

Laporan Tahunan • Annual Report 2010



PUSAKA

**SARAWAK TIMBER INDUSTRY DEVELOPMENT CORPORATION (STIDC)**

PERBADANAN KEMAJUAN PERUSAHAAN KAYU SARAWAK (PUSAKA)



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# Corporate Vision

PUSAKA as the Leader and Catalyst of the Timber Industry.

## Corporate Mission

PUSAKA plays its roles in planning, coordinating and developing the timber industries in Sarawak towards optimum and efficient utilisation of timber resources by encouraging downstream processing and product diversification. In line with these objectives and the National Vision 2020, PUSAKA is responsible for the development of disciplined, skilled and capable human resources.

## Corporate Functions

To control and co-ordinate the manufacturing standards and trade practices of the timber industry;

To make recommendations to the Government as to the methods, measures and policies to be adopted to facilitate the improvement of the existing timber industry, and where approved by the Governor-in-Council, to implement and assist in the implementation of the same;

To encourage effective utilisation of timber with emphasis on products diversification and quality control;

To promote, stimulate and facilitate the development of the timber industry in Sarawak, and in connection with the discharge of its functions to assist any person engaged in the production and marketing of timber;

To provide technical advisory services for the purpose of assisting in the development of the existing timber industry and in the establishment of new industries; and

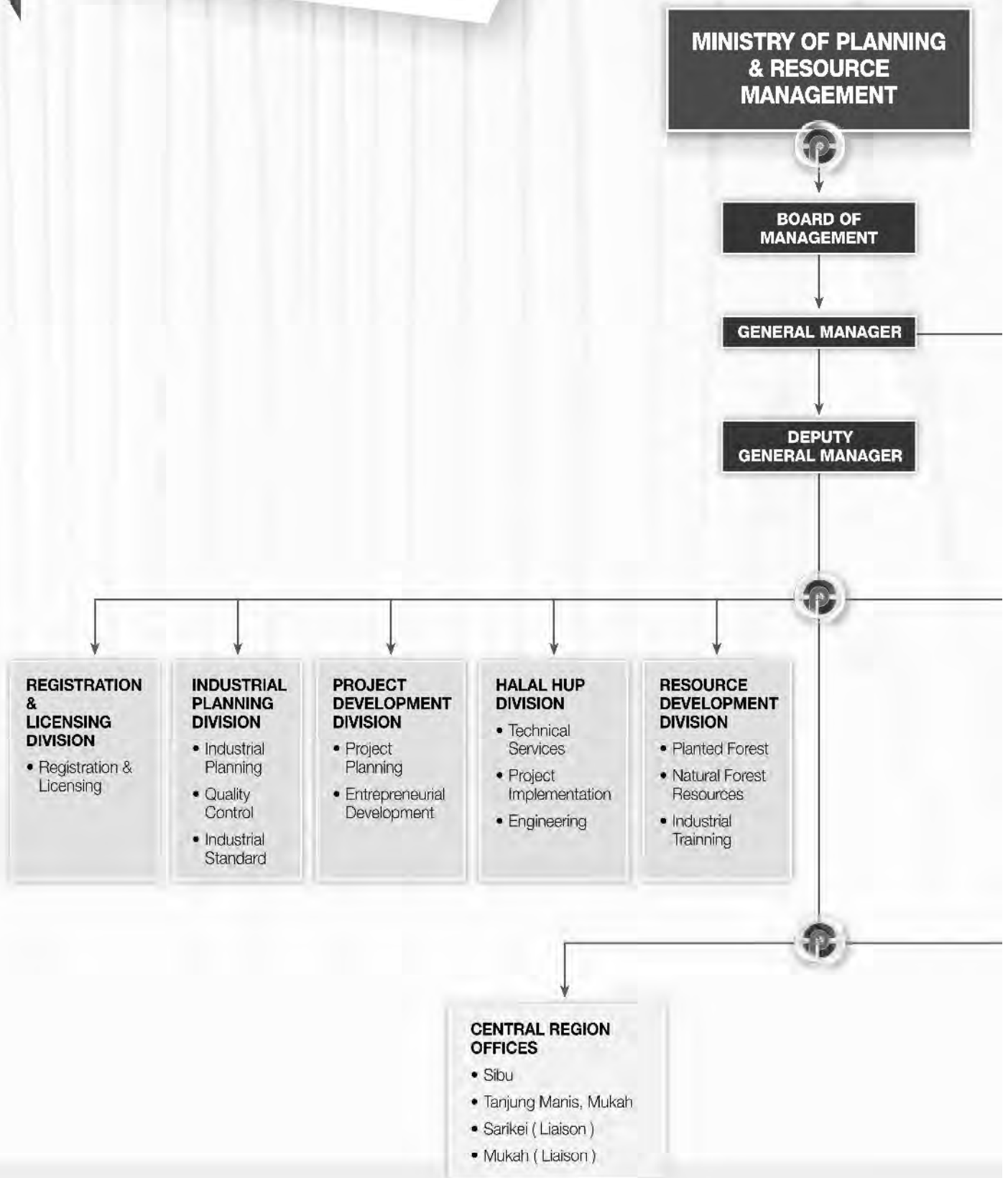
To provide training in various aspects of logging operations, activities associated with the timber processing, sawmilling, sales and marketing of timber and timber products.



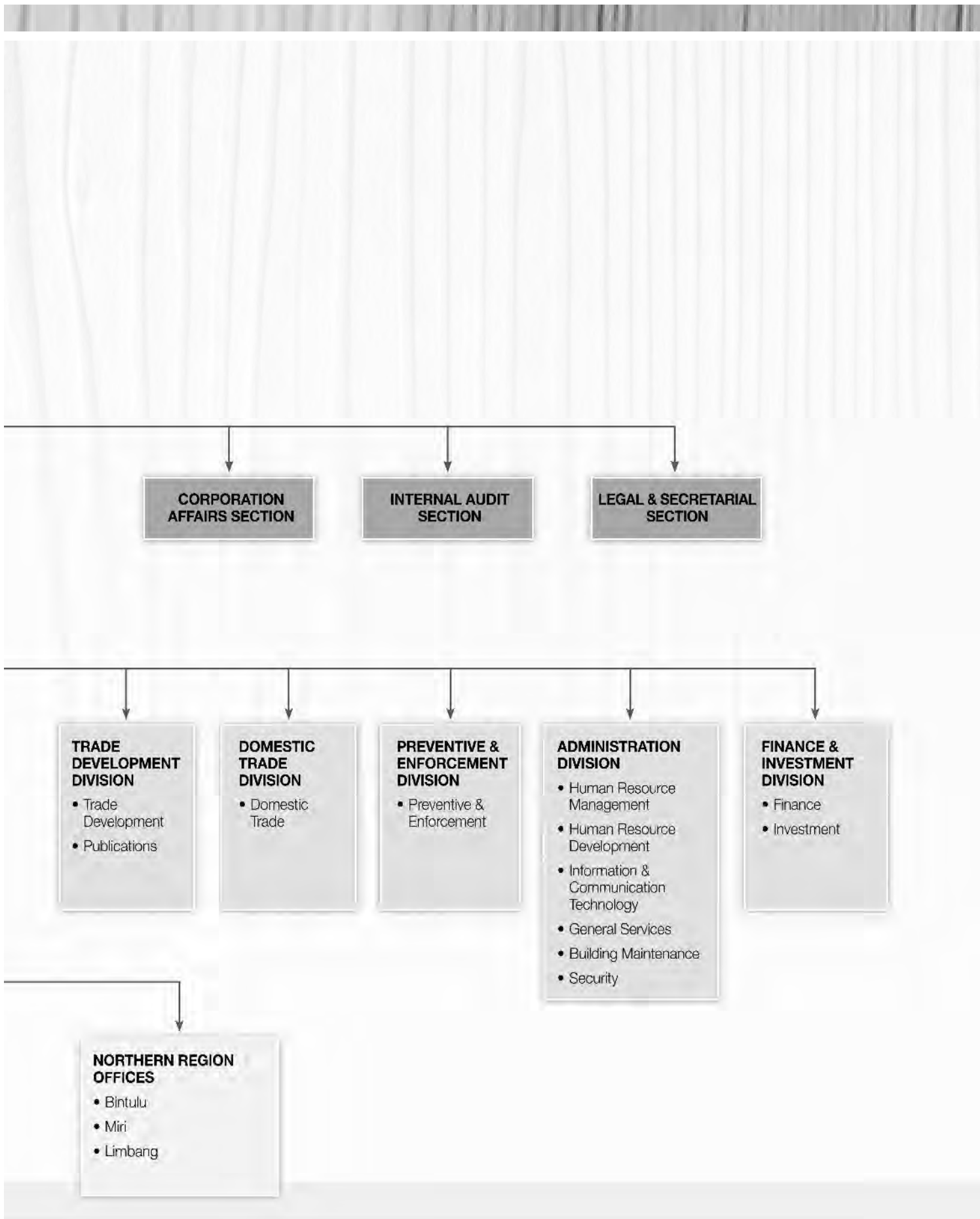


# Corporate Structure

# Corporate Structure











Management



# Board Of Management



## Chairman

The Honourable Datuk Amar Haji  
Awang Tengah Ali Hassan

*Minister of Planning and Resource Management II  
and Minister of Public Utilities*



Dato Sri Ahmad Tarmizi bin  
Haji Sulaiman  
*State Financial Secretary*



Datu Wan Alwi bin Dato' Sri  
Wan Hashim  
*Permanent Secretary,  
Ministry of Planning and Resource Management*



