The timber industry in Sabah was the main economic backbone to the socio-economic development of the State in the past. It has remained significant even at a much reduced log production level as being experienced of late. The total forest revenue collected for the year 2012 was RM177 million and contributed approximately 4% of the State's total revenue. For many years in the past, contribution from the forestry sector to the State’s coffers was more than 50% of the State’s total collection of revenue. In 2012, foreign earning from the timber industry to the State on the other hand is recorded at RM2.1 billion, while some 31,416 jobs were generated by this sector. Log production from the natural forest in the year 2012 was 1.97 million m3 while production from plantation forest on the other hand was 1.12 million m3 over the same period of time.

It has been the policy of the State Government to further develop the wood-based industry in Sabah towards more value-added processing as outlined in the Sabah Industrial Action Plan (SIAP). In spite of this, the development of the value-added processing in the State has been quite slow and the wood-based industry remains dominated by primary processing activities namely the saw-milling and plywood sectors. Compared to the nineties, the total active wood processing mills in Sabah has shown a decline due to the dwindling supply of logs. The number of wood processing mills in the future is anticipated to be further reduced unless substantial volume of timber is imported by the local processing mills to meet their raw material requirement.

The installed input capacity of the wood-processing mills in Sabah for year 2012 stands at 4.8 million m3 comprising of sawmill 1.7 million m3; plywood/veneer 2.2 million m3 and pulp and paper 0.9 million m3. There is a big mismatch between the actual input capacity of mill in relation to the supply of domestic timber. In 2010, the consumption of imported logs, flitches and sawn timber by local mills was at 106,348 m3.
The export of timber products remains dominated by the export of sawn timber, plywood and paper which accounted for 77% of the total forest products export earnings in 2012. Log exports only accounted for 5.2% of the total forest products export earnings over the same period. The future of the timber industry will witness a much reduced activity arising from the declining raw material supply while supplementary supply of raw materials from import and plantation forest is anticipated to become more important in the future to meet the deficit in the domestic demand. Reconsolidation process in wood-based industry is unavoidable and this will definitely result in the reduction of workers and only efficient players will remain in the wood-based industry.

11. Timber Royalty

The royalty of timber in Sabah varies depending on what the timber is intended for (example: export or domestic processing), the log diameter and the sources of the logs. The rates are shown as below:

(a) Export royalty on round logs including treated poles effective 1st. January 2014

<table>
<thead>
<tr>
<th>Class</th>
<th>Species</th>
<th>ROYALTY (RM/M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FR/NFM Helicopter ITP-FR/SL/AL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Non-RIL RIL(b)</td>
</tr>
<tr>
<td>A</td>
<td>Belian</td>
<td>350 350 350</td>
</tr>
<tr>
<td>B</td>
<td>Merbau/Merbau Lalat</td>
<td>300 290 150</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Selangan Batu</td>
<td>170 160 85</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Red Seraya/White Seraya/Yellow Seraya/Melapi/Kapur/Keruing/Agathis/Kembang/Kembang Semangkok</td>
<td>160 150 80</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diameter Size</td>
<td>ITP-FR</td>
<td>SL</td>
</tr>
<tr>
<td>---------------</td>
<td>--------</td>
<td>----</td>
</tr>
<tr>
<td>(i) ≥ 60 cm</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>(ii) 45-59 cm</td>
<td>48</td>
<td>48</td>
</tr>
<tr>
<td>(iii) 30-44 cm</td>
<td>36</td>
<td>36</td>
</tr>
<tr>
<td>(iv) 29 cm and below</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

Note:
FR: Natural Forest Management
ITP: Industrial Tree Plantation
AL: Alienated Land
SL: State land
(a) From alienated land, state land and industrial timber plantation approved within Forest Reserve
(b) Subject to field inspection on RIL compliance prior to qualification of RIL rebates
(c) Belian & Merbau are now prohibited species. The rates are listed in case of special circumstances – eg. unavoidable road construction, damaged trees etc.

