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This monthly news bulletin is produced by Sarawak Timber Association (STA) to disseminate information to our counterparts on training, research and other relevant areas.

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Electronic Publishing of *STA dan Rakan2*

In line with the Government's call for digitisation, STA intends to cease printing hardcopies of *STA dan Rakan2* and go fully digital, whereby future publications will reach readers through electronic mail (e-mail).

Therefore, if you are interested to continue receiving *STA dan Rakan2*, kindly notify the Editor, Ms Freda at freda@sta.org.my or 082 – 332 222. Otherwise, STA reserves the right to withdraw your subscription.

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ITTO Survey: Impact of COVID-19 Pandemic on Tropical Timber Producers

The International Tropical Timber Organisation (ITTO) on 8 May 2020 has made available on its website the results of a survey carried out by ITTO in April 2020 to assess the impact of COVID-19 on the timber sector in nine (9) tropical countries.

These countries, which have a combined contribution of more than 50% to the global exports of primary tropical timber products, include Brazil, Gabon, Ghana, Indonesia, Malaysia, Myanmar, Peru, Thailand and Viet Nam.

Various questions were posed in the survey relating to mills operation, production volume, workforce management, logistics and governmental support.

According to ITTO, the survey findings indicated that the measures taken to stop the COVID-19 spread are having substantial impacts on the tropical timber sector in the 9 tropical countries such as rise in workforce retrenchment and falling market demand. The recovery of tropical timber demand post-pandemic is also a concern shared

among the tropical timber producers. As for Sarawak, the survey revealed that mills are allowed to operate with minimal workforce and stringent conditions under the Movement Control Order (MCO) starting from 18 March 2020.

The survey also found that the enforcement of MCO has caused interruption on ground operation and delays in document approvals.

Companies are also experiencing delays in logistics due to MCO in Malaysia and lockdowns in other consumer countries.

Both Federal and State Governments have announced assistances such as wage subsidy programme, discounts on utility bills, etc.

STA participated in the survey based on the feedback and comments from its members.

More information about the survey results can be found on the ITTO website www.itto.int/news/2020/05/08/survey_shines_light_on_covid_19_impacts_on_tropical_timber_sector/.

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Conditional Movement Control Order (CMCO): Restarting the Country's Economy

On 1 May 2020, the Prime Minister of Malaysia, Tan Sri Muhyiddin Yassin, announced the implementation of Conditional Movement Control Order (CMCO) in the country. The CMCO, which came into effect on 4 May 2020, aims to ease the MCO imposed since 18 March 2020 and to restart Malaysia's economy in a controlled manner.

The implementation of CMCO has essentially allowed all economic activities, excluding those listed under the "List of Prohibited Activities", to reopen and operate subject to stringent enforcement and adherence of the standard operating procedures (SOPs) as specified by the National Security Council (NSC). Any form of mass gathering remains prohibited under the CMCO.

The Sarawak Government has also complied to the implementation of CMCO on 12 May 2020, and STA is glad to note that the Sarawak Government is putting in efforts to ensure that the activities no longer prohibited under the CMCO are engaged in a manner appropriate to the conditions in the State and benefitting the people of Sarawak.

These efforts included refining the SOPs to cater for various economic activities specific to the State as well as having sufficient resources to manage the operational aspects of the SOPs.

The Sarawak Government has also set up the Sarawak Economic Action Council (SEAC) to address impacts of the COVID-19 and study key sectors which will drive the economy of Sarawak for its post COVID-19 exit strategy up until year 2030.

A total of ten (10) key sectors have been identified for the study comprising (1) Commercial Agriculture; (2) Data Centre & Innovations; (3) Education & Human Capital Developments; (4) Forestry; (5) Infrastructure; (6) Manufacturing & Entrepreneurship; (7) Mining; (8) Renewable Energy; (9) Services; and (10) Tourism. From these 10 key sectors, four (4) clusters were created with

each cluster managed by a Working Committee and supported by several Working Teams.

On 27 May 2020, the Ministry of Urban Development and Natural Resources (MUDeNR), who is leading the Forestry Working Team (FWT) for the Resources and Industrial Development Cluster, organised its first virtual meeting attended by FWT members from relevant departments, agencies, academicians and STA.

During the online meeting, PricewaterhouseCoopers (PwC) Malaysia, the appointed consultant for the study, revealed key aspirations for the forestry and timber industry to be discussed and analysed by the FWT members in the areas of sustainable forest management, biodiversity as well as sustainable growth of the timber industry.

STA will continue to maintain close collaboration with ministries, agencies, and public and private organisations during this tough juncture as well as provide inputs and recommendations in contributing to the formulation of appropriate initiatives for the industry to recover from the adverse effects of COVID-19.

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Wishing all Members and Readers,

*Selamat Hari Gawai,
Gayu Guru Gerai Nyamai,
Lantang Senang Nguan Menoa*

From,

The Chairman, Council Members,
Management and staff of STA, STA
Enterprises Sdn Bhd, STA Mutual Sdn
Bhd and STA Training Sdn Bhd.

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Did you know that....