Tan Sri Datuk Amar Haji Abdul  
Aziz bin Dato Haji Husain



The Honourable Tuan Haji  
Julaihi Haji Narawi



Datuk Dr. Yusuf Hadi



# Management Team

## General Manager

Yang Berbahagia Datu Haji Sarudu Haji Hoklai



1. Tuan Haji Hashim Haji Bojet  
*Deputy General Manager*
2. Puan Dayang Nena Abang Bruce  
*Senior Assistant General Manager (Trade & Industry)*
3. Puan Sadiyah Binti Tu  
*Senior Assistant General Manager (Hab Halal)*
4. Cik Haluyah Awi  
*Senior Assistant General Manager (Administration)*
5. Puan Catherine Sng Bee Seio  
*Assistant General Manager (Finance and Investment)*
6. Encik Edmund Daging Mangku  
*Assistant General Manager (Resource Development)*
7. Encik Tagat Jimbat  
*Assistant General Manager (Domestic Trade)*
8. Encik Mohd Hinri Abdullah  
*Assistant General Manager (Preventive and Enforcement)*
9. Tuan Haji Wan Ahmad Lutfi Wan Zainal Abidin  
*Acting Assistant General Manager (Project Development)*
10. Encik Paul Lau Ngie Hung  
*Acting Central Regional Manager*
11. Encik Jerry Mawan Lading  
*Acting Northern Regional Manager*
12. Puan Suraya Haji Mohd. Ali  
*Senior Manager Registration & Licensing*
13. Encik Bill Ensol Abang  
*Acting Senior Manager Hab Halal Tanjung Manis*
14. Encik Nicholas Andrew Lissem  
*Manager Industrial Planning*

MANAGEMENT TEAM

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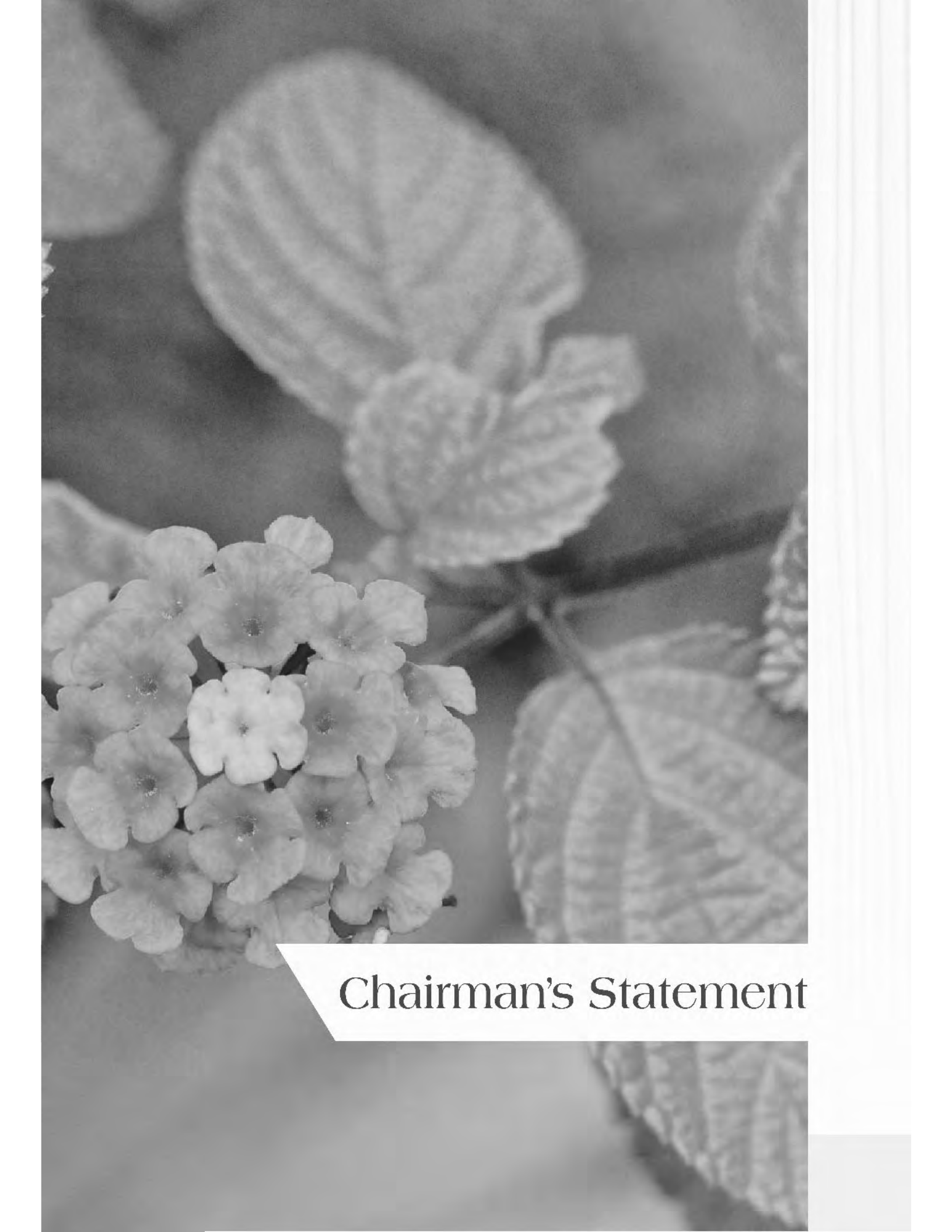
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# Chairman's Statement



# Chairman's Statement

Assalamualaikum Warahmaatullahi  
Wabarakatuh.

It is an honour to be given this privilege to present the STIDC Annual Report and Financial Statement for the year ended 31<sup>st</sup> December 2010.

First and foremost I would like to take this golden opportunity to welcome Datu Haji Sarudu Haji Hoklai who succeeded Datu Haji Len Talif Salleh as the new General Manager of STIDC effective 1<sup>st</sup> January 2010. With his 30 years experience in the civil service, I am confident that Datu Haji Sarudu will take the new challenge courageously in realising the government's aspiration to sustain a resilient timber industry in Sarawak.

2010 marked the global economic recovery with significant improvement in business sectors including the timber sector. In Sarawak, the accumulated value of timber and timber products grew by 9% to RM7.2 billion compared with RM6.6 billion in 2009. This was partly due to the increase in volume of the major timber products such as logs, sawn-timber and plywood by 9-14%. Similarly, other products were also on the uptrend such as laminated-board (87%), particleboard (66%), woodchips (7%) and fibre-board (6%). However, the value of block-board, dowels, veneer and moulding dropped by 88%, 32%, 13% and 9% respectively. Plywood being the major product contributed 52% to RM3.8 billion to the total value of timber and timber



products from Sarawak. Logs contributed 27% to RM2.0 billion and sawn-timber contributed 11% to RM807 million respectively.

Taking advantage of the stable economic situation, STIDC continued to play its role as the leader and catalyst of the timber industry in Sarawak and involved actively in major events in meeting the needs of the industry.

Recognising the immense opportunities in the international market, STIDC participated in both the Malaysian International Furniture Fair and Export Furniture Exhibition in Kuala Lumpur on 2<sup>nd</sup> – 7<sup>th</sup> March 2010. On 19<sup>th</sup> – 20<sup>th</sup> October 2010, the Corporation had also taken part in the Global Woodmart 2010 in Kuala Lumpur. Besides keeping abreast with the current trends in furniture designing and exploring market opportunities, our involvement in these events also reflected our consistent efforts in helping the industry to stay competitive.

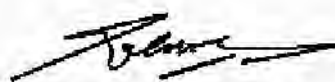
Efforts were also made to promote Tanjung Manis Halal Hub (TMHH) at the global arena particularly among the European countries to encourage them to invest in Tanjung Manis. TMHH is a component of the Sarawak Corridor of Renewable Energy (SCORE) in which STIDC plays its pivotal role in providing the infrastructure aside from overseeing the overall implementation of this project and ensuring its success. The project is in tandem with the Malaysian Government Master Plan to transform the country into a global halal hub. Featuring a sustainable green energy development model, TMHH is poised to become the first one-stop halal hub in Sarawak for upstream and downstream halal food processing and manufacturing activities. With over 77,000 hectares earmarked for this project, it will be the largest halal hub in the country. The incorporation of advanced technology, renewable energy and

sustainable practice will also make it one of the most scientifically and environmentally advanced halal hub in the world. TMHH will support other fields such as aquaculture, poultry and egg production, livestock and meat production, fruit gardens, animal feed mills, eel farming as well as chlorella plant and tilapia hatchery. Tanjung Manis and its neighbouring areas stand to gain from this project particularly in terms of new infrastructure development as well as business and employment opportunities.

On 22<sup>nd</sup> – 27<sup>th</sup> July 2010, STIDC joint the Sarawak Investment Symposium in London and the Inaugural Oxford Global Islamic Branding and Marketing Forum in Oxford. Our involvement in these events augured well with the development of TMHH.

To ensure continuous improvement in delivery system, various initiatives were taken to deliver the services on-line through a concrete master plan. Subsequently, some of the core activities were computerised such as e-IPR, e-Permit, e-Regnet and e-Grading. This has led to significant improvement in terms of decision making, information sharing as well as in meeting customers' needs.

STIDC will continue to strive for the better, taking advantage of the improvement in the global economy for mutual benefit.



**THE HONOURABLE DATUK AMAR HAJI  
AWANG TENGAH ALI HASSAN**

*Minister of Planning and Resource Management //  
Minister of Public Utilities  
Chairman of STIDC Board of Management*





## Corporate Profile





# Resource Development

Resource Development officers visiting one of the planted forest project sites



**T**he Resource Development Division continued to play its role in ensuring the supply of raw materials and human capital are readily available for the development of the timber industry. Among the core activities undertaken by this division in 2010 were forest resource management, industrial workforce planning and industrial capacity building.

In its stride to ensure sufficient supply of raw materials, this division continued to monitor the execution of various related policies including the implementation of Log Quota Policy, Ramin Export Quota, Logs Importation, the logging progress of timber concession areas, the planting progress of forest plantation and the issuance of the Sustainable Forest Management & legality Statements.

In terms of Log Quota performance, 174 forest licensees were effected and 4.35 million cubic metres (70%) of logs produced were sent for local processing throughout 2010. The Ramin export quota performance only utilised 83% of the 3,178 cubic metres allocated quotas during the year. This division had also issued 73 Sustainable Forest Management & Legality Statements involving 4,336 cubic metres of timber products.

Throughout 2010, the division was entrusted to monitor the development of three forest plantation establishments. These were joint venture projects between KTS Sendirian Berhad and STIDC with a total area of 98,375 hectares. Out of these, 11,761 hectares were planted with trees and 4,877 hectares with oil palm.