(b) Local processing royalty on round logs

<table>
<thead>
<tr>
<th>Diameter Class</th>
<th>Rate(RM/M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RIL FR (NFM) (b)</td>
<td>Non-RIL</td>
</tr>
<tr>
<td>Helicopter Logging</td>
<td>FR (NFM)</td>
</tr>
</tbody>
</table>

1) Logs

<table>
<thead>
<tr>
<th>Diameter Class</th>
<th>Rate(RM/M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>logs ≥ 60 cm</td>
<td>80</td>
</tr>
<tr>
<td>45-59 cm (a)</td>
<td>45</td>
</tr>
<tr>
<td>30-44 cm (a)</td>
<td>30</td>
</tr>
<tr>
<td>29 cm &amp; below (a)</td>
<td>20</td>
</tr>
<tr>
<td>Macaranga spp.</td>
<td>10</td>
</tr>
</tbody>
</table>

Logging Residues/Branches. Note: Does not apply to Belian and Merbau (c)
“Fuel Wood” (d)

<table>
<thead>
<tr>
<th>Diameter Class</th>
<th>Rate(RM/M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belian</td>
<td>100</td>
</tr>
<tr>
<td>Perupok</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diameter Class</th>
<th>Rate(RM/M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Any planted</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Timber</td>
<td>Not applicable</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Diameter Class</th>
<th>Rate(RM/M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>≥ 60 cm</td>
<td>30</td>
</tr>
<tr>
<td>45-59 cm (a)</td>
<td>24</td>
</tr>
<tr>
<td>30-44 cm (a)</td>
<td>18</td>
</tr>
</tbody>
</table>

Note: Does not apply to Belian and Merbau (c)
<table>
<thead>
<tr>
<th>[plantation Species]</th>
<th>29 cm &amp; below</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2)</strong> Converted Timber</td>
<td>180</td>
<td>Belian: 200</td>
<td>180</td>
<td>180</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Others: 90</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>3)</strong> i) Logs for pulp and paper mill (Natural Forest timber) (e)</td>
<td>-</td>
<td>-</td>
<td>7.50</td>
<td>7.50</td>
</tr>
<tr>
<td>ii) Logs for pulp and paper mill (plantation timber) (e)</td>
<td>-</td>
<td>-</td>
<td>6.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

**Note:**
- FR: Natural Forest Management
- ITP: Industrial Tree Plantation
- AL: Alienated Land
- SL: State land
- BW: Benta Wawasan
- YS: Yayasan Sabah
- (a) From alienated lands, state lands and industrial tree plantation areas approved within Forest Reserves.
- (b) All RIL areas are subject to inspection and verification by SFD staff prior to qualification of “rebates”.
- (c) Subject to inspection and verification by the Staff of Sabah Forestry Department.
- (d) As burning material for power generators and brick factory.
- (e) As input for paper mill only.

**c) Royalty for ‘Confiscated Log’ / Auctioned timber**

i. Logs : RM 90.00/m³ irrespective of size, species and source.
ii. Converted Timber : RM 180.00/m³ irrespective of size, species and source.

**d) Processed timber export royalty**

<table>
<thead>
<tr>
<th>Type</th>
<th>RATE (RM/M3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Belian Sawn Timber</td>
<td>100</td>
</tr>
<tr>
<td>2) Sawn timber of other species</td>
<td>10</td>
</tr>
<tr>
<td>All Plywood</td>
<td>5</td>
</tr>
<tr>
<td>All Veneer</td>
<td>10</td>
</tr>
<tr>
<td>All Mouldings</td>
<td>5</td>
</tr>
</tbody>
</table>

**e) Inspection fees and certification charges on imported timber**

<table>
<thead>
<tr>
<th>Type</th>
<th>RATE (RM/M3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logs</td>
<td>10</td>
</tr>
<tr>
<td>Converted Timber</td>
<td>10</td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>10</td>
</tr>
<tr>
<td>Veneer</td>
<td>10</td>
</tr>
<tr>
<td>Others</td>
<td>-</td>
</tr>
<tr>
<td>Logs for pulp &amp; paper mill (SFI use)</td>
<td>1</td>
</tr>
</tbody>
</table>
(f) Premium