COVID-19 is disrupting international trade and supply chains in the timber markets and having a significant effect on production and consumption patterns. Notable impacts include (i) the decline of exported round timber to China, resulting in some places in stockpiles of export products being built up, (ii) limited demand in typically strong markets such as Austria and Germany, (iii) export markets in France, Italy and Spain at a standstill, and (iv) a decrease in export incomes in developing countries, such as ours.

Source: FAO. 2020. *The Impacts of COVID-19 on the Forestry Sector: How to Respond?*. Available at <https://doi.org/10.4060/ca8844en>

Meeting on Malaysia Country Specific Guideline (MCSG) for Sarawak

A meeting was called by Datu Hamden Bin Haji Mohammad, Director of Forests Sarawak, on 22 May 2020 at his office in Wisma Sumber Alam, Kuching. The objective of meeting was to update and revise the Malaysia Country Specific Guideline (MCSG) for Sarawak.



Photo: Meeting in progress

The MCSG is intended to assist importers in Australia to understand the regulatory framework in Malaysia when importing regulated timber products.

It is also to provide guidance to them when they carry out due diligence obligations under the Illegal Logging Prohibition Regulation 2012.

The meeting was attended by officers from Forest Department Sarawak (FDS), Sarawak Forestry Corporation (SFC), Sarawak Timber Industry Development Corporation (STIDC), Harwood Timber Sdn Bhd and STA.

The meeting incorporated changes to the document taking into consideration the restructuring of FDS and SFC which took effect on 2 January 2020 as well as the electronic endorsement of the Export License on the back of the Customs Export Declaration Form (K2) by STIDC with the STIDC approving officer's QR Code and electronic STIDC stamp as key ID features.

FAO ACSFI COVID-19 Forestry Webinar Week

Advisory Committee on Sustainable Forest-Based Industries (ACSFI), a Food and Agriculture Organisation of the United Nations (FAO) statutory body is organising the Covid-19 Forestry Webinar Week, Building Back Better: COVID-19 Pandemic Recovery Contributions From the Forest Sector from 22 - 25 June 2020 at 12:00 - 15:00 Central European Time (CET) (6.00 p.m. – 9.00 p.m. Malaysian time) each day.

The objectives of the Forestry Webinar Week are to:

- assess impacts of pandemics on people and forests;
- identify and discuss possible responses that help mitigate impacts on people and forests and help address the situation in the short term while at the same time contributing to building a more resilient and sustainable future;
- propose follow-up steps, including policy dialogue and mobilizing of resources and action that better enables the forest sector to help rebuild sustainable and resilient societies (building back better).

The initiative by FAO comes about acknowledging that multiple impacts from the COVID-19 have become visible as the pandemic continues to spread around the globe. It was also noted that forestry and forest-based sectors have key role to play in providing solutions.

This is attributed to the function of forests as safety nets for the most vulnerable members of society, providing

food, subsistence and income in times of scarcity and thereby increasing resilience to shocks such as the current one.

Among some of the sessions in the Forestry Week are;

- Forest communities and the impacts of COVID-19: addressing vulnerabilities, supporting responses, and preventing future crises,
- Solutions for resilience: strengthening the connection between forests, biodiversity and health in the One Health approach,
- COVID-19's effects on deforestation and possible responses through strengthening legality and sustainability,
- Using forest and landscape restoration to build resilience and sustainable business,
- The global forest sector & COVID-19: navigating a sustainable future in an economically & socially constrained world, and
- Sustainable Wood for a Sustainable World (SW4SW) Roundtable: COVID-19 related impacts on forest wood value chains and contributions to build back better.

FAO on its website, underlined that COVID-19 has delivered the world a curve ball that few were prepared for from a health, economic, environmental or social perspective.

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While the upcoming decade still provides unique opportunities for the forest sector to contribute significantly to the Sustainable Development Goals (SDGs), FAO opined that it now must do so in a context that is different to anything else in living memory.

It added that the quickly evolving and dynamic situation has left the sector with many immediate challenges including the need to be recognised as an essential industry, managing health and safety considerations, changing market dynamics and in some jurisdictions, reduced worker availability.

However, the opportunities that existed before the COVID-19 crisis emerged, remain. For example, wood provides a climate friendly building product that can substitute for fossil intensive alternatives.

Non-wood forest products provide a wealth of traditional and innovative products that provide income and improve the livelihood of forest-dependent people.

Forests also provide key services that help maintain ecosystem services, conserve biological diversity and keep viruses contained.

The challenge is, how can the forest sector best deliver

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upon those important outcomes in a world that is focused on people's health and the rebuilding of economies.

The "The Global Forest Sector & COVID-19: Navigating a Sustainable Future in an Economically & Socially Constrained World" session, which is scheduled to take place on 24 June 2020 intends to address these questions.

To shed light on the subject from the ASEAN region, Ms Annie Ting, Chief Executive Officer (CEO) of STA was invited to speak alongside two (2) other recognised industry leaders from the South America and Africa region.

This is to allow participants from all over the world to hear the experiences from different parts of the globe on how the forest sector and development partners can respond to COVID-19 in the short, medium and long term.

Additionally, the session aims to find out how development partners and private sector can develop opportunities for stronger collaboration to effectively promote sustainable forest-related consumption and production patterns and most importantly, contribute to the SDGs in a post COVID-19 world.