The division was also responsible to ensure adequate supply of workforce for the timber industry by recommending the suitable number of workers compatible with its operating capacity and providing capacity building. In 2010, a total of 82 participants were trained in furniture making, wood carving and timber grading compared with 123 participants in 2009. Strategies are in the pipeline to encourage greater participation from the public particularly the youth.

In 2010, there were 35,652 workers in the timber processing sector, consisting both the locals and foreigners.

As a whole, the division had played its pivotal roles particularly in ensuring adequate supply of raw materials and human capital for mutual benefit.

# Project Development

**B**uilding on STIDC's experience in developing Tanjung Manis from a mere mangrove swamp forest into a new township as it is today, the State Government had tasked the Corporation to undertake the development of Tanjung Manis into a new economic hub for the central region. Its primary role focuses on the development of industrial lots and basic infrastructure for potential economic activities in the township as well as the 77,000 hectares Halal Hub, reckoned to be the world's largest once fully developed. STIDC had also played important role to develop and manage the Tanjung Manis Airport, Furniture Industrial Complexes in Kuala Baram, Kota Samarahan and Tanjung Manis besides property development at Sumber Alam Sanctuary and Tanjung Manis.

In the context of the above project developments, the Project Section looked into the Development Master Planning, including land use and provided "The Game Plans" of various infrastructure developments to support the above industries. In realising "The Game Plans" the Section ensured that approvals of the relevant authorities such as the State Planning Authority and other regulatory agencies were obtained. It also handled land matters with Land and Survey Department and the community in ensuring that the designated land for the intended development purposes were rightfully vested with STIDC. Equally important was its role in sourcing for resources and financing for implementation of the various projects. In addition, the Project Section also handled sales of industrial lots, co-ordinated application and renewal of Sand and Gravel Licenses aside from




The Inaugural Oxford Islamic Branding & Marketing Forum, Oxford  
26th-27th July 2010  
Said Business School, University of Oxford



Sarawak Investment Symposium  
22nd July 2010  
Drochester Hotel – London





carrying out related studies and processing appointments of project consultancy and contractors via tenders and quotations. Other services included supporting the Corporate Affairs Section in handling visits by investors, government agencies and public to project sites and promotional activities via exhibitions.

Among the programmes which had been successfully carried out in 2010 were as follows:

- 2010 had also seen the Project Section's participation in various international programmes such as The 7<sup>th</sup> China-ASEAN Expo (CAEXPO 2010) at Nanning International Convention and Exhibition Centre (NICEC) China, The Sarawak Investment Symposium 2010 in London, and The Inaugural Oxford Islamic Branding and Marketing Forum 2010 in Oxford.



THE 7<sup>TH</sup> CHINA-ASEAN EXPO (CAEXPO 2010)  
20<sup>th</sup>-24<sup>th</sup> October 2010  
Nanning International Convention & Exhibition  
Centre (NICEC), Nanning, China



# Tanjung Halal Hub Manis

**W**hen Tanjung Manis Halal Hub was mooted by the government, STIDC was appointed to manage and oversee its development. The Halal Hub Division was then set up to handle all matters pertaining to the development of Tanjung Manis Halal Hub as well as Infrastructures and investments.

This Division also provides technical input to the Development Master Plan. Halal Hub Division's technical input is crucial at the planning and design stage to ensure that the project specifications meet the users and stakeholders requirements. Once the project is implemented, this Division co-ordinates and monitors the contractors' performance through consultants and STIDC Project Manager. It is also responsible to verify payments to contractors and authorizes payment order while managing the project cash-flows. In addition, it ensures that the necessary projects status reports are submitted to the management on monthly basis and provides all the necessary information as required by State and Federal Agencies based on the given schedule.

The Projects which were completed in 2010 are as follows:

1. Proposed Shipbuilding works at Lot 659, Tanjung Manis, Mukah Division.



2. Proposed Development of Palm Oil Industrial Cluster (POIC) in Tanjung Manis, Mukah Division.
  - a) Realignment of SESCO Towers



Among the on-going projects in 2010 are as follows:

1. Proposed Extension of Existing Shipbuilding at Lot 657, Tanjung Manis, Mukah Division.





2. Central Oil Distribution Terminal(CODT) – JV Project with Shell, Petronas and Senari Synergy



3. Proposed Development of Palm Oil Industrial Cluster (POIC) in Tanjung Manis, Mukah Division
  - a) Oil, Gas and Chemical Jetty

Meanwhile, there are 3 projects that were tendered out and started construction in 2010 as follows:

1. Proposed Road Starting from Serdeng Junction Passing Through Bandar Baru Tanjung Manis, Halal Park and Kampung Rajang. (Package A – Road, Drainage and Associated Works)



2. Proposed Road Starting from Serdeng Junction Passing Through Bandar Baru Tanjung Manis, Halal Park and Kampung Rajang. (Package B – Electrical and Telecommunication Works)



3. Proposed Development of Palm Oil Industrial Cluster (POIC) in Tanjung Manis, Mukah Division. (Package B – Sand filling, Road, Drainage, Water Reticulation, Electrical and Telecommunication Infrastructure)





# Entrepreneurial Development

**T**he Entrepreneurial Development Section which is part of the Project Development Division is tasked to realise the STIDC role in developing the Bumiputera furniture entrepreneurs through the Vendor Development Programme. Through this programme, STIDC had successfully developed and groomed 49 Bumiputera furniture vendors in 2010 compared with 47 in 2009.

Review on the implementation of the Vendor Development Programme had identified an approach which emphasised on STIDC efforts to assist these entrepreneurs through short, medium and long term objectives with the following goals:

- i. to achieve the furniture production worth not less than RM1 million per year through government contract;
- ii. to promote the production of furniture by the Bumiputera entrepreneurs worth not less than RM6 million per year for open market;
- iii. to produce not less than 50 vendors statewide under the 10<sup>th</sup> Malaysia Plan (2011-2015); and
- iv. to ensure not less than five Bumiputera entrepreneurs becoming the export market players.

wooden  
furniture made  
by STIDC  
furniture  
vendors



With emphasis on attitude, knowledge and skills (ASK), the Vendor Development Programme had enabled STIDC to focus its planning on developing the furniture entrepreneurs who are more competitive, innovative and independent.

Through this programme, STIDC had also organised various activities such as courses and workshops so as to enhance the skills in furniture making among the furniture entrepreneurs. Credit facilities were also provided to help these entrepreneurs in their business. STIDC through the Entrepreneurial Development Section also continued to monitor the progress of these furniture vendors by providing guidance particularly in terms of technical and management skills.

In ensuring a vibrant Bumiputera furniture business community, STIDC will continue to play a leading role in helping the entrepreneurs concerned who had shown a high degree of commitment and consistency in furniture industry to forge ahead and penetrate the export market.





Produk  
R&D  
KIPPI



# Trade Development

The performance of the timber sector recovered slightly in 2010 after experiencing uncertain market conditions in the previous year following the global economic depression that impacted the timber trade. Sarawak exports of timber and timber products increased by 7% from RM6.7 billion in 2009 to RM7.2 billion in 2010. STIDC continued to take concerted efforts in promoting the development of the timber industry through its various annual programs to ensure sustainable growth of the industry and remains as the backbone of the State economy.

The Industry Updates Program is one of the platforms for STIDC to share and disseminate the latest information and developments on pertinent issues affecting the timber industry. Amongst the issues deliberated during the forum were on the

Implementation of Electronic Industrial Production Return (e-IPR), Sarawak Chain-of-Custody (CoC) and Procedure on fumigation requirement of Importing Log and Sawn timber. As a follow-up to STIDC participation in the International Wood Product Association Convention (IWPA) in the United States, STIDC had also organized a briefing and sharing of information on the implementation and import declaration requirements under the Lacey Act.

A major breakthrough during the year was the establishment of Inter-Agency Committee on Timber Industry (IAC) initiated by STIDC, with the aim to synergize efforts in facilitating trade and marketing of timber. Besides STIDC, members of the IAC committee comprise Sarawak Forest Department, Sarawak Forestry Corporation (SFC), Sarawak Timber Association (STA) and



Datuk Yahaya Abdul Jabar, Malaysian Ambassador to the UAE (4<sup>th</sup> left) and Dato' Dzulkifli, Senior Trade Commissioner (2<sup>nd</sup> right) visiting the Sarawak booth at Dubai WoodShow 2010

Harwood Timber Sdn. Bhd. The Committee had successfully resolved and addressed some major issues affecting the timber industry.

The year 2010 was also a challenging period for the timber industry where the Korea Trade Commission had initiated an anti-dumping investigation against the import of plywood from nine Malaysian plywood companies including eight companies from Sarawak. STIDC had taken proactive approach in assisting the local plywood manufacturers who were affected by the anti-dumping investigation. In this respect, STIDC in collaboration with the Ministry of International Trade and Industry (MITI) had also organized a briefing on the case to the industry especially companies directly affected by the allegation so as to create awareness and provide guidelines on how to response to the issue.

STIDC continued to participate in international exhibitions namely at the Malaysian International Furniture Fairs (MIFF), Export Furniture Exhibition (EFE) and MTC Global Woodmart in Kuala Lumpur. STIDC in collaboration with STA also participated for the first time in Dubai International Wood and Wood Products Show, United Arab Emirates. These were amongst the world's leading timber trade exhibitions to promote and encourage the wider applications and usage of locally produced timber products from Sarawak.

STIDC, together with other related agencies from Sarawak participated in the International Symposium on Legality Verified Wood in Tokyo, Japan, as its commitment to support and curb illegal logging and its associated trade and promote the use of Goho-Wood or legal timber in Japan as well as in the global market. Sarawak presented its Legality Verification of Logs System which is a very comprehensive system of tracking the movement of logs

in Sarawak. The Forestry Agency of Japan recognized the verification method of Malaysian timber and confirmed that timber and timber products imported from Sarawak, under the Sarawak CoC have complied with the Guideline for Verification on Legality & Sustainability as drawn up the Agency. To enhance its commitment towards this effort, STIDC also participated in the 13<sup>th</sup> ASEAN Senior Official on Forestry (ASOF) meeting in Manila, Philippines.