<table>
<thead>
<tr>
<th>Type</th>
<th>Premium rate RM/M³</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) FR/NFM</td>
<td></td>
</tr>
<tr>
<td>1) Yayasan Sabah &amp; Benta Wawasan</td>
<td>15</td>
</tr>
<tr>
<td>2) Other licences after 01 Feb 2002</td>
<td>20</td>
</tr>
<tr>
<td>3) Other licences before 01 Feb 2002</td>
<td>According to licences conditions</td>
</tr>
<tr>
<td>4) SFMLA</td>
<td>Macaranga: Exempted</td>
</tr>
<tr>
<td>b) ITP</td>
<td></td>
</tr>
<tr>
<td>1) Yayasan Sabah &amp; Benta Wawasan</td>
<td>≥ 45 cm 0 Macaranga: Exempted</td>
</tr>
<tr>
<td>2) SFMLA</td>
<td>≤ 44 cm 5 Macaranga: Exempted</td>
</tr>
<tr>
<td>c) Stateland</td>
<td></td>
</tr>
<tr>
<td>1) Yayasan Sabah &amp; Benta Wawasan</td>
<td>≥ 45 cm 20 Macaranga: Exempted</td>
</tr>
<tr>
<td>2) SFMLA</td>
<td>≤ 44 cm 5 Macaranga: Exempted</td>
</tr>
<tr>
<td>d) FR/ITP (non YS/BW)</td>
<td></td>
</tr>
<tr>
<td>1) Yayasan Sabah &amp; Benta Wawasan</td>
<td>≥ 45 cm 20 Macaranga: Exempted</td>
</tr>
<tr>
<td>2) SFMLA</td>
<td>≤ 44 cm 5 Macaranga: Exempted</td>
</tr>
</tbody>
</table>

(g) Diameter Assessment For Royalty Computation – ITPs, Stateland & Alienated Lands

- this is based on the average of the 2 diameters at each end.

Last updated: 24/12/13

12. Forest Revenue

Comparative collection of forest revenue for the year 2011 and 2012 is as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>RM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>RM 202,843,665.25</td>
</tr>
<tr>
<td>2012</td>
<td>RM 176,530,978.31</td>
</tr>
</tbody>
</table>

Last updated: 24/12/13
13. Total Set-up of Wood Processing Mills

<table>
<thead>
<tr>
<th></th>
<th>Total licensed 2011</th>
<th></th>
<th>Total licensed 2012</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Active</td>
<td>Inactive</td>
<td>Active</td>
<td>Inactive</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sawmill</td>
<td>165</td>
<td>94</td>
<td>71</td>
<td>154</td>
<td>95</td>
<td>59</td>
</tr>
<tr>
<td>V/Ply/BB/LB</td>
<td>55</td>
<td>30</td>
<td>25</td>
<td>49</td>
<td>29</td>
<td>20</td>
</tr>
<tr>
<td>Mouldings</td>
<td>134</td>
<td>70</td>
<td>64</td>
<td>122</td>
<td>66</td>
<td>56</td>
</tr>
<tr>
<td>Paper</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Chips</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>6</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Wood preservation</td>
<td>31</td>
<td>8</td>
<td>23</td>
<td>30</td>
<td>9</td>
<td>21</td>
</tr>
<tr>
<td>Plants</td>
<td>66</td>
<td>39</td>
<td>27</td>
<td>58</td>
<td>34</td>
<td>24</td>
</tr>
<tr>
<td>Particle Board</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Bamboo/Rattan</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>furniture</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MDF</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

