

STA Review

Monthly Magazine of the Sarawak Timber Association
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Location: Ulu Baram
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STA Panel Products Committee Meeting No 1/2021

The newly formed STA Panel Products Committee members met on 29 April 2021 under the chairmanship of Dato' Sri Patrick Wong Haw Yeong. The meeting was conducted virtually.



Meeting in progress

Committee members discussed and shared the current situation of the timber industry and prices of plywood for international markets such as the United States of America (USA), Middle East, India and Japan. The meeting was also updated on the latest development of issues including (i) restriction on the importation of ordinary plywood for thickness of 6mm and above into Sarawak; and (ii) installation of Continuous Emission Monitoring Systems (CEMS) where the Department of Environment has approved the grace period and contravention licence application period, on a case-by-case basis for one (1) year until 31 December 2022 in order for manufacturers to fully comply with *Environmental Quality (Clean Air) Regulations 2014*.

The meeting agreed to continue to support the works carried out under the Conservation, Utilisation, Reforestation, Education (CURE) Programme by International Wood Products Association (IWPA). The meeting also considered subscriptions of (i) Random Lengths to obtain online reports/statistics regarding information on forest products for the North American markets and international trade development; as well as (ii) Fordaq to gain access to its online marketplace for wood professionals around the world.

新成立的STA合板小组委员会于2021年4月29日在拿督斯里黄厚匀的主持下召开线上会议。委员会成员讨论并分享木材行业的现状以及国际市场如美国，中东，印度和日本的胶合板价格。会议同意继续支持国际木材产品协会 (IWPA) 在保护，利用，重新造林，教育 (CURE) 计划下展开的工作。

Ahli-ahli Jawatankuasa Produk Panel STA yang baharu telah bertemu pada 29 April 2021 melalui persidangan video. Mesyuarat dipengerusikan oleh Pengerusinya, Dato' Sri Patrick Wong Haw Yeong. Ahli Jawatankuasa berbincang dan berkongsi situasi semasa industri perkayuan dan harga papan lapis untuk pasaran antarabangsa seperti Amerika Syarikat (USA), Timur Tengah, India dan Jepun. Mesyuarat bersetuju untuk terus menyokong usaha-usaha yang dilaksanakan di bawah Program Pemuliharaan, Penggunaan, Penghutanan Semula, Pendidikan (CURE) oleh Persatuan Produk Kayu Antarabangsa (IWPA).

STIDC ePermit System

Leveraging on digitalisation, Sarawak Timber Industry Development Corporation (STIDC) is promoting online application of export and import license for logs and timber products through the ePermit system. The mandatory requirements for online application of export and import license through the ePermit system are (i) registered with STIDC as an exporter/importer of logs and timber products as required by the *Sarawak Timber Industry (Registration) Regulations, 2008*; and (ii) registered with Dagang Net Technologies Sdn Bhd as a user of ePermit system.

Every application submitted through the ePermit system must also be attached with the relevant supporting documents. Physical inspection will still be carried out on all imported and exported logs and timber products. For more information, please visit STIDC website www.sarawaktimber.gov.my

砂拉越木材工业发展局 (STIDC) 正推广通过数码化平台即ePermit系统在线申请原木和木材产品进出口许可证。通过ePermit系统在线申请进出口许可证的强制性要求是 (i) 根据2008年砂拉越木材工业 (注册) 条例与STIDC注册为原木和木材产品的进出口商; 和 (ii) 向Dagang Net科技有限公司注册为ePermit系统的用户。

Bagi mendorong digitalisasi, Perbadanan Kemajuan Perusahaan Kayu Sarawak (STIDC) sedang mempromosikan aplikasi dalam talian untuk lesen eksport dan import kayu balak dan produk kayu melalui sistem ePermit. Keperluan mandatori untuk permohonan dalam talian bagi lesen eksport dan import melalui sistem ePermit adalah (i) berdaftar dengan STIDC sebagai pengeksport/pengimport kayu balak dan produk kayu seperti yang dikehendaki oleh *Peraturan Industri Kayu Sarawak (Pendaftaran), 2008*; dan (ii) berdaftar dengan Dagang Net Technologies Sdn Bhd sebagai pengguna sistem ePermit.

Refresher Course for Unit 7108: Conducting On-Job Training for Adults

STA Training Sdn Bhd (STAT), the appointed training provider under *The Forests (Trained Workmen) Rules, 2015*, organised a Refresher Course for Unit 7108: Conducting On-Job Training for Adults via video conferencing on 20 April 2021. The Unit 7108 targets in-house trainers of companies who will be training their operators on forestry activities such as tree felling, log extraction, log loading and others.

