



**PRESS STATEMENT
(FOR IMMEDIATE RELEASE)**

STA's First Virtual Annual General Meeting

The Sarawak Timber Association (STA) held its Annual General Meeting (AGM) 2021 in full virtual proceedings for the first time on 30 December 2021. The virtual meeting received good attendance response from members throughout Sarawak, allowing them to exercise their rights to participate and vote safely and remotely, as concerns regarding the COVID-19 situation remained.

At the meeting, Datuk Sir Wong Kie Yik, Chairman of STA, in his speech, said that the last two (2) years gave the Association the opportunity to prove its perseverance during the pandemic. Despite the disruption by COVID-19, STA responded with resilience, by continuing to help members with issues of concern and working closely with Government agencies and other stakeholders. It was STA's priority to ensure members were able to continue to operate safely and sustain their businesses, while also catering to future development of the industry.

He also conveyed his appreciation for the continued trust and support shown by the Council, members and stakeholders, as well as thanked both STA advisors, Datu Hamden bin Mohammad and Datu Haji Hashim bin Haji Bojet, for their invaluable assistance. At the same time, he acknowledged the contribution of all frontliners who have been working tirelessly since the pandemic to keep the community safe and the economy moving forward.

A report was presented by Dato Henry Lau, Honorary Secretary on behalf of the Council. A summarised version is as follows:

Since the beginning of the COVID-19 pandemic in early 2020, STA members and the industry have been inundated with challenges, especially with the shortage of raw materials and manpower as well as soaring costs. Disrupted shipping activities have also brought about catastrophic increase in the cost of international shipping, such that freight and shipping costs have increased threefold from pre-COVID time.

The call by some quarters to revise the current minimum wage upwards is not appropriate now as businesses seek to recover from the prolonged containment measures implemented to break the chain of infections in 2020 and 2021 that had badly affected all economic sectors. It is not clear when the situation will stabilise, with the looming threats of possible lockdowns to curb new COVID-19 variants. If it was not because of the wage subsidy of RM18 billion provided by the Government in 2020 that benefitted more than 300,000 employers and 2.4 million employees, STA believes that the number of companies which ceased operations and employees who lost their jobs would be far more than the reported 32,500 companies and 107,000 employees. STA urges the Government to be more

understanding on the difficulties faced by the employers, particularly the small and medium enterprises (SMEs) and micro enterprises.

STA engages with the Government on moving the industry towards automation to decrease the industry's dependency on foreign workers. In this respect, the Government's support is critical as the industry will require technical expertise as well as assistances or subsidies towards upgrading machineries and technologies.

The pandemic has also disrupted many of our members' activities on the ground. For example, our members had put in a lot of efforts in trying to comply with the Environmental Quality (Clean Air) Regulations, 2014 which was only made known to them towards the end of the grace period in 2019. During the two-year extension period of 2020 and 2021 granted by the Department of Environment, our members' progress have been inevitably stalled due to restriction in movements and closure of our country's border which prohibits the arrival of experts and required parts. Therefore, STA would like to seek the Government's understanding on the unavoidable slow progress and appeal for more time to be given to our members to achieve these objectives.

Meanwhile, STA had to adapt to the new norms of conducting its meetings, trainings and briefings online as the pandemic has restricted physical gatherings and travels. STA maintains constant engagement with its members to keep them abreast with matters affecting the industry, such as the implementation of Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446) and occupational safety and health (OSH) in timber industry. Several briefing sessions were conducted either by STA or by inviting speakers from the relevant Government agencies during the year.

To ensure continuity of the training of workmen, STA's subsidiary company, STA Training Sdn Bhd (STAT), initiated several online training programmes beginning April 2021 to train in-house trainers and operators of its member companies. These in-house trainers shall assist to train the operators on the ground, leaving STAT's Trainers/Assessor with more time to assess operator thus expediting the training of workmen. STAT has resumed physical training and assessment activities starting from November 2021 in view of the relaxation of inter-district travels.

Vaccination for workers in the timber industry was also especially crucial to keep the pandemic at bay. During the year, STA worked closely with related Government agencies, in particular the Ministry of International Trade and Industry, Industrial Terminal and Entrepreneur Development (MINTRED), to arrange for its members to participate in industrial vaccination programme. Members were able to set up industrial vaccination centre on-site for their workers or send their workers to nearby unified vaccination centres identified COVID-19 Immunisation Task Force (CITF) Sarawak through resource pooling. As a result, more than 11,000 workers of the industry were vaccinated.

At the virtual AGM today, members strongly voiced their constant frustration and helplessness over many issues, in particular shortage of raw materials and manpower which have severely affected the timber industry as a whole. Many operations have either scaled down or closed down, and some who are still operating may not be able to sustain much longer if there is no support and favourable

policies from the Government. With that, members agreed to set up a special committee to gather feedback for STA to engage with the Government for the industry's wellbeing. Only a healthy industry can contribute to Sarawak's economy.

Another crucial agenda during the AGM was voting on the migration of STA's Memorandum and Articles of Association (M&A) to STA Constitution by the members. The migration is necessary to meet the requirements of the Registry of Societies Malaysia.

STA would like to acknowledge the dedication and persistence of all its members in adapting to the new norms of COVID-19. STA will also remain resilient, by continuing to help members with issues of concern, ensuring they are able to not only operate safely and sustain their businesses, but also cater to future development of the industry.

STA would also like to express gratitude to the Government agencies and other stakeholders for the unending collaboration and support essential to move towards an inclusive and sustainable economic growth. Notwithstanding that, collaboration, cooperation and coordination are more important now than ever before if we are to overcome these challenges.

Sarawak Timber Association
30 December 2021