Last updated: 24/12/13

4. Productions of Logs and Main Timber Products

<table>
<thead>
<tr>
<th>Products</th>
<th>2011 (M³)</th>
<th>2012 (M³)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Logs:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural logs</td>
<td>2,212,465.92</td>
<td>1,965,671.37</td>
</tr>
<tr>
<td>Plantation logs</td>
<td>1,234,777.75</td>
<td>1,117,066.46</td>
</tr>
<tr>
<td>Timber Products:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>741,250.65</td>
<td>515,023.20</td>
</tr>
<tr>
<td>Veneer</td>
<td>163,604.09</td>
<td>130,727.56</td>
</tr>
<tr>
<td>Plywood</td>
<td>1,033,508.32</td>
<td>1,025,721.09</td>
</tr>
<tr>
<td>Blockboard</td>
<td>43,171.66</td>
<td>33,491.32</td>
</tr>
<tr>
<td>Laminate Board</td>
<td>19,695.65</td>
<td>12,039.28</td>
</tr>
<tr>
<td>Mouldings</td>
<td>145,354.72</td>
<td>166,035.77</td>
</tr>
<tr>
<td>Paper (m/t)</td>
<td>136,155.00</td>
<td>142,496.00</td>
</tr>
<tr>
<td>Particle Board</td>
<td>44,328.64</td>
<td>56,899.54</td>
</tr>
<tr>
<td>Chips</td>
<td>167,630.94</td>
<td>132,456.23</td>
</tr>
<tr>
<td>Medium Density Fibre board</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Treated Timber</td>
<td>11,953.65</td>
<td>12,898.33</td>
</tr>
<tr>
<td>Kiln Dried Timber</td>
<td>221,138.06</td>
<td>217,825.22</td>
</tr>
</tbody>
</table>

Late updated: 24/12/13
15. Export of Logs and MainTimber products

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th></th>
<th>2012</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Volume (M^3)</td>
<td>FOB (RM)</td>
<td>Volume (M^3)</td>
<td>FOB (RM)</td>
</tr>
<tr>
<td>Logs</td>
<td>308,971.14</td>
<td>164,683,221.36</td>
<td>171,000.27</td>
<td>111,753,436.10</td>
</tr>
<tr>
<td>Plantation logs</td>
<td>38,989.07</td>
<td>13,759,846.55</td>
<td>36,163.23</td>
<td>12,225,489.40</td>
</tr>
<tr>
<td><strong>Timber Products</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sawn Timber</td>
<td>340,549.20</td>
<td>518,983,033.11</td>
<td>241,346.08</td>
<td>390,576,317.86</td>
</tr>
<tr>
<td>Veneer</td>
<td>70,320.98</td>
<td>97,462,929.92</td>
<td>41,571.24</td>
<td>64,933,067.45</td>
</tr>
<tr>
<td>Plywood</td>
<td>706,575.96</td>
<td>1,123,187,157.71</td>
<td>631,083.83</td>
<td>998,926,470.16</td>
</tr>
<tr>
<td>Mouldings</td>
<td>27,405.26</td>
<td>92,033,572.86</td>
<td>19,108.21</td>
<td>64,652,786.34</td>
</tr>
<tr>
<td>Particle Board</td>
<td>35,530.26</td>
<td>20,500,318.57</td>
<td>27,073.93</td>
<td>17,470,276.87</td>
</tr>
<tr>
<td>Chips</td>
<td>33,388.24</td>
<td>60,131,524.95</td>
<td>35,172.14</td>
<td>64,151,233.64</td>
</tr>
<tr>
<td>Paper (m/t)</td>
<td>82,083.27</td>
<td>226,697,057.23</td>
<td>100,518.54</td>
<td>253,434,671.75</td>
</tr>
</tbody>
</table>