STIDC, as the focal point in Sarawak in the negotiations of Forest Law Enforcement, Governance and Trade (FLEGT) Voluntary Partnership Agreement (VPA) between Malaysia and European Union (EU) continued to be actively involved in this negotiation. The FLEGT VPA activities were mainly focused on drafting the VPA Legal Text. Generally, negotiations between the two countries stalled during the year as certain outstanding issues have yet be resolved and agreed between the parties.

STIDC also received foreign visitors who were interested to keep abreast with the latest information on the forests and timber industry in the State. Amongst the foreign visitors received was His Excellency, Mohamad Zaki, High Commissioner of Maldives in Malaysia. STIDC also coordinated the visit by Mr. Toshiyuki Akagi, Director, Wood Products Trade Office, Forestry Agency, Ministry of Agriculture, Forestry and Fishery, Japan who wished to understand further regarding our legality system.

STIDC will continue to take proactive measures at enhancing the competitiveness of the industry through its various programs and involvement at national and international levels for sustainable growth of the industry.







STIDC General Manager, Datu Haji Sarudu Haji Hoklai (middle) and his Deputy, Tuan Haji Hashim Haji Bojet (4th left) at the STIDC booth during the MIFF 2010



Visitors at the Sarawak booth (Dubai WoodShow 2010)

# Industrial Planning

**S**TIDC continues to play important roles in formulating and implementing strategic development plans for the wood-based industry in Sarawak. The inputs in formulating and reviewing macro policies like the Ninth Malaysia Plan (9<sup>th</sup> MP), Industrial Master Plan III (IMP3), National Timber Industry Policy (NATIP) and Sarawak Corridor of Renewable Energy (SCORE) are pertinent for sustaining the timber industry and the socio-economic development of Sarawak. STIDC also monitors the development of the timber industry to measure effectiveness of policies implemented.

There were 854 mills in Sarawak recorded in 2010, making this sector as one of the main manufacturing activities in Sarawak. The total production of the main products like plywood, sawn-timber and veneer were 2,875,975 m<sup>3</sup>, 1,127,190 m<sup>3</sup> and 631,549 m<sup>3</sup> respectively. The wood-based industry was encouraged to optimise the utilization of forest resources by processing mill residues to produce value-added



An overview of a plywood production line

products. The Annual output of such products like fibreboard, particle board and wood chip were 248,353 m<sup>3</sup>, 134,624 m<sup>3</sup>, and 350,985 metric tonne, respectively.

In the effort to ensure orderly development, all wood-based mills except sawmills were licensed by STIDC. In 2010, about 200 mills were inspected before new or annual renewal of mill registrations were approved.

STIDC also continued to inform the industry on the new mandatory requirements for timber products imposed by consumer countries. Active involvement in committees to develop and revise technical standards at both the national and international levels served to ensure that the standard compliance would not become barriers for timber products from Sarawak to penetrate the global markets.

A briefing on the revised Lacey Act was conducted on the 8<sup>th</sup> June 2010 for the industry



Datu Haji Sarudu Haji Hoklai, General Manager of STIDC (2<sup>nd</sup> right) presenting a souvenir to Dr. Chen Sau Soon, Senior General Manager of Environment & Bioprocess Technology Centre, SIRIM Berhad (left) in conjunction with the Workshop on Carbon Footprint (CFP) for Plywood Industry in Sarawak held in Sibul



in Sibul. The amended Lacey Act requires importers to declare some specific data like timber genus and species, value, quantity and country or countries of origin for all wood products exported to United States.

Another briefing on carbon footprint was organised for the plywood industry in Sibul and Bintulu to inculcate awareness on techniques to promote a more environmental friendly timber products.

Increases in consumer awareness on the importance of environmental safety and health factors in a particular products required domestic producers to comply with future standards imposed by the consumer countries such as the control of carbon emissions from wood products. This briefing was attended by 54 participants from 24 companies from the plywood industry in Sarawak. A pilot study on carbon footprint for plywood industry in Sarawak was initiated in preparation for wood products eco-labeling.

Grading of Plywood



# Quality Control

In tandem with STIDC role as the Grading Authority in Sarawak, the Quality Control Section is tasked to monitor the quality of sawn-timber for export based on The Timber Grading Regulations, 2008 and The Malaysian Grading Rules for Sawn Hardwood Timber, 2009 Edition (MGR).

Effective 1st June 2008, STIDC had adopted an on-line Grading Information System (e-Grading) for application and issuance of Grading Certificates. The system aims to enhance effectiveness and efficiency in terms of service delivery for customers' satisfaction.

The other core responsibilities of this section include wood identification and verification services, renewing the wood grading registration, issuing grading competency certificates and conducting wood identification courses.

In 2010, the total volume of timber graded in Sarawak were 942,547.4861 cubic metres to RM950,424.45. At the same time, 6,793 Grading Certificates were approved and issued.



The Malaysian Grading Rules Practical Training in progress



Participants of the Malaysian Grading Rules Course discussing points of Interest

Bintulu division with the highest volume of graded timber contributed 441,248.1341 cubic metres. This represented 46% out of the total volume of timber graded in the state during the year.

Compared with 2009, grading activities for 2010 grew by 10.4% to 97,930.8180 cubic metres. The total volume of timber graded in 2010 had also surpassed the targeted volume of 850,000.0000 cubic metres.

As a whole, the average monthly grading volume in 2010 was 78,545.6004 cubic metres with 560 Grading Certificates issued per month. In addition, 163 Timber Graders had renewed their registration with STIDC and involved actively in grading activities.

Besides carrying its core activities like timber grading and wood identification, Quality Control Unit had also conducted Wood Identification Course for Sarawak Energy Berhad employees. Attended by 68 participants, the course was divided into three sessions including in Kuching on 5th – 7th April 2010, Sibul on 19th – 21st April and Miri on 18th – 20th May 2010.



Participants of the Malaysia Grading Rules Course held in Sibul, Sarawak

# Domestic Trade

In 2010, STIDC through the Domestic Trade Division had successfully upgraded the quality of its service delivery system by developing the Attachment System Module and the Dynamic Report Module. Besides providing an online export and import applications, these systems also enabled all the export and import data to be reported based on real time. The upgrading of the system was in line with the civil service transformation initiative as well as the ISO 9001:2008 requirement.

Throughout 2010, STIDC had issued 28,000 export licenses and 70 import licenses compared with 26,000 export licenses and 47 import licenses issued in 2009.

Meanwhile, the export volume of timber and timber products grew by 2.8% to 8.1 million cubic metres in 2010 compared with 7.0 million cubic metres in 2009. The export value had also grown by 8% to RM7.2 billion in 2010 compared with RM6.7 billion in 2009.

Japan being the major consumer of timber and timber products contributed RM2.4 billion in 2010 followed by India with RM1.2 billion and Taiwan with RM776 million. India became the major importer of timber with 2.2 million cubic metres to RM1.1 billion. Japan on the other hand was the major importer of plywood with 1.2 million cubic metres to RM1.9 billion. In terms of sawn-timber, Thailand was the major importer with 257,000 cubic metres to RM224 million.

While Thailand showed significant potential to become timber importer, China and Taiwan had also displayed similar potential to become plywood and sawn-timber importers respectively. These potentials should be explored and tapped by the local industry players so as to diversify the markets.

The 2010 export growth for timber and timber products was attributed to several factors such as the global economic recovery, good quality products, having established traditional markets, active promotions as well as sustainable raw materials for global market and local processing.

2010 had also seen a decline in the volume of imported timber by 46% to 220 cubic metres compared with 404 cubic metres in 2009.

The import value had also declined by 44% to RM367 million in 2010 compared with RM659 million in 2009. Australia became the major timber producing country while the major timber species imported was Spotted gum.



Study visit to the Ministry of International Trade and Industry to acquire new ideas to enhance the delivery system



Pallet-blocks are among the value-added products derived from wood residues





# Registration & Licensing

STIDC General Manager, Datu Haji Sarudu Haji Hoklai (front middle) together with the Registration & Licensing Division brainstorming session participants



The number of registration applications received and approved had dropped by 7% from 1,776 in 2009 to 1,653 in 2010. Similarly, the revenue earned from registration activities had also dropped by 3% from RM577,345.00 in 2009 to RM558,405.00 in 2010. This was attributed to the decline in almost all types of registration applications including the new registration applications which shrank by 13% from 207 in 2009 to 180 in 2010, renewal applications by 5% from 1,298 in 2009 to 1,233 in 2010, Additional Activities by 46% from 115 in 2009 to 62 in 2010 and Cancellation of Company by 28% from 11 in 2009 to 8 in 2010.

Kuching recorded the highest number of applications received in 2010 with 680 applications, followed by Sibul (397), Miri (264), Bintulu (195), Limbang (64) and Tanjung Manis (53). Out of these, applications for Cancellation of Activities had increased by 50% from 6 in 2009 to 12 in 2010. Likewise, applications for Reinstatement of Registration had also recorded a growth of 17% from 138 in 2009 to 161 in 2010 although there was no application received for Replacement of Certificate.

In terms of Mill Registration (ICC/ICA) applications, there was a growth of 31% to 34 applications received in 2010 compared with 26 applications in 2009. Similar trend was also recorded for new investments which grew by 15% from 11 applications in 2009 to 13 in 2010. The approved products emphasised on downstream products such as plywood, sawn-timber, panel products, furniture, door and window frames, briquette, compressed wood and biomass pellets.

Local investors made the highest contribution in terms of paid-up capital which accounted for RM116 million or 98% compared with foreign investors which made up of 2% to RM1.7 million. Apart from that, the value of paid-up capital grew by seven folds to RM117,685,800.00 compared with RM16,709,531.00 in 2009. Project costs also rose by 92% from RM73.66 million in 2009 to RM856 million in 2010. Employment opportunities also grew by 102% from 1,554 in 2009 to 3,133 in 2010.

# Preventive & Enforcement

**A**mong the functions of STIDC is to regulate the manufacturing standards and trade practices in the timber industry in Sarawak to ensure orderly and sustainable development of this sector.