The Course was conducted by two (2) experienced STAT Trainer/Assessor, Mr Denis Aman and Mr Ginda Uli. It was attended by six (6) in-house trainers from STA member companies, i.e. Shin Yang Sdn Bhd, Syarikat Samling Timber Sdn Bhd, Samling Reforestation (Bintulu), Lee Ling Timber Sdn Bhd and Power Brite Sdn Bhd. The objectives of this Course were to (i) update the existing in-house trainers with the latest procedures and documentation processes for training; (ii) enhance training knowledge to improve their performance on the jobs; as well as (iii) boost the confidence level of the in-house trainers in conducting trainings within their company.



Refresher Course in progress

During the Course, in-house trainers were briefed on the implementation of training timeline for workmen to complete the training process and all respective training forms which need to be filled by them. An exercise session on filling out the newly revised training forms together with a flow chart based explanation were also carried out during the Course.

STA 培训有限公司 (STAT) 为2015年森林 (受训员工) 规则指定的培训提供者。STAT于2021年4月20日举办单元7108复习课程：对成年人进行在职培训视频会议。该单元主要针对本会会员公司对其操作员在林业活动方面如树木砍伐，原木取出，原木装载等活动进行培训的内部培训师。

STA Training Sdn Bhd (STAT), penyedia latihan yang dilantik di bawah *Peraturan Hutan (Pekerja Terlatih), 2015*, telah menganjurkan Kursus Ulang Kaji untuk Unit 7108: Mengadakan Latihan di Tempat Kerja untuk Orang Dewasa melalui persidangan video pada 20 April 2021. Unit 7108 menyasarkan pelatih dalaman syarikat yang akan melatih pengendali mereka mengenai aktiviti perhutanan seperti penebangan pokok, penarikan kayu, pemuatan balak dan lain-lain.

Implementation of COVID-19 Precautionary Measures in Wisma STA

The health and safety of the tenants and visitors of Wisma STA remain a top priority for STA Enterprises Sdn Bhd (STAE), a subsidiary company of STA, which is managing the building. In light of the recent COVID-19 situation in Sarawak, STAE continues to put in place strict precautionary measures in accordance to the advice of the relevant authorities and health organisations as follows:

- Mandatory body temperature screening and registration using the MySejahtera application (for COVID-19 contact tracing purposes) for all individuals arriving at Wisma STA;
- Mandatory face mask wearing within the premises of the building;
- Provision of hand sanitiser dispensers in prominent places in the building;
- Placement of floor stickers to demarcate social distancing spaces;
- Provision of the Standard Operating Procedures (SOPs) to be observed in the building as announced by the National Security Council and the Sarawak Disaster Management Committee;
- Postponement or cancellation of mass gathering events; and
- Carrying out of thorough sanitisation and disinfection works for Wisma STA on a regular basis, especially common areas and shared facilities such as lifts, toilets, prayer room and lobby.

STAE will continue to closely monitor the COVID-19 situation as well as to adapt and undertake the necessary actions to protect the safety of all tenants, visitors and the communities in which we live in.



Regular sanitisation and disinfection works are carried out for Wisma STA



Mandatory registration using MySejahtera application upon arrival at Wisma STA

负责管理 STA 大厦的本公司子公司，STA Enterprises 有限公司 (STAE) 以此大厦的租户和访客健康和安全的优先考量。为应对当前砂州COVID-19状况，STAE根据有关当局和卫生组织的建议，持续实施多项预防措施。

Keselamatan dan kesihatan para penghuni dan pelawat Wisma STA kekal menjadi keutamaan bagi STA Enterprises Sdn Bhd (STAE), anak syarikat STA, yang menguruskan bangunan. Mempertimbangkan situasi semasa COVID-19 di Sarawak, STAE kekal melaksanakan pelbagai langkah pencegahan yang ketat berdasarkan nasihat pihak berkuasa dan organisasi kesihatan yang berkaitan.

Briefing on Integrated Labour Management System

The Department of Labour (JTK) Sarawak, under the Ministry of Human Resources, organised an online briefing on 5 April 2021 to share information about the newly developed Integrated Labour Management System (SPPB), which will be replacing the existing Labour Market Database System. A total of 125 representatives from various industries and associations including STA attended the online briefing.

SPPB is an integrated, comprehensive and centralised online platform developed to manage the country's labour related services and to improve interaction among employees, employers and the department when handling labour matters. In order to further increase the workflow efficiency among relevant Government agencies, SPPB shall be connected to other existing governmental systems including Department of Immigration Portal, Department of National Registration Portal, Social Security Organisation Portal, Integrated Foreign Workers Management System (ePPAx) under JTK Peninsular Malaysia, Labour Market Information Data Warehouse (LMIDW) under Institute of Labour Market Information and Analysis, Income Tax System (e-Filing) under Inland Revenue Board of Malaysia, High Court System (eKahakiman) under Federal Court of Malaysia, Foreign Workers Employment Licensing System (SLMPA) under JTK Sabah as well as Monitoring System on the Employment of Non-Sarawakians (MSEN) under JTK Sarawak.

