


Ta Ann timber licence gets 30-year extension

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SEB Chairman Datuk Amar Abdul Hamed Sepawi. - ZULAZHAR SHEBLEE / THE STAR

KUCHING: Ta Ann Holdings Bhd  has secured approval from the Sarawak authorities to renew the licence of all its timber concessions for 30 years until 2053.

The group's timber concessions have been consolidated and amalgamated into three forest management units (FMUs) in the Song-Kapit region in central Sarawak, covering a total of 346,021 ha, according to executive chairman Datuk Amar Abdul Hamed Sepawi.

He said all the three FMUs – Kapit, Pasin and Raplex – have obtained the certificate for forest management (natural forest) under the Malaysian timber certification scheme (MTCS), which is endorsed by the programme for the endorsement of forest certification (PEFC).

“We have maintained the certification status through rigorous surveillance audits, which reflects our unwavering commitment to sustainable forest management.

“These renewals signify significant recognition of our efforts in the journey towards sustainable forest management, and we are determined to continue this journey towards a more sustainable future,” Abdul Hamed added in the company’s 2022 annual report.

He said as a resource-based company, Ta Ann carries out reduced impact logging for its logging activities.

“Additionally, we aim to establish post-logging forest plantations to help restore the ecological balance of the areas we operate in,” he said.

As a pioneer in forest plantation in Sarawak, Ta Ann group’s total planted forest area stood at 30,971 ha as at Dec 31, 2022, with more than 95% of the area planted with the fast-growing timber species, acacia.

The group has been harvesting plantation logs as raw material for its downstream timber-processing activities.

In financial year 2022 (FY22), the group’s total log production volume rose by more than 25% to 313,692 cu m (FY21: 251,165 cu m), with 221,090 cu m harvested from natural forest (FY21: 200,884 cu m) and 92,602 cu m from planted forest (50,281 cu m).

In FY22, group chief executive officer Datuk Wong Kuo Hea said plantation logs constituted 19% of the total logs consumed by its plywood mill, up 12% from FY21.

“This serves as evidence of our group’s commitment to sustainable forest management while simultaneously reducing downstream manufacturing costs.

“Our group has a well-planned timber resource management system, allowing us to supply our log supply with plantation logs,” added Wong.

In FY22, the group exported 72,154 cu m of logs (FY21: 70,470 cu m), of which 89% of the volume went to India, 8% to Taiwan and 3% to Japan.

The group’s Malaysian operations recorded a marginal decrease in its plywood production volume to 79,468 cu m last year (FY21: 80,908 cu m), while its Tasmanian operations posted a sharply lower plywood output to 9,515 cu m (18,231 cu m) due mainly to a shortage of skilled workers.

Wong said the higher average selling price as a result of the stronger market demand drove the group’s plywood division’s net profit in FY22 to RM61.1mil (FY21: RM22.1mil) on increased revenue of RM242.6mil from RM220.7mil.

About 97% of the plywood produced in Malaysia was exported to Japan and the remaining 3% to Australia.

“Our group’s key product, coated concrete plywood, a 100% PEFC-certified product, which constitutes 90% of our monthly production, has gained deserved popularity in our key market, Japan.

“The certification of our products has given our group a significant competitive advantage,” he added.

In a related development, Sarawak Timber Industry Development Corp (STIDC) has urged industry players to capitalise on timber from planted forests to produce high value-added products.

These include engineered wood, panels and furniture besides primary products, like veneer, sawn timber, plywood and woodchips.

Other products that can be made from plantation logs are medium-density fibreboard, particle board and pellets.

“In the future, timber from planted forests will also be used to produce engineered wood.

“These include laminated veneer lumber, cross-laminated timber, glue-laminated timber and other panel products like oriented strand board and chipboard.

“Planted forests are vital in mitigating pressure and minimising reliance on raw materials from natural forests,” STIDC added in a statement on May 2.