The enforcement of policy and law which regulates the activities of the timber processing industry in Sarawak is made through the provisions under The Sarawak Timber Industry Development Corporation Ordinance 1973, The Sarawak Timber Industry (Registration) Regulations, 2008 and The Timber Grading Regulations, 2008. Thus, empowering STIDC to undertake preventive measures and enforcement activities to ensure that the person involves in timber related activities such as manufacturing, importing, exporting as well as controlling comply with the relevant regulations and procedures.

As usual, in 2010 STIDC continued with its preventive and enforcement activities with emphasis on combating the smuggling of timber and timber products from the neighbouring country into Sarawak. By maintaining offices at the five designated entry points, STIDC was able to regulate the importation of timber and timber products into the state. This helped to ensure that only timber and timber products supported with valid documents issued by the Indonesian authorities were allowed to enter the state. These activities also included conducting regular



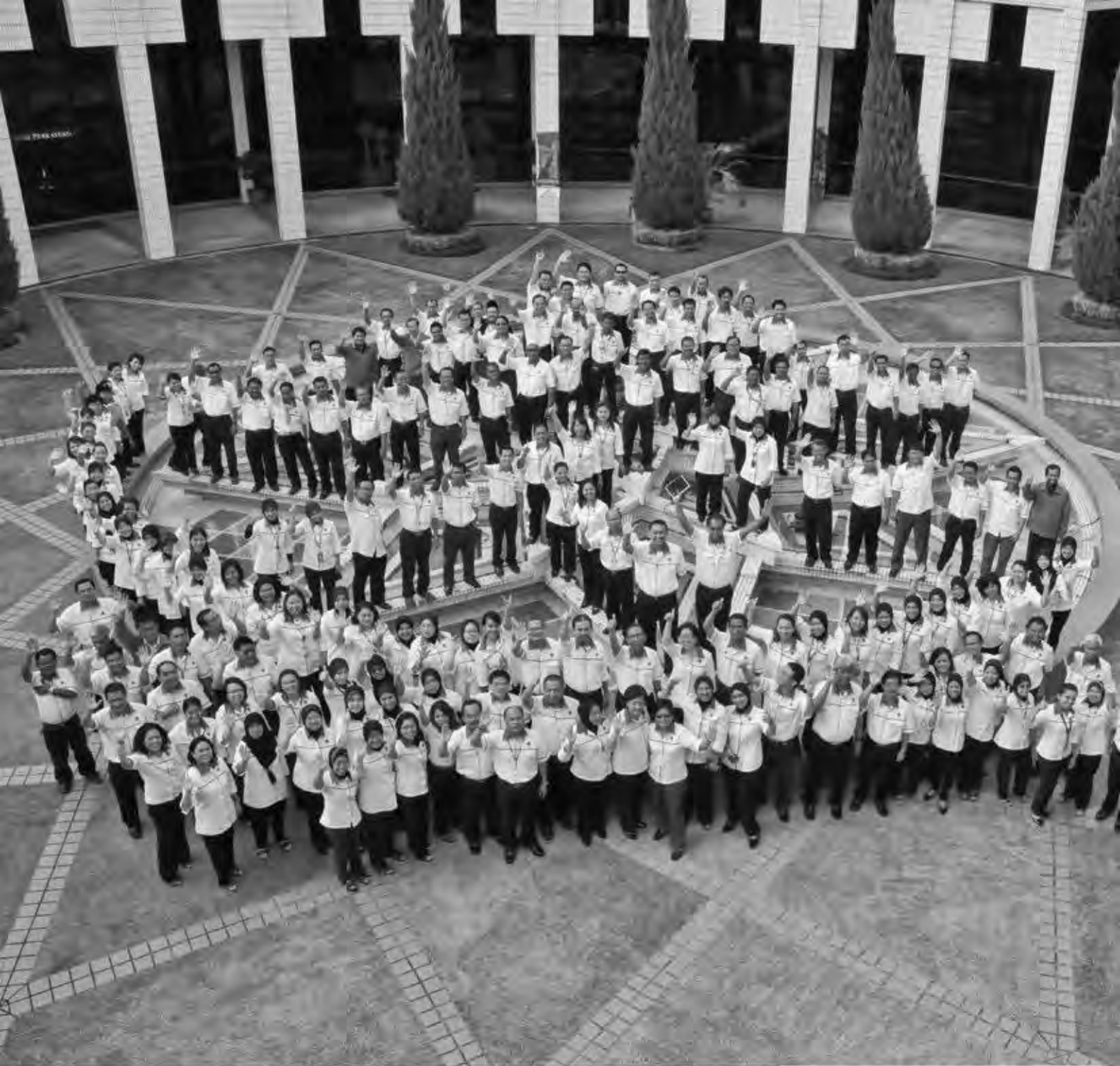
Enforcement and Preventive activity being carried out with the co-operation of the armed forces

patrols along the Sarawak and Indonesia border with the co-operation of the related enforcement agencies like the Police, army, Forest Department, Sarawak Forestry Corporation Sendirian Berhad, Customs and Malaysian Maritime Enforcement Agency. Synergy among these agencies had contributed to the success in combating irregularities.

In undertaking preventive measures, STIDC also maintained close rapport with the existing and potential timber importers to educate them on the policy, rules and regulations pertaining to the importation of timber and timber products from the neighbouring country. This has led to mutual understanding and gathering of useful information pertaining to timber trade to formulate and enhance strategies and actions.

STIDC had also taken appropriate actions against those who were violating the law to ensure continuous development of the timber industry.





Datu Haji Sarudu Haji Hoklai (2<sup>nd</sup> right) handing over the study materials to St.James' School children, Kampung Darul Ehsan. Also seen is his Deputy, Haji Hashim Bojet (right)

# Corporate Affairs

**H**eaded by the Corporate Affairs Manager, this section reports direct to the General Manager of STIDC. Among others, its main responsibilities were to manage STIDC corporate affairs, publications, timber museum as well as the resource centre.

With the support of the 14 staff, this section had successfully achieved the following objectives:

- to provide clear picture on STIDC objectives and services to the timber industry as well as to the people;
- to project positive image of STIDC locally and abroad;
- to maintain good rapport between STIDC, the private sector particularly the timber industry, government agencies and the public;
- to promote mutual understanding and team spirit among the staff; and
- to undertake corporate social responsibilities and other activities for common good.

Among the core activities implemented by this section in 2010 were as follows:

- organising the monthly staff assembly at the headquarters as well as at the divisional and liaison offices;
- co-ordinating the official activities of STIDC and its subsidiaries;
- co-ordinating the exhibitions and special events;
- co-ordinating the media relation and publicity for STIDC official functions;
- co-ordinating the visits to STIDC and the timber museum;
- co-ordinating the STIDC news channel;
- undertaking news coverage on STIDC official functions;
- handling the souvenirs;
- handling the advertisements for print and electronic media as well as for souvenir programme;
- managing the STIDC resource centre;
- managing the corporate publications such as the PERKASA Magazine, Annual Report, Timber Trade Statistics, Guide to the Timber Trade, diaries, festive cards and corporate video; and
- updating the STIDC official website.

Through these activities the Corporate Affairs Section had played its role as one of STIDC arms in overseeing the communication strategy, media relations, internal communications, reputation management, corporate social responsibilities, investor relations and government affairs.



Sejiwa Senada Exhibition

# Legal & Secretarial

**H**eaded by the Legal Manager, this section is divided into two units namely the Legal Unit and the Secretarial Unit. The section reports direct to the General Manager of STIDC.

The Legal Unit aims to provide legal advices and to take legal actions in respect of STIDC. In addition, it also prepares agreement documents and handles renewal of STIDC timber licenses.

The Secretarial Unit on the other hand helps to plan and manage the meetings for Board of Management and STIDC Committees besides carrying the statutory duties for STIDC subsidiaries. This unit also provides statutory information to STIDC and its subsidiaries and at the same time it co-ordinates the Nichimen Forestry Scholarship and Sarawak Higher Education Foundation Funds as well as STIDC annual donation.

In 2010, this Section had successfully co-ordinated the following meetings:

## STIDC Board of Management

No. of Meeting	Date
73	9 <sup>th</sup> April 2010
74	2 <sup>nd</sup> September 2010

## STIDC Establishment Committee

No. of Meeting	Date
52	3 <sup>rd</sup> February 2010
53	26 <sup>th</sup> November 2010

## STIDC Finance Committee

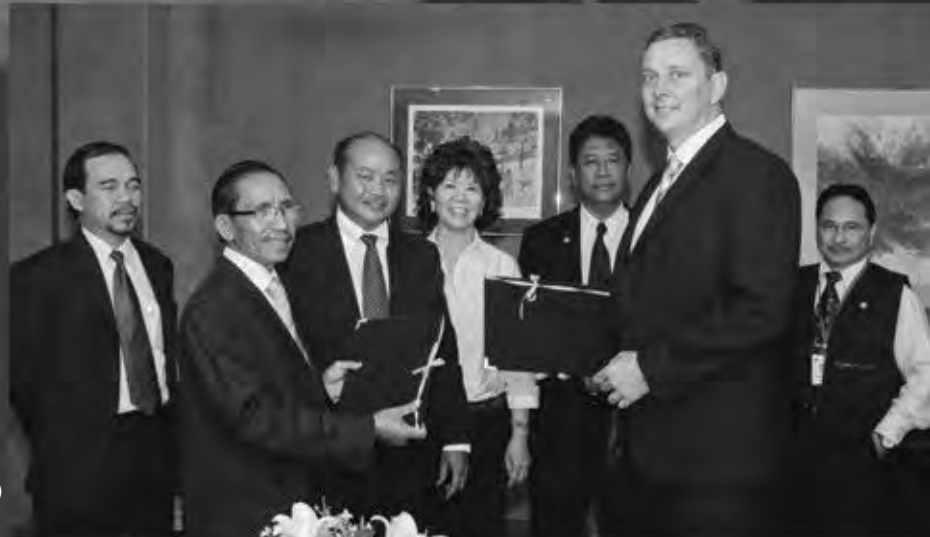
No. of Meeting	Date
44	29 <sup>th</sup> March 2010
45	15 <sup>th</sup> July 2010
46	24 <sup>th</sup> November 2010



The ceremony for the presentation of STIDC annual donation was held on 2<sup>nd</sup> September 2010 at STIDC headquarters in Kuching, Sarawak. The auspicious event was graced by the Minister of Planning and Resource Management II and Minister of Public Utilities cum Chairman of STIDC, the Honourable Datuk Amar Haji Awang Tengah Ali Hassan. The event saw 48 NGOs from across the state receiving a total amount of RM211,000.00 which were in aid of their programmes and activities.