Late updated: 24/12/13

16. Administrative Charges

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FOREST OCCUPATION PERMIT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Logging Camp/logging road &amp; dumping point</td>
<td>RM250.00/hectare/annum</td>
<td></td>
</tr>
<tr>
<td>Prospecting purpose</td>
<td>RM1250/hectare/annum and RM120/hectare/annum for road</td>
<td></td>
</tr>
<tr>
<td><strong>LANDINGS (FOREST RESERVE ONLY)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Class I (less than or equal to 0.50 ha)</td>
<td>RM1,000.00/landing/annum</td>
<td></td>
</tr>
<tr>
<td>Class II (0.51 - 1.00 ha)</td>
<td>RM2,000.00/landing/annum</td>
<td></td>
</tr>
<tr>
<td>Class III (Greater than 1.00 ha)</td>
<td>RM5,000.00/landing/annum</td>
<td></td>
</tr>
<tr>
<td><strong>Notes:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A landing is defined as a temporary storage area for logs prior to their transportation by land or water within any forest reserve land.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ROYALTY FOR POLES OF TREES (MANGROVE TREES ONLY) IRRESPECTIVE OF SIZE</strong></td>
<td>Royalty for Poles irrespective of sizes:- RM0.50 cent running meter</td>
<td>Charges according to diameter class is abolished.</td>
</tr>
<tr>
<td>Firewood (ANY SPECIES)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per stacked m3</td>
<td>RM1.00</td>
<td></td>
</tr>
<tr>
<td>Per tonne</td>
<td>RM1.50</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Rate</td>
<td>Note</td>
</tr>
<tr>
<td>-------------------------------------------------------------</td>
<td>---------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>LICENCE FEE (FIREWOOD)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Per person per month.</td>
<td>RM10.00</td>
<td></td>
</tr>
<tr>
<td>Per person per month for domestic use only</td>
<td>RM1.00</td>
<td></td>
</tr>
<tr>
<td><strong>CHARCOAL (MANGROVE)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Any species in bulk</td>
<td>RM10.00/Tonne</td>
<td>Already paid in local Processing royalty</td>
</tr>
<tr>
<td>Sacks not exceeding 50 kgs per sack</td>
<td>RM1.50/bag</td>
<td>-do-</td>
</tr>
<tr>
<td>Per oven per month.</td>
<td>RM50.00</td>
<td>-do-</td>
</tr>
<tr>
<td><strong>CHIPS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(i) Mangrove</td>
<td>Use of mangrove wood for chipping is not allowed. Royalty to be collected based on local processing royalty.</td>
<td></td>
</tr>
<tr>
<td>(ii) Inland Hardwood</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SAWN TIMBER GRADING AND MARKETING CHARGES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marking with mark of origin BINOB</td>
<td>RM 0.50/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of Grade and marking with mark of origin BINOB</td>
<td>RM 1.00/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of correct measurement.</td>
<td>RM 2.00/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of freedom from live borer only.</td>
<td>RM 1.00/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of grades, correct measurement, freedom from live borer and hammer marking.</td>
<td>RM 3.00/M3</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous inspection</td>
<td>RM 1.50/M3</td>
<td></td>
</tr>
<tr>
<td><strong>LOG GRADING AND MARKING CHARGES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marking with mark of origin BINOB</td>
<td>RM 0.50/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of Grade and marking with mark of origin BINOB</td>
<td>RM 1.00/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of correct measurement</td>
<td>RM 2.00/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of freedom from live borer only.</td>
<td>RM 1.00/M3</td>
<td></td>
</tr>
<tr>
<td>Certificate of grades, correct measurement, freedom from live borer and hammer marking.</td>
<td>RM 3.00/M3</td>
<td></td>
</tr>
<tr>
<td>Miscellaneous inspection</td>
<td>RM 1.50/M3</td>
<td></td>
</tr>
<tr>
<td><strong>OVERTIME (DURING SCALING)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note:</td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>The scaler shall be paid the normal rate of 1% of the basic salary as overtime and the balance of 2% shall be taken as Government revenue.</em></td>
<td>3% of the basic salary per hour</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Rate</td>
<td>Note</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>SAWMILL LICENCE FEES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Sawmill</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Own use</td>
<td>RM3,000/annum + RM100/sawbench</td>
<td></td>
</tr>
<tr>
<td>b) Commercial use</td>
<td>RM3,000/annum and RM100/sawbench</td>
<td></td>
</tr>
<tr>
<td>b. Chip mill</td>
<td>RM6,000/annum</td>
<td></td>
</tr>
<tr>
<td>c. Veneer Plant</td>
<td>RM6,000/annum and RM2,400 per peeler machine or slicer machine and RM100/sawbench</td>
<td></td>
</tr>
<tr>
<td>Plywood Plant</td>
<td>RM6,000/annum and RM2,400 per peeler machine or slicer machine and RM100/sawbench</td>
<td></td>
</tr>
<tr>
<td>Moulding Plant</td>
<td>RM2,000/annum + RM100/sawbench</td>
<td></td>
</tr>
<tr>
<td>MDF (medium density fibre board plant)</td>
<td>i) RM6,000  ii) RM1,000/annum</td>
<td></td>
</tr>
<tr>
<td>g. Pulp Plant</td>
<td>RM12,000/annum</td>
<td></td>
</tr>
<tr>
<td>h. Paper Plant</td>
<td></td>
<td>1RM12,000/annum for mill using timber fibre 2) RM1,000/annum for non-wood fibre</td>
</tr>
<tr>
<td>i. Wood-preservation plant</td>
<td>RM1,200/annum</td>
<td></td>
</tr>
<tr>
<td>j. Wood-cement board plant</td>
<td>RM5,000/annum</td>
<td></td>
</tr>
<tr>
<td>k. Blockboard</td>
<td>RM5,000/annum and RM2,400 per Peeler/slicer machine and RM100/sawbench</td>
<td></td>
</tr>
<tr>
<td>l. Carbon Rod Mill</td>
<td>RM1,000/annum</td>
<td></td>
</tr>
<tr>
<td>m. Chop stick Mill</td>
<td>RM500/annum</td>
<td></td>
</tr>
<tr>
<td>n. Kiln Dry Plant</td>
<td>RM1,200/annum</td>
<td></td>
</tr>
<tr>
<td>o. Match Factory</td>
<td>RM100/annum</td>
<td></td>
</tr>
<tr>
<td>p. Furniture factory (*)</td>
<td>RM2,000 AND RM100 for each bandsaw</td>
<td></td>
</tr>
</tbody>
</table>

