bhd.	10 September	Miri
Bengkel bagi membincangkan mengenai Matlamat dan Sasaran Biodiversiti Kebangsaan bersama Pihak Berkepentingan di Semenanjung Malaysia	17 September	Kuala Lumpur
NEPCon Legal Source Training – Due Diligence Expert Course	23-24 September	Kuala Lumpur
MPMA 50 <sup>th</sup> Anniversary Dinner	23 September	Kuala Lumpur
Seminar on Green Construction Industry and Sustainable Community: Creating Today for Better Future	8 October	Putrajaya
Regional Conference on Planted Forests	13-15 October	Kuching
Forest of Hope Forum by MNS	27 October	Kuala Lumpur
National Seminar on Indigenous Peoples 2014	5 November	Kuala Lumpur
Continued Professional Development (CPD) Joint Committee Meeting coordinated by MGBC	7 November	Kuala Lumpur
17 <sup>th</sup> Malaysian Forestry Conference	11-12 November	Kota Kinabalu
Sesi Taklimat mengenai Perkembangan Bebas yang Sedang Berlangsung dan Konsultasi mengenai Product Specified Ruler (PSR) Perabot dengan Indutri Kayu-Kayan	12 November	Kuala Lumpur
Sesi Konsultasi “National Standards and Accreditation (NSA) Framework (2016-2020)”	18 November	Putrajaya
Conference on a Century of Matang Mangrove Forest Management: Harnessing Transformation Ideas	24-26 November	Ipoh
Familiarisation Programme for MTC staff*	27 November	Sungai Tekala
Stakeholder Meeting on National Tiger Conservation Plan	1 December	Putrajaya
Mesyuarat Stakeholder Peringkat Pusat mengenai Pelaksanaan National Elephant Conservation Action Plan (NECAP)	10 December	Kuala Lumpur
Program “Myanmar’s Familiarisation Visit on Timber Industry in Malaysia”	16 December	Kuala Lumpur
Malaysian Furniture Council Dinner and Inauguration of New Board of Governing Committee of MFC	17 December	Kuala Lumpur
Meeting on Reviewing of Draft Ecolabelling Criteria for Wood and Wood-based Furniture by SIRIM	19 December	Kuala Lumpur

\* MTCC made a presentation on the MTCS at the event



Dato' Freezailah making his presentation at the International Workshop on Forest Certification in Beijing



Yong (far left) with other speakers and panelists at the Seminar on Forest Management Certification in Kuching



### MTCC participated in the following fairs/exhibitions in 2014

Fairs/Exhibitions	Date	Venue
Ecobuild	4 – 6 March	London
Malaysia International Furniture Fair (MIFF)	4 – 8 March	Kuala Lumpur
Export Furniture Exhibition (EFE)	5 – 8 March	Serdang
SPOGA	31 August – 2 September	Cologne
Timber Expo	7 – 8 October	London
International Greentech and Eco Products Exhibition Malaysia (IGEM)	16-18 October	Kuala Lumpur
FurniPRO Aisa	6 – 8 November	Singapore
NAWLA Traders Market	12 – 14 November	Chicago



**Display of MTCC promotional material including PEFC-certified garden furniture at Tropical Islands, a tropical theme park located in the state of Brandenburg, Berlin in conjunction with the International UN-Day of the Tropical Forest on 16 September, organised and coordinated by Kaiser Communication, MTCC PR agency in Germany**



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# FINANCIAL STATEMENTS

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# FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	2014 RM	2013 RM
<b>ASSETS</b>		
<b>Non-current asset</b>		
Property, plant and equipment	2,496,840	2,603,449
<b>Current asset</b>		
Trade receivables	4,213	20,283
Sundry receivables and deposits	137,884	328,706
Short term investments	79,074,576	67,579,809
Deposits	7,953,650	19,732,638
Cash and bank balances	106,847	301,579
<b>Total current assets</b>	87,277,170	87,963,015
<b>TOTAL ASSETS</b>	<b>89,774,010</b>	<b>90,566,464</b>
Endowment fund	84,000,000	84,000,000
Accumulated fund	5,363,879	6,357,279
<b>Total equity</b>	<b>89,363,879</b>	<b>90,357,279</b>
<b>Current liabilities</b>		
Sundry payables and accruals	391,143	190,197
Current tax liability	18,988	18,988
<b>Current liabilities</b>	410,131	209,185
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>89,774,010</b>	<b>90,566,464</b>



## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	2014 RM	2013 RM
Revenue	20,550	92,880
Direct costs	(925,420)	(1,051,174)
Gross loss	(904,870)	(958,294)
Other income	3,295,316	3,030,123
Administrative and general expenses	(3,383,846)	(3,167,468)
(Deficit)/Surplus before tax	(993,400)	(1,095,639)
Tax expense	-	-
<b>(Deficit)/Surplus for the year</b>	<b>(993,400)</b>	<b>(1,095,639)</b>
Other comprehensive income	-	-
<b>Total comprehensive (deficit)/income for the year</b>	<b>(993,400)</b>	<b>(1,095,639)</b>





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