Some of the functions of SPPB are online employer and employee registration, labour application, statutory information checking, labour complaints handling, workers' compensation claims and interactive activity dashboard. Due to the COVID-19 pandemic situation, the official launching date of SPPB has yet to be decided.

人力资源部下属，砂拉越劳工部 (JTK) 于2021年4月5日举办线上简报会，分享有关新开发的综合劳工管理系统 (SPPB) 的信息。该系统将取代现有的劳动力市场数据库系统。由于新冠疫情情况，SPPB 的正式发布日期尚未确定。

Jabatan Tenaga Kerja (JTK) Sarawak, di bawah Kementerian Sumber Manusia, menganjurkan taklimat atas talian pada 5 April 2021 untuk berkongsi maklumat mengenai Sistem Pengurusan Buruh Bersepadu (SPPB) yang baru dibangunkan, menggantikan Sistem Pangkalan Data Pasaran Buruh yang sedia ada. Disebabkan situasi semasa COVID-19, tarikh rasmi pelancaran SPPB masih belum dimuktamadkan.

Shared Prosperity Vision 2030 Town Hall Session

"Shared Prosperity Vision (SPV) 2030" is a blueprint released by the Federal Government for the period of 2021 to 2030 with a commitment to make Malaysia a nation that achieves sustainable growth along with fair and equitable distribution, across income groups, ethnicities, regions and supply chains. The commitment is aimed at strengthening political stability, enhancing the country's prosperity and ensuring Malaysians are united whilst celebrating ethnic and cultural diversity as the foundation of the country.

On 1 April 2021, a town hall session was organised at the Borneo Convention Centre Kuching to share information about SPV 2030 with the private and public sectors in Sarawak. The Prime Minister of Malaysia, Tan Sri Muhyiddin Yassin, attended the session as the guest of honour.

Senator Datuk Dr Mohd Radzi Md Jidin, Senior Education Minister, explained that SPV 2030 will help Malaysians, especially those who belong to the B40 group, poor and economically vulnerable, through various forms of Government assistance including programmes to increase income. He added that SPV 2030 outlines fifteen (15) guiding principles, seven (7) strategic thrusts and eight (8) enablers to realise the desired goals. SPV 2030 represents a new developmental narrative which caters for a holistic economic framework and direction to ensure sustainable economic growth for Malaysia.

The Prime Minister of Malaysia, in his speech, reiterated the importance of SPV 2030 in providing a decent standard of living to all Malaysians by 2030. He emphasised that the Federal Government has been committed in driving socio-economic development in each State in Malaysia, and that, Sarawak has also



Prime Minister of Malaysia presenting his speech during Shared Prosperity Vision 2030 Town Hall Session

been given the focus over the past years. According to him, a total of 781 development projects worth RM4.5 billion has been approved to be implemented in Sarawak for the First Rolling Plan 2021 under the 12th Malaysia Plan. These development projects included Pan Borneo Highway, first phase of Tanjung Manis Halal Hub, upgrading of Mukah Airport, Rumah Mesra Rakyat Sarawak programme as well as constructions of hospitals in Petra Jaya, Sri Aman and Lawas. On matters regarding the Malaysia Agreement 1963, the Prime Minister gave affirmation that Sarawak's rights would continue to be protected based on the Federal Constitution.

The session, which was a joint effort by the Shared Prosperity Delivery Unit, the Prime Minister's Office and the Malaysian Future Institute, was also attended by the Chief Minister of Sarawak and various Ministers of Sarawak.

"2030年共享繁荣愿景 (SPV)" 是联邦政府所发布的2021年至2030年期间的蓝图，致力于使马来西亚成为一个在收入群体，族裔，地区和供应链中实现可持续增长以及公平合理分配的国家。

为了与砂拉越私营和公共部门分享有关 SPV 2030 的信息,2021年4月1日在古晋婆罗州会展中心举办了市民大会。马来西亚首相丹斯里慕尤丁以贵宾身份参加了该大会。

"Wawasan Kemakmuran Bersama (SPV) 2030" merupakan rangka tindakan yang dikeluarkan oleh Kerajaan Persekutuan untuk tempoh 2021 hingga 2030 dengan komitmen menjadikan Malaysia sebuah negara yang mencapai pertumbuhan lestari selari dengan pengagihan yang adil, di kesemua kumpulan pendapatan, etnik, wilayah dan rantaian bekalan.

Pada 1 April 2021, satu sesi balai rakyat telah dianjurkan di Pusat Konvensyen Borneo Kuching untuk berkongsi maklumat SPV 2030 dengan sektor swasta dan awam di Sarawak. Perdana Menteri Malaysia, Tan Sri Muhyiddin Yassin, menghadiri sesi tersebut sebagai tetamu kehormat.

MTA Executive Committee Meeting No 1/2021

The Malaysian Timber Association (MTA) Executive Committee (EXCO) held a combination of physical and virtual meeting on 6 April 2021. Mr Goh Chee Yew, President of MTA, chaired the meeting from Menara PGRM, Kuala Lumpur.