Note: If a mill is an integral part or another mill then only the highest fee will be imposed. Wood Preservation Plant, Kiln Dry Plant and Mobile Sawmill however are excluded from this provision and a separate licence fee is needed. Government owned mill is exempted from payment of annual fee/machines.

<table>
<thead>
<tr>
<th><strong>PROCESSED TIMBER EXPORT LICENCE</strong></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RM2,500.00/annum</td>
<td></td>
</tr>
</tbody>
</table>
### SALE OF MAPS
Revised as per items below:
- Paper map RM94/meter
- Transparencies map RM141/meter.
- Data processing and plotting: RM150/hour

### ISSUANCE OF FOREST LICENCES

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Form I</td>
<td>RM3,000/issuance including renewal</td>
<td></td>
</tr>
<tr>
<td>Special Licence</td>
<td>RM5,000/issuance issuance</td>
<td></td>
</tr>
</tbody>
</table>
| Licence Agreement        | RM20,000/issuance: 1. 50 acres & below: RM100 per issuance  
                          | 2. 51 - 150 acres: RM300 per issuance  
                          | 3. 150 acres & above: RM700 per |
| Form IIB                 |                                                |

### LOGGING VEHICLE

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tractors</td>
<td>RM1,000.00/annum</td>
</tr>
<tr>
<td>Skidders</td>
<td>RM500.00/annum</td>
</tr>
<tr>
<td>Others</td>
<td>RM500.00/annum</td>
</tr>
<tr>
<td>LDCS</td>
<td>No fee imposed</td>
</tr>
</tbody>
</table>

### EXPORT OF RATTAN

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unprocessed Rattan (fresh from the jungle)</td>
<td></td>
<td>Export is banned.</td>
</tr>
<tr>
<td>Processed Rattan (washed, treated with sulphur</td>
<td></td>
<td>Export is banned.</td>
</tr>
<tr>
<td>or other chemicals, graded, dried, split or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>unsplit and bundled)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Converted Rattan (whole Furniture or Artifacts)</td>
<td>NIL</td>
<td></td>
</tr>
</tbody>
</table>

### EXTRACTION OF RATTAN - COLLECTION FEE

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forest Reserve</td>
<td>RM10.00/person/month</td>
</tr>
<tr>
<td>Stateland</td>
<td>NIL</td>
</tr>
</tbody>
</table>

### PERMIT TO POSSESS OR CARRY FIREARMS OF APPARATUS WITHIN A FOREST RESERVE

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit to enter Forest Reserve</td>
<td>RM100.00/annum</td>
</tr>
<tr>
<td>Permit to enter Bird Nest Centers in forest</td>
<td>RM5.00/person/entry</td>
</tr>
<tr>
<td>reserves (For visitors)</td>
<td></td>
</tr>
<tr>
<td>Permit to enter forest reserves to collect</td>
<td>RM5.00/person/harvest</td>
</tr>
<tr>
<td>Bird Nest (For collectors)</td>
<td></td>
</tr>
</tbody>
</table>

### QUARRY LICENSE (FOREST RESERVE) FOR COMMERCIAL USE

<table>
<thead>
<tr>
<th>Item</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit to extract stones</td>
<td>RM100.00/annum</td>
</tr>
</tbody>
</table>
### Charges

