



Food and Agriculture
Organization of the
United Nations

Industry Perspective: Sustaining Tropical Forest Management & its Timber Trade Post COVID-19



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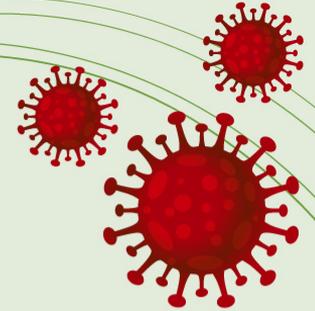
24 June 2020



22-25 JUNE

COVID-19 FORESTRY WEBINAR WEEK

Building back better: COVID-19 pandemic
recovery contributions from the forest sector



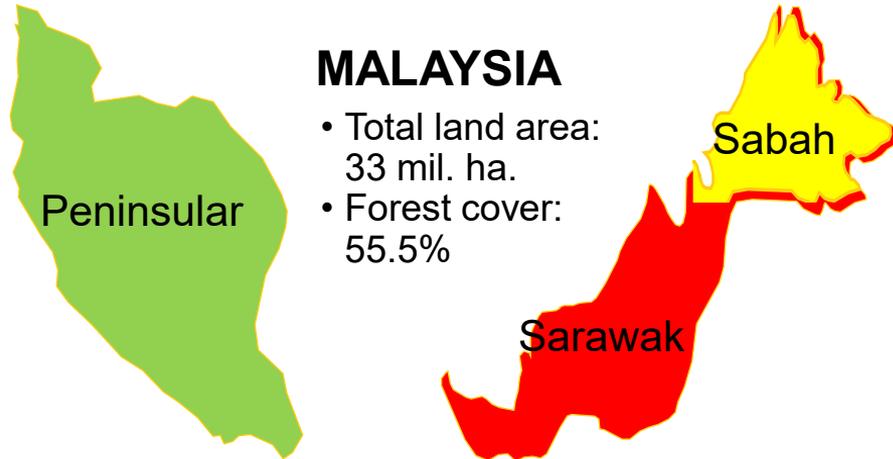
Presentation Outline

1. Introduction to STA
2. Overview of Forestry in Malaysia
3. Forests for Timber
4. Value of SFM Tropical Timber ?
5. Impact of COVID-19 on Forest Sector
6. Post COVID-19: Development Partners –
FAO, ITTO, etc.

Introduction to Sarawak Timber Association (STA)

- Formed in 1971 and located in Kuching, Sarawak, Malaysia
- Representing majority companies dealing with forest industry and timber trade in Sarawak
- Supporting the implementation of sustainable forest management and the use of legal timber for the well-being of forestry and timber industry in Sarawak

Overview of Forestry in Malaysia



MALAYSIA

- Total land area: 33 mil. ha.
- Forest cover: 55.5%

Year 2020			
Permanent Reserved Forest / Permanent Forest Estate	State Land Forest	Totally Protected Areas	Total Forested Area
11.68 mil ha	3.85 mil ha	2.76 mil ha	18.28 mil ha