During the meeting, members received the financial statements for the year ended 31 December 2020. They also reported on the matters handled by their respective associations which included implementation of inbound fumigation procedures, recruitment of foreign workers, shortage of raw materials and spike in furniture export.

Apart from this, the meeting deliberated on the resubmission of Malaysia's Country Overview Report to the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCMC) as well

as the involvement of MTA in the Tiger Conservation Programme proposed by the World Wide Fund for Nature (WWF).

The meeting agreed to hold the MTA Annual General Meeting on 22 June 2021.

马来西亚木材工会 (MTA) 执行委员会 (EXCO) 于2021年4月6日通过实体和线上的结合召开会议。MTA主席吴志耀先生在位于吉隆坡民政大厦主持该会议。

委员会会员在会议中汇报各自公会目前正处理的事项,当中包括实施入境熏蒸程序、雇用外籍工人,原材料短缺和家具出口激增。会议同意在2021年6月22日举办 MTA 常年大会。

Jawatankuasa Eksekutif (EXCO) Persatuan Kayu Kayan Malaysia (MTA) mengadakan gabungan mesyuarat fizikal dan maya pada 6 April 2021. Encik Goh Chee Yew, Pengerusi MTA, mempengerusikan mesyuarat dari Menara PGRM, Kuala Lumpur.

Dalam mesyuarat itu, ahli-ahli melaporkan perkara yang dikendalikan oleh persatuan masing-masing yang terdiri daripada pelaksanaan prosedur fumigasi kemasukan, pengambilan pekerja asing, kekurangan bahan mentah dan lonjakan dalam eksport perabot. Mesyuarat bersetuju untuk mengadakan Mesyuarat Agung Tahunan MTA pada 22 Jun 2021.

Technical Committee Meeting on Timber (NSC V / TC 1) No 1/2021

The Department of Standards Malaysia (DSM) called a Technical Committee Meeting on Timber (TC 1) No 1/2021 under the National Standards Committee on Timber, Timber Products and Timber Structure (NSC V) on 17 April 2021 at DSM Headquarters, Cyberjaya. Various committee members including STA attended the meeting through video conferencing. The meeting was chaired by Associate Professor Dato' Dr H'ng Paik San of Universiti Putra Malaysia (UPM).

The meeting reported that currently there are two (2) national standards under systematic review, i.e. Malaysian Standard (MS) 834:1984 – Method for the quantitative analysis of copper naphthenate preservative formulations and treated timber as well as MS 1401:1996 – Specifications for dressed timber, door jambs and general mouldings. The meeting also went through six

(6) MS which are presently under revision and three (3) standards documents under ballots of the International Organisation for Standardisation (ISO).

The meeting also provided a walkthrough on the application and functions of ISOLutions Portal under DSM, which was officially launched on 30 November 2020, to support national, regional and international standardisation works.

Jabatan Standard Malaysia (DSM) telah mengadakan Mesyuarat Jawatankuasa Teknikal Kayu (TC 1) Bil. 1/2021 di bawah Jawatankuasa Standard Nasional berkaitan Kayu, Produk Kayu dan Struktur Kayu (NSC V) pada 17 April 2021 di Ibu Pejabat DSM, Cyberjaya.

Beberapa ahli jawatankuasa termasuk STA menghadiri mesyuarat tersebut melalui persidangan video.

马来西亚国家标准部 (DSM) 于2021年4月17日在赛城 DSM 总部召开国家木材, 木材产品和木材结构标准委员会 (NSC V) 旗下的木材技术委员会 (TC 1) 本年度第一次会议。包括 STA 在内的多位委员会成员通过视频参加会议。

Bank Negara Malaysia Regional Briefing

In conjunction with the Bank Negara Malaysia's releases of Annual Report 2020, Economic and Monetary Review 2020 as well as Financial Stability Review Second Half 2020, BNM held an online regional briefing for the business community in Sarawak on 19 April 2021. The briefing featured presentation by the Assistant Governor of BNM, Mr Fraziali Ismail.

Mr Fraziali highlighted that the global health crisis triggered a large economic downturn in 2020. However, BNM is optimistic that the Malaysian economy will rebound as it is projected to expand by 6.0% to 7.5% in 2021, with gross domestic product (GDP) achieving pre-COVID levels by the middle of 2021. Factors supporting this growth include (i) improved external demand amid technology upcycle; (ii) less stringent containment measures and COVID-19 vaccine rollout; (iii) gradual improvement in labour market conditions; and (iv) continued policy support for households and businesses. He further added that major trading partners' growth are also expected to rebound in 2021, particularly China estimated at 8.1%, the United States of America at 5.1% and the European Unions at 4.2%.