Chairman, The Honourable Datuk Amar Haji Awang Tengah Ali Hassan (middle) chairing the Board Of Management meeting



Exchanging of documents between the STIDC General Manager, Datu Haji Sarudu Haji Hoklai (2<sup>nd</sup> left) and Cellmark AB Marketing Director, Mr. Scott Eaton (2<sup>nd</sup> right) during the Signing of Shareholders' Agreement between STIDC, Polima Compressed Wood Bintulu Sendirian Berhad and Cellmark AB. Also seen are Polima Compressed Wood Bintulu Sendirian Berhad Director, Dato' Ngieng Ping Wei (3<sup>rd</sup> left) and STIDC Deputy General Manager, Tuan Haji Hashim Haji Bojet (left)



# Internal Audit



**I**nternal Audit Section played its role in reaching STIDC goals by analysing business processes, procedures and activities in order to highlight organisation problems and recommend solutions besides ensuring compliances with the policies and procedures.

Internal Audit Section had achieved its KPI targets and objectives as the internal auditor. Among its achievements in 2010 were:

- a) completed all audit projects according to the audit plan;
- b) cost saving over annual budget;
- c) improved operational effectiveness and efficiency of STIDC and its subsidiaries; and
- d) rules and regulations compliance by STIDC and its subsidiaries.

The scope of internal audit is broad and it covers areas such as operational efficiency, deterring and investigating fraud, safeguarding assets and compliance with laws and regulations. Internal Audit Section is therefore responsible to ensure that STIDC achieve the stated goals by executing the above scope of audit.

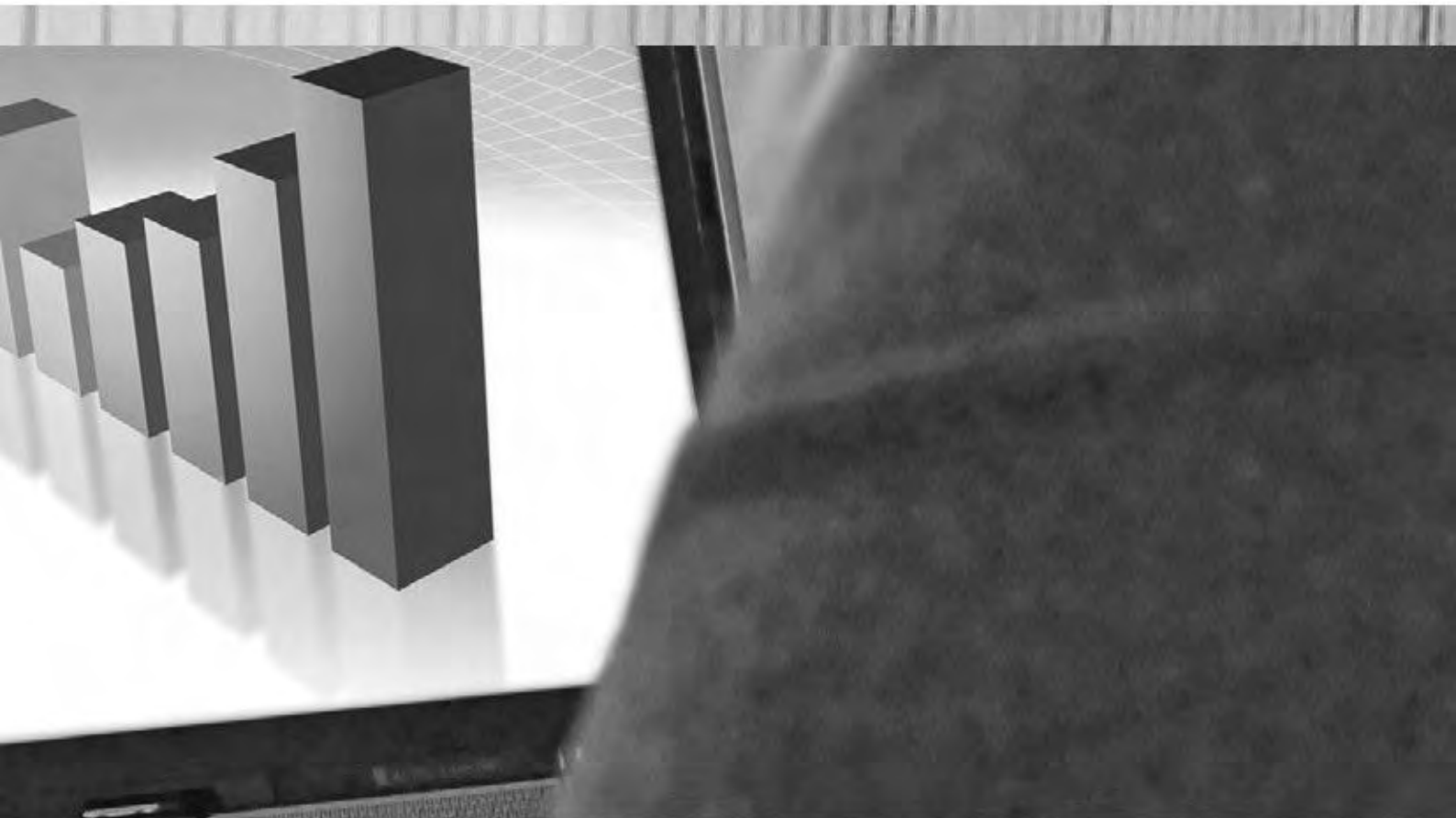
## 2010 Audit Activities

In 2010, Internal Audit Section had completed 19 audit projects covering STIDC Headquarters, divisional and liaison offices and its subsidiaries.

At the Headquarters, internal audits were conducted at the Finance and Investment Division and the Administration Division. Similar exercises were also carried out at the divisional and liaison offices in Miri, Sibul, Bintulu, Tanjung Manis, Sarikei, Mukah and Limbang. These had led to improvement in the overall delivery system of STIDC.

Aside from these, Internal Audit Section also continued to undertake the same assignments for its subsidiaries namely Hornbill Skyways Sendirian Berhad, Harwood Timber Sendirian Berhad, Tanjong Manis Realty Sendirian Berhad, Tanjung Manis Shipping Sendirian Berhad, Saratim Insurance Sendirian berhad and Polima Compresswood Sendirian Berhad.





## Risk Management

Tasked with the role of Risk Management Secretariat, Internal Audit Section is also responsible to compile and analyse the level of risk in STIDC. In line with this, the first Risk Management Meeting was convened on 14<sup>th</sup> December 2010 to deliberate the related issues such as Risk Register, Heat Map and the Key Risk Indicator for Divisions and Sections in STIDC.

## 5S Activity

Throughout 2010, Internal Audit Section had participated actively in 5S activities. This is in support of STIDC aspiration to create conducive and systematic workplaces for mutual benefit. 5S also aims to enhance team spirit among the staff.

## Conclusion

Internal Audit Section subscribes to good corporate governance in helping STIDC to achieve its goals and will continue to add value to the management of STIDC by recommending ways to enhance the delivery system. This could be realised by providing input on systematic methodology to analyse business processes, procedures and activities in order to highlight organisation problems and recommend the best solutions and practices.

# Human Resource Management



**T**he Human Resource Management (HRM) Section is among the five sections under the Administration Division. In 2010, this section had ten staff who report direct to the Senior Assistant General Manager (Administration). HRM section was tasked to look after the staff recruitments as well as the staff benefits.

In relation to staff recruitments, HRM section had carried out various activities pertaining to updating of staff data, recruitment and appointment of staff, advertisement of employment vacancies, secondment of staff, contribution to Tabung Baitulmal and Pension Fund, registration of Induction Course participants, Sarawak State Civil Service Examination 2010, Competency Evaluation Examination 2010, recipients of State Awards 2010, recipients of STIDC Long Service Award 2010, recipients of STIDC Excellent Service 2010; secretariat for STIDC Committees, reshuffle of staff, updating of staff service record, and updating of staff computer system.

On staff benefits, HRM section had played its pivotal roles in preparing the staff monthly salary, preparing and checking the salary as well as the civil service allowance and promotion, checking and processing the transfer grant, housing subsidy (Scale A, B and C3) and house rental allowance, benefits and all types of leaves, medical and special treatment benefit, Group Hospitalisation & Surgical as well as Personal Accident and Group Term Life, loans (housing, vehicles, computer and household appliances), and preparing the annual budget.

Through these activities, HRM Section had achieved its objective in looking after the needs and welfare of STIDC staff.

The Honorable  
Datuk Amar Haji  
Awang Tengah Ali  
Hassan, Minister  
of Planning  
and Resource  
Management II  
cum Minister of  
Public Utilities and  
STIDC Chairman  
(left) taking a close  
look at the timber  
samples at the  
exhibition held in  
conjunction with  
the STIDC Integrity  
Day 2010

# Human Resource Development

(Training & Innovation)



Handing over of 5S Folder to Head of Division during 5S Launching



Deputy General Manager delivering his keynote address to the participants of Enterprise Risk Management Workshop

**H**uman Resource Development (HRD) Section under the Training Unit is responsible to strengthen staff development through continuous training and learning program. Its main aim is ensuring STIDC staff to develop their personal and organizational skills, knowledge and abilities. Human Resource Development includes such opportunities as training, employee career development, student attachment and organizational development. On the other hand, the Innovation Unit is responsible in the implementation of all quality initiatives in line with the state requirements.

