

## Plantations must increase timber output by 300pc

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**Kota Kinabalu:** The world needs wood and demand is projected to rise by massive amounts over the next few decades by virtue of explosive population increase, economic growth, demographic changes and technological innovations, said Canberra-hailed Stephen Midgley, Director of Salwood Asia Pacific Pty Ltd, who currently works in Laos. "Industrial wood from plantations needs to be increased by 300pc over the next 30 years with massive deficits or shortfalls by the billions of tonnes predicted for China and India alone," Ridgley told an



inaugural Borneo Forestry Co-operative seminar here on Thursday. "There are significant success stories in the region with Vietnam and Laos as good examples," Ridgley noted. "Vietnam dominates the regional wood supply with the export of nine million cubic metres per annum of wood chips," he said. "In Laos, steady reform in governance and support to medium and small growers alike has

resulted in poverty alleviation, and substantial employment and economic returns," he told a packed audience among whom include the Chairman of the Malaysian Panel-Products Manufacturers Association, Datuk Wira Sheikh Othman Rahman, and Deputy Chairman Datuk Chua Hock Gee. Stressing the importance of smallholders in supplying the massive future need for wood, Ridgley cited the Vietnamese, Indian, Thai and Indonesian examples. "Vietnam's plantations have built a US\$7 billion wood export industry principally using timber from smallholders." In India, 80pc of the wood for pulp and paper products industries are based on farm grown timber where the estimated 12 million cubic metres of farm grown timber is grown under agro-forestry systems." "In Thailand, 1.5 million hectares are privately owned providing resource for pulp and paper, and this same trend is evident in Indonesia where three million hectares of small and medium holdings provide wood from teak, Albizia and mahogany plantings," he pointed out. However, flying into Sabah for the first time, he said he noted the State is endowed with abundant howbeit degraded lands with perfect growing conditions, protected from most natural phenomena like typhoons and is well geographically situated within the largest market of timber demand in the world such as China, Japan and Korea. But it seems Sabah has not been using these perfect conditions," Ridgley asserted. "Sabah's large land areas and small population allows for economies

of scale and a mixture of large, medium and small growers which could provide for a perfect opportunity to create productive and profitable tree plantations," he said. Midgley suggested that the key success factors were secure land tenure, reliable markets, sympathetic legal and regulatory framework, and a robust technical package in order to promote productive and profitable tree plantations. He said since access to land was always the major challenge to successful plantation development, small and medium holder development would be a solution. Meanwhile, David Boden, Forestry Consultant and Coordinator of Borneo Forestry Cooperative, said within Sabah, the BFC has and is creating for its members a comprehensive technical package which can promote successful tree plantation development. "The forum's conclusion was that although Sabah has many advantages, as an industry it has to be more proactive in collaboration on all levels, and to better communicate with government agencies in order to create sympathetic governance, better infrastructure and environment to improve the investment opportunities for plantation development," Boden noted. "Under the current forestry framework which has set aside approximately 600,000ha for Industrial Tree Plantations (ITP), Sabah would be capable of producing 12M m<sup>3</sup> wood per annum and have a significant downstream industry to optimise the resources providing not only employment but significant revenues to the State in the future," Boden added. "We can conclude from this seminar that critical to the success of a viable tree plantation industry in Malaysia was a regulatory and governance framework that was designed to promote and encourage tree plantations as a viable alternative to an industry based on tropical forests," he went on. "Worthy of note is that tree plantations can produce large volumes of homogenous timber which in turn will eliminate the need to log tropical forests," Boden pointed out. "Through this seminar, the BFC hopes to raise awareness of these relevant strategic issues and to promote discussion in order to hopefully lead the local tree plantation industry towards a profitable and sustainable future." According to GlenMac Nair, Managing Director of Forest Solutions Malaysia, 2018 marks the 8th year since the Borneo Forestry Cooperative (BFC) was formed. "The objective of the BFC is to improve the productivity and profitability of tree plantations in Borneo, and also the Southeast Asian region," Glen said. "This is being undertaken by advancing a number of research programmes based on the sharing of information and germplasm between member organisations. "The philosophy is essentially that by sharing information everyone benefits as enshrined by the quote 'cooperation and collaboration are the keys to innovation'," Glen added. "The application of good science to relevant R&D issues in Sabah and Sarawak has led over the past eight years to the development of an impressive portfolio of results covering a range of programmes. These include Tree Improvement, Pest & Disease, Wood Quality, Growth Modelling, Silviculture, Nursery, Biotechnology and Harvesting," he noted. "We have our original members from Sabah i.e. Sabah Softwoods & Asian Forest (Sabah) Company together with other Sabah companies, Acacia Forest Industries and Sabah Forest Industries and last year we were joined by Araya Bumi Indonesia operating in East Kalimantan," Glen said. "The BFC is aware that we have most but not all of the answers covering the basics of optimum tree species, establishment and maintenance operations, plantation health and already have a good understanding of wood quality and possible end products. Together this package could and should result in a platform for

profitable tree plantations in East Malaysia." "However we also need to address the more strategic issues such as governance and local regulations which underpin the industry, regional and global markets and the crucial role that smallholders can play within wood supply. For this reason, the BFC has hosted a seminar by Stephen Midgley who has considerable experience with such issues," Glen explained. "Midgley, through his early career with CSIRO in Australia, has been actively working in Asia for over four decades and is especially familiar with the plantation industry in mainland Southeast Asia where tree growing is most often a profitable occupation. "This is the first such seminar the BFC has funded, and similar seminars in the future will hopefully assist the industry to improve on all levels of efficiencies. The contributions from Sepulut Berhad and Timber Association of Sabah (TAS) are greatly appreciated," Glen said. - Kan Yaw Chong

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