Mr Fraziali also shared with participants the Foreign Exchange Policy Liberalisation which has taken effect on 15 April 2021 aiming to enhance Malaysia's position as a foreign direct investment destination and a global supply chain hub. The liberalisation measures are as follows:

- i. **Removal of export conversion rule.** Exporters may now manage the conversion of export proceeds according to their foreign currency cash flow needs.
- ii. **Exporters can settle domestic trade in foreign currency with other residents operating in the global supply chain.** Facilitate natural hedge for exporters and their business partners along the global supply chain to better manage foreign exchange risk.
- iii. **Exporters are allowed to net-off export proceeds against permitted foreign currency obligations.** Enhance business efficacy and cash flow management of exporters.
- iv. **Exporters can extend the period for export repatriation beyond six (6) months under exceptional circumstances i.e. where exporters have no control over the delay in receiving the export proceeds.** Exempt exporters from seeking the bank's approval to extend export proceeds beyond 6-month period for reasons beyond the exporters' control.
- v. **Corporate are free to undertake commodity derivatives hedging directly with non-resident counterparties.** Broaden avenues and options for corporate to hedge their commodity price risk.

BNM acknowledged that risks to 2021 growth remains tilted to the downside, arising primarily from pandemic-related factors. These downside risks could include escalation in COVID-19 cases leading to further containment measures globally and domestically, commodity supply shocks, greater financial market volatility and slower-than-expected rollout of vaccines or ineffectiveness of vaccines. On the other hand, upside risks are higher-than-expected global growth, pent-up demand from consumers and businesses after the relaxation of containment measures and stronger-than-expected impact from policy support.

BNM applauded banks in their efforts to continue to extend support to borrowers in need of repayment assistance. Borrowers are advised to approach their banks to develop repayment plans which can be tailored to suit their circumstances. BNM will continue to enhance its network linkages as a way going forward to support economic surveillance.

For the complete report on Annual Report 2020, Economic and Monetary Review 2020 and Financial Stability Review Second Half 2020, please visit BNM website www.bnm.gov.my/publications-research

马来西亚国家银行 (BNM) 于2021年4月19日为砂拉越商业社团区域举办线上简报会以配合BNM所发布的2020年年度报告, 2020年经济和货币评论以及2020年下半年金融稳定评论。

BNM 助理总裁法佳里先生强调全球卫生危机在2020年引发巨大经济衰退,然而, BNM 对马来西亚经济将会反弹感到乐观, 因经济预计将在2021年增长6.0%至7.5%, 国内生产总值 (GDP) 到2021年中将达到新冠疫情之前的水平。

Bersempena dengan penerbitan Laporan Tahunan 2020 Bank Negara Malaysia, Kajian Ekonomi dan Monetari 2020 serta Kajian Kestabilan Kewangan Separuh Kedua 2020, BNM telah mengadakan taklimat serantau atas talian untuk komuniti perniagaan di Sarawak pada 19 April 2021.

Encik Fraziali menekankan bahawa krisis kesihatan global mencetuskan kemerosotan ekonomi yang ketara pada tahun 2020. Walau bagaimanapun, BNM optimis ekonomi Malaysia akan pulih dimana ianya diunjurkan berkembang 6.0% hingga 7.5% pada tahun 2021, dengan produk domestik kasar (PDB) mencapai tahap pra-COVID pada pertengahan 2021.

The Future of Trade Flows and Supply Chains in Asia

The COVID-19 pandemic has had a devastating effect on the global economy. As a region that benefits largely from trade and investment, the Asia-Pacific stands to lose the most if its economies cannot rebound from this crisis. To discuss the future of international trade, Chatham House, in partnership with American International Group, gathered a panel of experts for the “*Future of Trade Flows and Supply Chains in Asia*” webinar on 8 April 2021. The moderator was Mr Vasuki Shastry, Associate Fellow, Asia-Pacific Programme, Chatham House.

Ms Cyn-Young Park, Director of Regional Cooperation and Integration, Economics Research and Regional Cooperation Department, Asian Development Bank (ADB), shared that the pandemic has exposed many weaknesses in global trade and supply system and these are shown to be highly sensitive to disasters and shocks, mainly due to (i) geographic concentration of major manufacturers; (ii) gaps in infrastructure and logistic; as well as (iii) lack of consideration for resilience in the configuration of global supply chain.