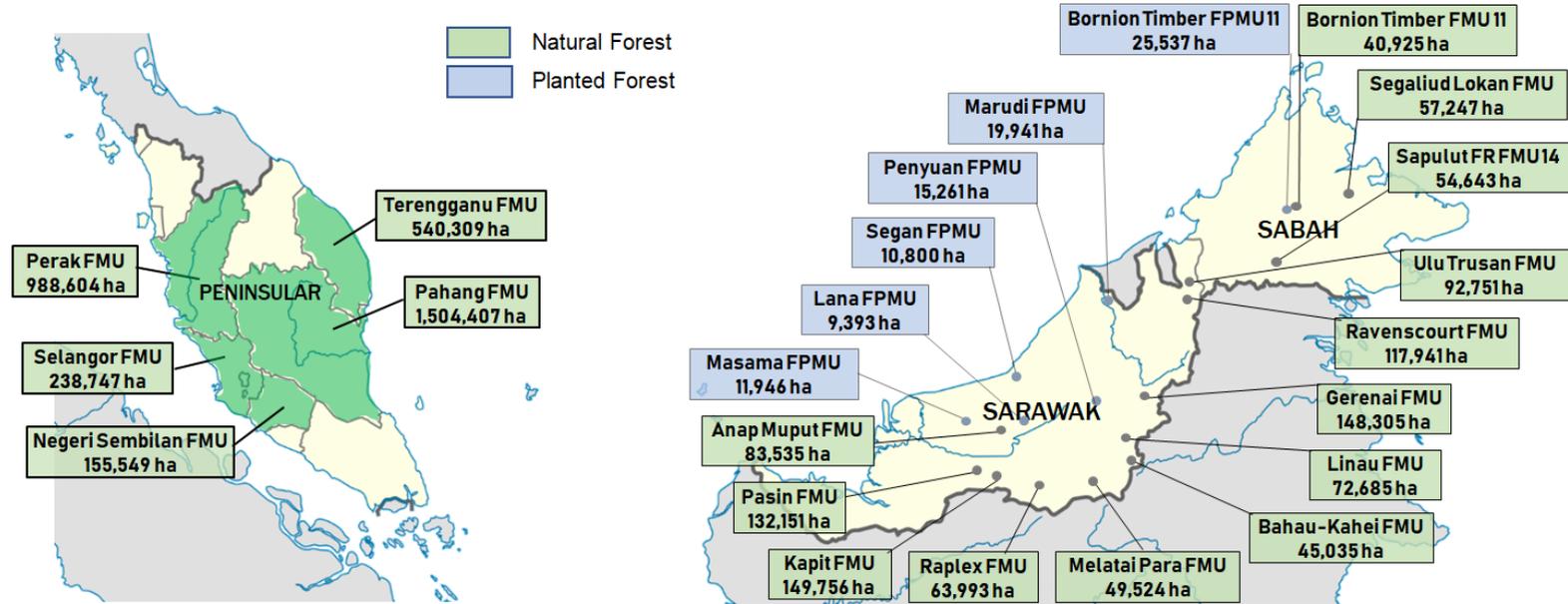
Source: Published figure by the Ministry of Water, Land & Natural Resources Malaysia

- Malaysia committed to implement sustainable forest management in line with Sustainable Development Goals (SDGs)
- Malaysia has its own certification scheme endorsed by Programme for the Endorsement of Forest Certification (PEFC)
- In Sarawak and Sabah, certification is implemented by industry while in Peninsular Malaysia is by forestry departments

Forests for Timber

PEFC Certified Forests in Malaysia

(as of 1 June 2020)



Total of **4,628,984.20 ha** forest certified under PEFC

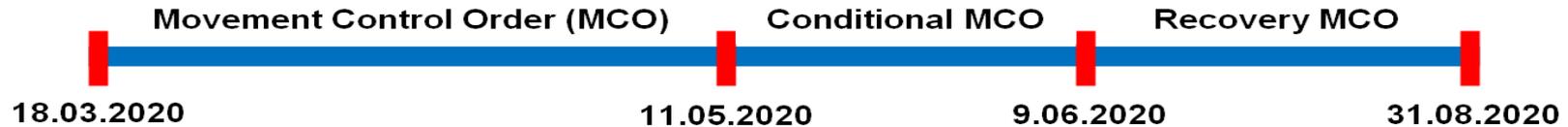
- 18 Forest Management Units (FMUs) cover 4,536,106.49 ha
- 6 Forest Plantation Management Units (FPMUs) cover 92,877.71 ha

Value of SFM Tropical Timber ?



- Producers: aim to achieve SDGs - FMC
- Consumers: inclined towards cheaper products
- Price mismatch
- How to address the price gaps???

Impact of COVID-19 on Forest Sector

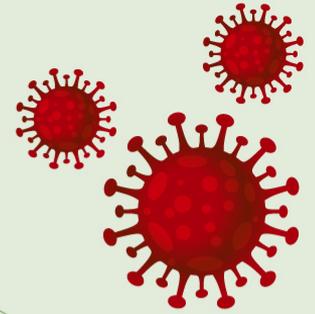


- Declined in production - 50% workforce, increase in costs and overheads
- Supply chain disrupted - restricted transportation and supporting services
- Declining market demand - full / partial lockdown in consumer countries
- Economic stimulus packages - not benefiting everyone
- Cash flow crisis - scale down / closing down
- Expect worse impact of COVID-19 in 3rd and 4th quarter 2020

Post COVID-19: Development Partners – FAO, ITTO, etc.

1. **Safeguard the interest** of tropical timber producer to continue implementing SFM in line with SDGs while remaining competitive:
 - Short to medium-term:
 - a. **provide sustainable financial** support to private sector;
 - Medium to long-term:
 - a. **Recognise SFM tropical timber** as an environmental friendly and renewable resources.
 - b. Engage with Governments worldwide to **commit in utilising SFM tropical timber** in their development projects.
 - c. **Promote green pricing** for SFM tropical timber products.
2. Facilitate dialogue / provide platform / educational programme (global strategies such as nature-based solutions, circular bioeconomy, & etc) with the Government and private sector of the respective country

Thank You!



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