In 2010, a total of 140 public programs and 19 courses for in house training programs were organized to support skill development in human resource, technical, information technology and personal development. A mechanism called the Training Card was introduced to monitor the achievement of training hours attended by staff. This training card was submitted on quarterly basis to the HRD's section for Quality Objective analysis.

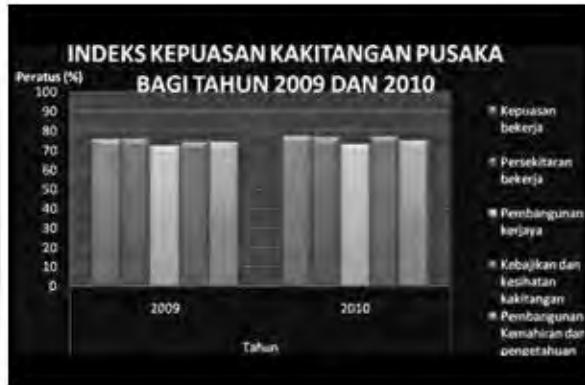
In November 2010, upon directive from the State Secretary, Quality Unit was renamed to Innovation Unit. This is in line with the effort to enhance creativity and innovative culture among state civil service.



Group presentation during STIDC In House Program

The implementation of quality initiatives such as ISO, 5S, Key Performance Indicators (KPI), Key Focus Activity (KFA), Innovative & Creative Team has been exemplary. STIDC was certified under the Quality Management System under ISO 9001:2008 for 3 major activities, fulfilled 5S compliance Audit and Surveillance Audit for both Headquarters and Divisionals and 5 Innovative & Creative Team was formed. STIDC participated in the State Civil Service Quality Award 2010 with the aim to outshine and win the award based on the "wow factor" that it has gone through over the years.

Entrusted to look into the documentation of PUSAKA Strategic Planning and Survey on Employee Satisfaction Index, these activities will be an annual event for the section to ensure continuity in organizational transformation towards meeting customer's expectation.



Certification of Quality Environment Practices (5S)



# Information & Communication Technology (ICT)

The ICT Section is an integral part of the Administration Division whose main responsibility is to manage all matters pertaining to ICT including computer hardware and software, system application, maintaining and planning of STIDC computer system. The ICT role is becoming particularly important in support of STIDC vision and mission through the ICT application.

In implementing the STIDC computerisation project, the ICT Section had formulated the five-year ICT Master Plan based on STIDC Strategic Planning 2010-2015. The plan comprises the application and infrastructure project which is reviewed every year in which the obsolete system is replaced with the effective and beneficial ones.

Summary of the five-year ICT Master Plan is as follows:

No.	Access Types	Existing System	Under Construction 2010-2015
1	Public Access	1) Web Portal 2) ePermit System 3) eGrading System 4) eIPR System	1) Market Info Databank 2) Properties Management System 3) COCLink (Inter-agencies STIDC-Other agencies) 4) KFA-eMill Registration 5) STIDC Timber License Database 6) Financial Information System (Upgrading of staff System) 7) Database application and Raw Material Resources
2	Internal Access	1) STAFF 2) HRPAYS 3) HR System 4) PIDNET System 5) Q-Asset System 6) Q-Registry System 7) eRegnet System 8) Intranet	1) eDMS System (ISO) 2) HRMIS 3) Remote Desktop Maintenance 4) eLibrary 5) eDOC 6) MyAPP (single sign-on initiative)
3	ICT Infrastructure Project	1) Upgrading of Sarawaknet 2) Upgrading of LAN network 3) End-user-computing (EUC) – replacement of obsolete computers	1) Upgrading of Server Room 2) Network Security Project: Centralised Backup Solution 3) Network Security Project: Identity & Access Management

## Other Activities

Among the achievements made by ICT Section in 2010 were:

- 1) Providing the Sarawaknet eMail account to all the Staff
- 2) Organising the ICT Clinic which covered the following topics:
  - i. Microsoft Word 2003, 2007
  - ii. Microsoft Power Point 2003, 2007
  - iii. Intranet
  - iv. Adobe Photoshop
  - v. Email
  - vi. Computer Maintenance
  - vii. Microsoft Excel 2003, 2007
  - viii. Microsoft Access 2003, 2007
  - ix. Microsoft Outlook 2003, 2007



WISMA  
SUMBER ALAM





# Building Management

**T**he Building Management Section is under the purview of the Administration Division and reports direct to the Senior Assistant General Manager of the said division. Apart from carrying out the usual maintenance activities for the complex (Podium and Tower Block), this section had also involved in the implementation and supervision of a number of works related to office renovations, mechanical and electrical installations in 2010. Some of the works which had been successfully implemented are listed below:

- (1) Refurbishment Of the General Manager's Office
- (2) Maintenance & Rectification Works To Fire Fighting Services
- (3) Tender For The Supply, Delivery, Installation, Testing & Commissioning Of 7 Units of New VCB Switchgear For STIDC Main Intake Sub-station
- (4) Installation Of Additional CCTV Camera
- (5) Repainting Of Perimeter Fence
- (6) Replacement Of Leaking Chilled Water Pipes At Podium Block
- (7) Proposed Upgrading And Improvement Of The Existing Six Units of Elevators At Tower Block
- (8) Replacement of Waterproofing Membrane System at Podium Rooftop
- (9) Upgrading Of Washrooms at the Podium & Tower Block
- (10) Installation of CCTV System at STIDC Divisional and Liaison Offices

# Security



**U**nder the ambit of the Administration Division, Security Unit is responsible for the security and safety of STIDC personnel, premises and assets at the headquarters as well as at the Kota Samarahan Furniture Industrial Complex. The unit is also tasked to mend the counters and regulate the traffic flow within the compound of STIDC premises.

With 30 security personnel, this unit was able to achieve its objectives based on the targeted Key Performance Indicators. This was evident as there was no untoward incident such as intrusion, vandalism, theft as well as violation of rules and regulations happened in 2010.




Proactive steps were taken to enhance the effectiveness of the security and safety system. This included the various measures like requesting for new staff, identifying spots for CCTV installation as well as improving the knowledge and skills of the security personnel.

Through these efforts, the Security Unit had successfully played its role in ensuring a more secure and conducive workplaces for mutual benefit.



# General Services



**T**he General Services Section is among the sections under the Administration Division whose key function is to provide in-house support services in order to facilitate the daily activities of STIDC. The section reports directly to the Senior Assistant General Manager of the Administration Division.

In playing its role as the internal service provider, the General Services Section had successfully carried out the following activities in consonance with STIDC Quality Policy to provide quality services professionally for customers' satisfaction:

- i. management of procurements and stationeries;
- ii. management of STIDC assets and properties;
- iii. management of in-house facilities booking;
- iv. management of registry;
- v. management of transportation and accommodation bookings;
- vi. management of office transport;
- vii. telephone operator services; and
- viii. management of services for special events.

In ensuring that these services were provided systematically and effectively, the General Services Section was equipped with two computerised management systems namely Q-Asset System and Q-Registry System. While the former is the asset management system to store and update data on STIDC assets, the later is the registry management system to record incoming and outgoing mails and parcels. Both systems were closely monitored with the help of the ICT Section.

Through these activities and systems, the General Services Section had played its role in providing the necessary services and assistance for the benefit of STIDC and its employees.





## Divisional Offices

# Tanjung Manis

## Divisional Office

**T**anjung Manis Divisional Office was established to provide services in meeting the needs of the wood-based industry in the central region of Sarawak. It is under the care of a Regional Manager who also looks after the divisional and liaison offices as well as the timber related activities in Sibul, Sarikei and Mukah Divisions. With 19 staff, Tanjung Manis Divisional Office is divided into eight units such as Administration Unit, Property Unit, Account Unit, Hostel Unit, Domestic Trade Unit, Quality Control Unit, Registration and Licensing Unit and Workforce Unit.

Through these units, the Divisional Office had successfully played its roles by carrying out various activities which included the followings:

- Planning, implementing and supervising the overall administration of STIDC Tanjung Manis;
- Grading of sawn-timber;
- Registering of timber companies in Tanjung Manis and Sarikei Divisions;
- Collecting, analysing, recording and updating of the monthly Industrial Production Return;
- Processing and approving of Export/Import Permits;
- Carrying out physical inspection;
- Monitoring of log quota;
- Co-ordinating the development activities in Tanjung Manis;
- Managing the rental of STIDC housing and payment of utility bills;
- Co-ordinating the industrial trainings at the STIDC Wood-based Training Centre in Tanjung Manis;
- Co-ordinating the STIDC annual social activities in Tanjung Manis;



STIDC General Manager, Datu Haji Sarudu Haji Hoklai (middle) paying a familiarisation visit to a timber company in Tanjung Manis

The Honourable Datuk Hajah Norah Tun Abdul Rahman (2<sup>nd</sup> left) officiating the Tanjung Manis Fishing Safari 2010

- Monitoring the Bumiputera Furniture Vendor Development Programme; and
- Co-ordinating the visits to Tanjung Manis.

Aside from its core activities, STIDC Tanjung Manis had also played its role in organising the annual Tanjung Manis Day and Tanjung Manis Fishing Safari which were held in March and May 2010 respectively. Among others, these activities aimed to promote Tanjung Manis particularly among the investors as well as to encourage the active involvement of the locals in the development of Tanjung Manis.

Through standard guidelines, STIDC Tanjung Manis had functioned well in serving the timber industry particularly in the central region of Sarawak and in ensuring that this industry remains vibrant.



Tanjung Manis Member of Parliament, the Honourable Datuk Hajah Norah Tun Abdul Rahman (right) officiating the Tanjung Manis Day 2010



# Sibu Office Divisional

5S Committee posing with the Malaysia Productivity Corporation, Sabah Auditor, Mr. Sabri Hassan (3<sup>rd</sup> right) in conjunction with the 5S Certification for STIDC Sibu on 22<sup>nd</sup> December 2010



**S**ibu Divisional Office is one of the STIDC administrative centres within the Central Zone which is under the purview of the Tanjung Manis Regional Office. Throughout 2010, it had involved actively in various activities and official functions organised by STIDC or other government agencies either in Sibu, Kapit, Tanjung Manis or Mukah Divisions.