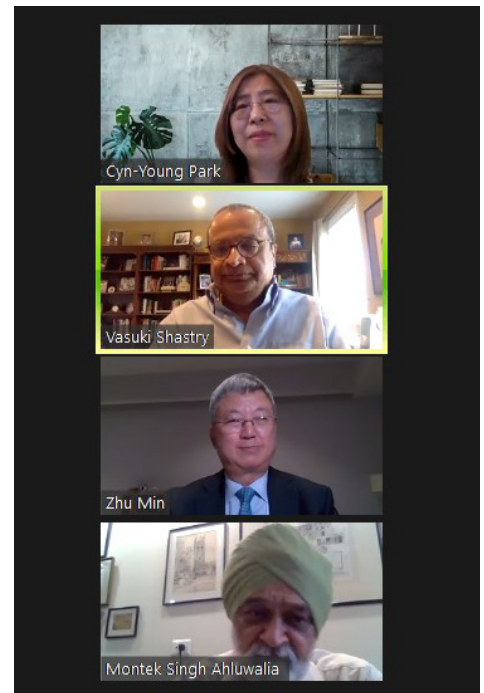
She acknowledged that the Asia-Pacific region has made significant progress in terms of infrastructure and logistics. However, the digital trade connectivity and facilitation are still lacking and while the pandemic has helped accelerate digitalisation, developing countries need to support the progress by boosting investment, expanding digital capabilities and improving digital readiness.

Mr Zhu Min, Former Deputy Managing Director, International Monetary Fund, shared that there has yet to be a real substantial change in global trade patterns because the supply chain is constantly evolving. In the past years, for example, Asia has remained a global manufacturing hub with countries such as Thailand, Viet Nam, Malaysia and Indonesia increasing their shares in global supply chain, despite a contraction in the global trade. He added that studies have also shown that Asia will remain as the global manufacturing hub in the future.

Mr Montek Singh Ahluwalia, Former Deputy Chairman, India Planning Commission, raised an interesting point about the growing political tension between the two (2) largest trading partners in the world, the United States of America and China, and how COVID-19 has exposed quite significant vulnerability of the current global trading and supply chain system. He added that India hopes that their openness to foreign investment and technology could leverage India's competitive advantage when it joins the global supply chain. Ms Park also shared that Regional Comprehensive Economic Partnership (RCEP), a free trade agreement between the Asia-Pacific nations remains open to new members and ADB is ready to provide support to developing countries, particularly on trade facilitation and capacity building.

The panel of experts also discussed on the report by the Intergovernmental Panel on Climate Change under the United Nations which states that a net-zero emission global economy is needed by year 2050 to limit global warming to 1.5°C. Net-zero, or decarbonisation, requires a radical change across the entire economy and the potential impact that it can have on trade is concerning. Notwithstanding that, the increasing awareness on impact of climate change and progress made in technology among developing countries points toward a determination to ensure that the Asia-Pacific region remains an engine of growth and innovation.

新冠疫情对全球经济造成毁灭性影响。作为主要贸易和投资受惠区域，如果亚太区域的经济无法从这场危机中反弹，那么损失最大的就是亚太区域。查塔姆研究所与美国国际集团于2021年4月8日召集一专家小组，合办“亚洲贸易流和供应链的未来”网络研讨会以讨论国际贸易的未来。



Panel of experts at the webinar

Pandemik COVID-19 telah memberi kesan buruk kepada ekonomi global. Sebagai Wilayah yang mendapat keuntungan besar dari perdagangan dan pelaburan, Asia Pasifik mengalami kerugian paling besar jika ekonominya tidak dapat dipulihkan dari krisis ini. Untuk membincangkan masa depan perdagangan antarabangsa, Chatham House, bekerjasama dengan American International Group mengumpulkan panel pakar dalam webinar “*Masa Depan Aliran Perdagangan dan Rantai Bekalan di Asia*” pada 8 April 2021.

STA Feedback on Cabotage Policy Liberalisation in Sarawak

On 8 March 2021, the Ministry of Transport (MOT) Sarawak organised a virtual meeting with stakeholders including STA to share Maritime Institute of Malaysia's (MIMA) findings on the study of the effectiveness of the cabotage policy liberalisation in East Malaysia. Following this, on 28 April 2021, STA submitted a follow-up feedback to MOT Sarawak regarding the cabotage policy liberalisation in Sarawak.

In the submission, STA pointed out that the cabotage policy liberalisation has only been implemented in Sarawak for less than four (4) years, and therefore it is still too early for MIMA's study to conclude that it is ineffective and impractical in reducing price of goods and cost of living in Sarawak. Moreover, the study was only based on a small survey sample and it did not take into consideration other pertinent factors such as depreciation of purchasing power of the ringgit over the years, imposition of goods & services tax (GST)/sales & services tax (SST), increments of minimum wage, fluctuation in fuel prices, impacts of COVID-19 pandemic, insufficient port infrastructure, poor road connectivity as well as trade imbalance between East and West Malaysia. Likewise, the study also did not compare costs of freights and all other related shipping costs, i.e. fuel bunker fees, bunker surcharge, in Sarawak before and after policy liberalisation.

In order to determine the effectiveness of cabotage policy liberalisation in Sarawak, the Government should conduct an in depth and holistic study on the impact of both liberalisation and reinstatement covering costs of doing business as well as growth and competitiveness of all industries before making a hasty decision.