<table>
<thead>
<tr>
<th>Occupation</th>
<th>RM5,000/ha/annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit to quarry</td>
<td>RM5,000/ha/annum</td>
</tr>
</tbody>
</table>

### Annual Fee

<table>
<thead>
<tr>
<th>Grade</th>
<th>Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>E (Based on JKR)</td>
<td>RM2,000.00/annum</td>
</tr>
<tr>
<td>D (Geological Dept. grading)</td>
<td>RM6,000.00/annum</td>
</tr>
<tr>
<td>C</td>
<td>RM12,000.00/annum</td>
</tr>
<tr>
<td>B</td>
<td>RM24,000.00/annum</td>
</tr>
<tr>
<td>A</td>
<td>RM50,000.00/annum</td>
</tr>
</tbody>
</table>

### Removal of Sand from Forest Reserve

Occupation: RM5,000.00/ha/annum

### Gravel Stones (Along Riverbeds)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>RM1000.00/ha/annum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permit to operate gravel extraction work.</td>
<td>Not allowed</td>
</tr>
</tbody>
</table>

### Issuance of Removal Pass

RM5.00 per lorry/scow

### Administrative Charges on Forest Offences

- **a.** Delay in Extracting Felled Trees
  - Deleted. (i) is similar to (ii).
  - 3 times the export royalty as penalty.
- **b.** Abandoned logs/trees
  - 10 times the local processing royalty as penalty (based on the highest rate).
  - RM100.00/stump
  - 10 times the export royalty rate as penalty.
  - RM100/tree and local processing royalty payment.
- **c.** Felling undersized trees excluding *Macaranga* species (**)
  - RM500.00/tree
  - RM5,000.00/month or part of a month during which the maps are to be submitted.
- **d.** Leaving High Stumps
  - RM1,000.00/detection
  - 2 times of the royalty per parcel.
- **e.** Illegal feeling
  - 3 times the export royalty.
- **f.** Unauthorized used of commercial species for temporary construction work.
- **g.** Avoidable damage to pole size trees
- **h.** Failure to deliver by the date specified an accurate map of any year's working and the location of all extraction routes.
- **i.** Failure to prevent and to report an outbreak of fire.
- **j.** Production of an incorrect specification for any parcel or part of parcel of timber.

**Macarangga species is excluded under this provision (refer JPHTN/PP100-4/1/23 dated 24/4/2001)**
<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>k. Unauthorized removal of logs.</strong></td>
<td>RM5,000.00/stump&lt;br&gt;RM5,000.00/detection</td>
</tr>
<tr>
<td><strong>l. Felling prohibited species</strong></td>
<td></td>
</tr>
<tr>
<td><strong>m. Failure to declare an area which has been logged and to request for logging inspection for that particular area.</strong></td>
<td>RM300.00 per lorry for first offence and RM500.00/lorry for second or subsequent offence. 10 times the export royalty.</td>
</tr>
<tr>
<td><strong>n. Penalty for removing forest produce between 7 p.m. to 7.00 am without authority.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>o. Attempting unauthorized export of logs</strong> *</td>
<td>RM500.00/report&lt;br&gt;RM20.00/log&lt;br&gt;RM500.00/detection&lt;br&gt;RM1000/detection 50% of the fine imposed on unauthorised export of logs as in 24(o).</td>
</tr>
<tr>
<td><strong>p. Production of an incorrect mill production report.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>q. Failure to mark logs with registered property mark or serial number.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>r. Non maintenance of boundary</strong></td>
<td></td>
</tr>
<tr>
<td><strong>s. Failure to register as a mill contractor/logging contractor</strong></td>
<td></td>
</tr>
<tr>
<td><strong>t. Attempting unauthorised export of any forest produce or product other than logs.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>MINOR FOREST PRODUCE</strong>&lt;br&gt;(Damar, Fossil, Gums, Gaharu, Cinnamon, Sticks, Tengkawang fruits, etc)</td>
<td>10% of the value. However Gaharu is only allowed if it is harvested from state land's. Forest reserve production is not allowed.</td>
</tr>
</tbody>
</table>