Among the core activities carried out by this office were grading and quality control, registration and licensing, collection of the Industrial Production Return (IPR) as well as monitoring of the STIDC Furniture Vendor Development Programme and log production.

In terms of grading and quality control activities, there was an increase in export volume by 22% from 242,943 cubic metres in 2009 to 295,486 cubic metres in 2010. The 2010 export figures were contributed by 68 active timber companies who exported their products to 42 countries and comprised 23 timber species.

2010 had also seen a reduction in export volume of Ramin sawn-timber by 22% to 1198 cubic metres from 1528 cubic metres in 2009. The sawn-timber was exported to four countries in which China was the leading consumer.

With regard to registration and licensing, there were 390 companies who had renewed their registrations in 2010 compared with 376 companies in 2009. Besides, there were 20 companies who had applied for additional activities in 2010 compared with 16 companies in 2009.

Through "Meeting the Customers" Campaign, 38 new applications were received and processed in 2010 compared with 40 applications in 2009. The figure, although slightly lower than last year, had surpassed the minimum target of 15 new applications set by the headquarters. At the same time, 74 new mill registration applications were received and approved in 2010 from Sibu, Kapit and Sarikei Divisions compared with 78 applications in 2009.

Meanwhile, the export licenses issued online in 2010 were 4,931 compared with 4,906 licenses in 2009. However, there were only ten import licenses issued in 2010 compared with five licenses in 2009. The export volume of timber



products for 2010 was 1.3 million cubic metres to RM1.6 billion and were equal to the 2009 export figures.

As far as IPR is concerned, 100% submission was achieved from the active timber companies. All together there were 77 timber companies in SibU in 2010 with 13,471 workers. Out of these, 4,114 workers were locals and the remaining 9,357 workers were foreigners. Plywood companies employed the most workers with 6,878 people. In 2009, there were 82 timber companies in SibU with 13,600 workers. Foreign workers continued to dominate the industry with 9,043 people compared with 4,557 locals. Plywood sector also remained having the most workers with 8,257 people.

On Furniture Vendor Development Programme, there were only two vendors in 2010 compared with three vendors in the previous year who were awarded with the contract to supply the furniture for the central region.

SibU Divisional Office continued to play its active role in monitoring the log production within its jurisdiction. In 2010, the volume of logs produced had dropped by 15% to 664,733 cubic metres compared with 784,000 cubic metres last year.

Obviously, the main activities such as the registration and licensing as well as the grading and quality control had shown positive momentum particularly in terms of volume.

Chief Minister of Sarawak, Pehin Sri Haji Abdul Taib Mahmud (right) having a light moment with STIDC General Manager, Datu Haji Sarudu Haji Hoklai in conjunction with The Sejiwa Senada held in SibU





Chief Minister of Sarawak, Pehin Sri Haji Abdul Taib Mahmud (2 right) accompanied by his Deputy, Tan Sri Alfred Jabu Anak Numpang (left) and the State Secretary, Datuk Amar Haji Mohamad Morshidi bin Abdul Ghani (left) visiting the STIDC exhibition booth in conjunction with the Sejiwa Senada held in Mukah. Also seen is the STIDC Deputy General Manager, Tuan Haji Hashim Haji Bojet (2nd left)

# Mukah Office Liaison

**M**ukah Liaison Office which is part of the central region is under the jurisdiction of Tanjung Manis Divisional Office and reports direct to the Central Regional Manager. Over the years, it continued to play its pivotal role in supporting STIDC objectives to plan, coordinate and encourage the overall development of the timber industry in Sarawak for common good.

In tandem with this, the office had placed particular emphasis on human resource development in order to equip the staff in realisation of the said objectives. Towards that end, the staff had attended various human resource development programmes including trainings, courses, seminars, workshops and briefings either internally or externally. Among the programmes attended by the staff in 2010 were "Professional Reception & Customer Service Course", "Strategic Management Workshop", "Innovative and Creative Team Workshop", "Financial Management Accountability Index Briefing", "Group Term Life Assurance Briefing" and "STIDC Toastmasters Club Briefing".



Supported by four staff, Mukah Liaison Office had successfully carried out numerous activities such as co-ordinating STIDC development projects, monitoring STIDC furniture vendor development programme, maintaining good rapport with other agencies as well as co-ordinating STIDC social activities in Mukah Division.

Among the activities in which the Mukah Liaison Office had its direct involvement in 2010 were the development exhibitions, Pesta Kaul Mukah and Tourism Task Group. One of the major roles played by the Liaison Office in ensuring the success of these activities was by providing support services such as arranging the transport and accommodation as well as co-ordinating the meetings for those who were directly involved in these activities.



STIDC General Manager, Datu Haji Sarudu Haji Hoklai (left) together with his Deputy, Tuan Haji Hashim Haji Bojet (right) visiting a timber company in Miri



# Miri

## Divisional Office



**M**iri Divisional Office is one of the offices within the northern region of Sarawak apart from Bintulu Divisional Office and Limbang Liaison Office. Being the head office in the region, it is where the Regional Manager sits in overseeing the overall administration of STIDC Divisional and Liaison Offices and in meeting the needs of the timber industry. Supported by 34 staff, it plays important role in providing supporting services to the headquarters in realisation of the vision as the leader and catalyst of the timber industry.

Among the activities carried out by Miri Divisional Office in 2010 were as follows:

- i. issuance of Export/Import License
- ii. monitoring the development of wood-based companies including the primary and downstream industries
- iii. registration of companies dealing with activities related to the export, import, manufacture and local sale of logs and other timber products in line with Registration Regulations, 2008
- iv. issuance of mill license except sawmill license in respect of companies involving in processing activities effective 1<sup>st</sup> July 2008
- v. grading of sawn-timber in line with The Malaysian Grading Rules for Sawn Hardwood Timber, 2009 Edition and Grading Regulations, 2008
- vi. implementing the Furniture Vendor Development Programme for Miri and Limbang Divisions
- vii. monitoring and supervising of log quota for export and local processing
- viii. collecting log production data, Industrial Production Return data, Human Resources and industrial training, etc.


Throughout 2010, Miri Divisional Office had also carried out the 5S activities. The Northern Region 5S Launching Ceremony was graced by STIDC General Manager, Datu Haji Sarudu Haji Hoklai on 14<sup>th</sup> May 2010. Also present at the ceremony were STIDC management members as well as the staff from across the region.

The 5S Certification Audit was conducted on 14<sup>th</sup> December 2010 by the Malaysia Productivity Corporation, Sabah in which Miri Divisional Office was awarded the 5S Certificate. The 5S Certificate Presentation Ceremony was held on 22<sup>nd</sup> December 2010 in conjunction with the Northern Region staff assembly.



# Bintulu

## Office Divisional



STIDC General Manager, Datu Haji Sarudu Haji Hoklai (centre) visiting a Wood-based company in Bintulu

**S**TIDC Bintulu continued to play its roles in planning, co-ordinating and implementing the activities in the effort to serve the wood-based industry as well as the government agencies and the public effectively. This is in addition to its continuous stride in supporting the activities carried out by the headquarters. It is headed by a Divisional Manager who reports direct to the Regional Manager in Miri Division.

With 31 staff, the office is divided into six sections namely the Administration and Finance Section, Registration and Licensing Section, Domestic Trade Section, Entrepreneur Development Section, Industrial Development Section and Forest Resource Section.

Throughout 2010 this office had carried out various activities including issuing the Export and Import Permits, processing of registration applications, organising the clientele day, grading of sawn-timber, promoting the furniture vendor development programme, collecting the human resource and industrial training data, monitoring the log quota, collecting the Industrial Production Return, processing the mill license

except sawn-timber mill and monitoring the STIDC timber licenses.

Through these activities, STIDC Bintulu had manifested its commitment in meeting the needs of the timber industry particularly in Bintulu Division in line with STIDC vision as the leader and catalyst of the timber industry in Sarawak. This was achieved in accordance with the Corporation's Quality Policy to provide quality services professionally for customers' satisfaction.

STIDC Bintulu will continue to play its roles with the help of its employees in fulfilling its tasks for the benefit of the industry and the state at large.





STIDC General Manager, Datu Haji Sarudu Haji Hoklai (left) paying a familiarisation visit to a timber company in Bintulu

# Limbang

## Liaison Office

**L**imbang Liaison Office is among the offices under the STIDC Northern Region jurisdiction. Administratively, it is under the care of an Executive Officer who reports to the Regional Manager in Miri Divisional Office. It provides support services to the headquarters in Kuching Division as well as to Miri Divisional Office. Supported by seven employees, the liaison office is divided into seven units namely the Administration Unit, Finance Unit, Domestic Trade Unit, Registration and Licensing Unit, Entrepreneurial Development Unit, Industrial Planning Unit and Resource Development Unit. These units operate in accordance with the international standards (MS ISO).

Among others, the Administration Unit is responsible for assigning the staff duties and looking after the office premises and its assets as well as the staff welfare and their employment records. In addition, the unit also carries 5S activities.

Finance Unit on the other hand helps to monitor and regulate the office expenditure and makes sure that all expenses are accounted for.

Domestic Trade Unit whose core activity is to approve and issue Export and Import Licenses is also tasked to monitor log quota. This is to ensure that there is adequate supply of logs for export and local processing.

Registration and Licensing Unit facilitates the company registration which includes primary and downstream processing activities, furniture making and other wood products manufacturing.

The Entrepreneurial Development Unit oversees the STIDC furniture vendor development programme and becomes the catalyst for the Bumiputera entrepreneurs to ensure competitiveness in furniture making.

The Industrial Planning Unit is an arm responsible to undertake timber grading and to issue Grading Certificates. It also provides technical advisory services on industrial planning and development apart from collecting data on Industrial Production Return.

Resource Development Unit assists the headquarters in organising relevant courses for the staff and interested individuals aside from collecting data on the wood-based industry workforce.

Despite limited human resources, the Limbang Liaison Office had successfully played its roles in line with STIDC vision and mission in serving the wood-based industry in Limbang and Lawas Divisions. This was attributed to multi-tasking practices and team spirit among the staff.



Timber Industry Update held in Limbang





Development exhibition held in Limbang