STA also emphasised on the importance of improving Sarawak's port facilities and technology. In Sarawak, there is only one deep sea port in Bintulu and the remaining are riverine ports including Kuching Port. Kuching Port is one of the ports liberalised since 2009, however its port facilities are insufficient and aging and technology are not on par with that of an international port such as Port Klang. For example, the recent system outage at Kuching Port (Senari Terminal) has caused delays and congestions to the container-handling operations. Such incident has negative spiral spin-off economic effects to the public in general. All other riverine ports should also be upgraded such as Miri Port, Rajang Port and Tanjung Manis Port. Sarawak should also have more than one functional deep sea ports at suitable locations considering that dredging works to riverine ports are very costly and time-consuming. For the case of Senari Terminal, the dredging works costs over RM400 million which began since year 2017.

Apart from this, Sarawak's roads are still poorly connected and much less developed than in West Malaysia. The Government should also ensure that road infrastructure and connectivity is strengthened and well-established, so that cargos/goods can be transported cost effectively.

Meanwhile, STA strongly recommended the Government to look into the following scopes if the decision is to reinstate the cabotage policy in Sarawak:

- **Establish a national shipping hub in Sarawak.** All foreign vessels including from regions closest to Borneo Island like China, the Philippines, Hong Kong currently choose to dock at Port Klang which is the national shipping hub in Malaysia with advanced facilities, where they are then loaded on Malaysia waters bound for Sabah and Sarawak. Sarawak Government should designate a national port in Sarawak (except Bintulu Port). In future, Brunei's Muara Port, which is now being improved by China's expertise, may become the prominent port in West Borneo, while Indonesia moving its capital to Kalimantan will boost its ports in East Borneo.
- **Introduce a Freight Equalisation Scheme.** Government should provide financial assistance for shippers between West Malaysia to Sarawak under a Freight Equalisation Scheme in order to eliminate price differences between the two regions. For example, the Australian Government has provided financial assistance to shippers of freight between Tasmania and mainland Australia under the Tasmanian Freight Equalisation Scheme since July 1976. The Scheme assists in alleviating the sea freight costs disadvantage incurred by shippers. Tasmanian industries are provided with equal opportunities to compete in mainland markets, recognising that unlike mainland counterparts, Tasmanian shippers do not have the option of transporting goods interstate by road or rail. This is also the case for Sarawak which is separated from West Malaysia by the South China Sea.
- **Streamline all shipping charges.** Government should make available clear policy to all stakeholders on the costs of freights and all other related shipping costs, e.g. fuel bunker fees, bunker surcharge, so that all related costs are made known to minimise uncertainties and cost of doing business. Likewise, the Government must always be prepared to step in and shoulder the cost impact arising from port incidence through no fault of the users, e.g. the system outage at Kuching Port since 29 March 2021 has led to local hauliers proposing to charge Port Waiting Surcharge on consignees. There should be a single authority, e.g. Malaysia Logistics Council (MLC), to streamline and regulate all shipping charges and make all these charges transparent. In addition, the Government should also designate representatives from Sarawak to be MLC to provide inputs and expertise regarding strategies/policies/regulations/rules that would affect Sarawak.

As Sarawak gears towards global competitiveness, it is important to ensure that governmental policies to be implemented are beneficial to the overall economy of the

country. Cabotage policy was enforced for thirty (30) years and yet the local shipping industry continues to face many difficulties in expanding domestically and internationally. Taking this into consideration, the Government should look into providing strong support and subsidies to the local shipping industry to level the playing field with the international shipping industry. The Government should also continue to support and promote industrialisation and downstream processing to increase goods volume for exports to boost its shipping industry and business across all industries.

The Government plays a very critical role in bringing growth and development to all industries. Different perspectives and circumstances of each industry with respect to the cabotage policy should be carefully analysed by the Government to ensure the welfare of these industries are sustained and not compromised in the long run.

砂拉越交通部(MOT)于2021年3月8日与利益相关者包括STA召开线上会议以分享马来西亚海事学院(MIMA)相关东马沿海贸易政策自由化有效性的研究结果。STA在会议过后即2021年4月28日向砂拉越 MOT 呈交相关砂拉越沿海贸易政策自由化的后续反馈。

Pada 8 Mac 2021, Kementerian Pengangkutan Sarawak (MOT) telah menganjurkan mesyuarat maya dengan pemegang taruh termasuk STA bagi berkongsi penemuan oleh Institut Maritim Malaysia (MIMA) mengenai kajian keberkesanan liberalisasi dasar kabotaj di Malaysia Timur. Berikutan ini, pada 28 April 2021, STA telah mengemukakan maklum balas susulan kepada MOT mengenai liberalisasi dasar kabotaj di Sarawak.

Industry Dialogue with Mauritius and Seychelles

The Malaysian Timber Council (MTC) organised a webinar entitled “*Industry Dialogue with Mauritius and Seychelles*” on 21 April 2021 via video conferencing. The webinar aimed to promote to Malaysian companies the potential opportunities provided by the timber industry, especially in the furniture sector, of Mauritius and the Seychelles. The webinar featured three (3) speakers, namely Mr Georges Koo-Seen-Lin, owner of KTN Ltd (Mauritius and Seychelles); Ms Maya Sewnath, owner of SSS Furniture Co Ltd (Mauritius); and Mr Pat Ng, member of Mauritius Association of Architects (MAA).

According to Mr Koo, in the year 2020, Mauritius and the Seychelles were among the major countries importing sawntimber from Malaysia, with imports from Mauritius reaching USD9.4 million while the Seychelles recorded USD1.1 million. He also noted that Malaysian hardwoods such as Balau, Belian, Giam, Chengal, Merbau and Dark Red Meranti are sought-after in both countries for decking installation due to their durability, strength and attractive grains. Mr Koo shared that there are considerable opportunities in the construction industry of Mauritius where Malaysian businesses could collaborate in upcoming projects such as the Beau Plan Smart City Project to be developed in the north of Mauritius. As for the Seychelles, revenue in its furniture and appliances sector is projected to reach USD2 million in 2021. The revenue is expected to show an annual growth rate of 9.16%, i.e. compound annual growth rate (CAGR) 2021-2025, resulting in a projected market volume of USD3 million by 2025. Under the furniture and appliances sector, the furniture and homeware category, which is the largest category, has a projected market volume of USD1.0 million in 2021.

In her presentation, Ms Sewnath said that Mauritius currently produces only 30% of its demand for utility timber and 5% of hardwood requirements. The wood based industries in Mauritius are restricted to primary and secondary processing. The main activities in primary processing are sawmilling and wood chips production, while those in secondary processing are furniture, joinery and ship models manufacturing. In the next two decades,

timber production is expected to be further reduced and the emphasis will be more on conservation activities. With development of the heritage and tourism sectors in the country, there are high demands to import wood based materials and furniture. Meanwhile, Ms Sewnath also encouraged collaboration between Mauritius and Malaysia in advancing both countries’ furniture industries through exchange of knowledge and skills, development of training centres as well as enhancement of technology.

Mr Ng, who is also a professional architect, talked about the usage of wood as building material and revealed that there are more than 200 potential heritage national buildings which need to be repaired, renovated and reconstructed in Mauritius and the Seychelles. This represents a great opportunity for the Malaysian companies, especially in providing wood materials, and he welcomed interested parties to obtain further information from MAA.

The webinar concluded with the speakers looking forward to future collaborations with Malaysian companies in expanding their businesses to Mauritius and the Seychelles.

马来西亚木材理事会 (MTC) 于2021年4月21日举办题为“与毛里求斯和塞舌尔的行业对话”线上研讨会。该线上研讨会旨在向马来西亚公司宣传毛里求斯和塞舌尔的木材工业，尤其是家具业所提供的潜在机会。

Majlis Kayu Kayan Malaysia (MTC) menganjurkan webinar bertajuk “*Dialog Industri dengan Mauritius dan Seychelles*” pada 21 April 2021 melalui persidangan video. Webinar ini bertujuan untuk mempromosikan kepada syarikat-syarikat Malaysia tentang peluang berpotensi di industri perkayuan, terutama di sektor perabot Mauritius dan Seychelles.

Forced Labour and Fair Migration for Export Manufacturing and Plantations Sectors in Malaysia

Malaysian Employers Federation (MEF) has been working with the International Labour Organisation (ILO) on a project named *“From Protocol to Practice: A Bridge to Global Action on Forced Labour”* which is designed to (i) develop tools for employers to prevent and address risks of forced labour at the workplace; and (ii) strengthen employers’ capacity to avoid or identify and mitigate risks of forced labour in their business operation including their supply chain. A handbook entitled *“Business Responsibility on Preventing and Addressing Forced Labour in Malaysia: A Must-read Guide for Malaysian Employers”* was published under this project to serve as a practical guide to employers, especially company managers and staff responsible for human resources management, social and legal compliance issues at the enterprise level.

MEF and ILO Global Business Network on Forced Labour (GBNFL) also undertook to organise a series of programmes on forced labour and fair migration for export manufacturing and plantations sectors in Malaysia that consisted of a webinar on 16 April 2021 and two (2) virtual workshops held on 20 and 21 April 2021 respectively.

The programmes provided an overview of (i) the forced labour and fair migration issues at the global and national level; (ii) ILO’s eleven (11) indicators of forced labour; (iii) ILO’s general principles and operational guidelines for fair recruitment; (iv) zero recruitment fee policies, etc. The challenges faced and efforts undertaken by the United States (US) Government, Malaysian Government, non-governmental organisations and private companies in eradicating forced labour issues were also elaborated. The programmes also stimulated interaction and experience sharing amongst the participants to promote fair recruitment and prevent forced labour in businesses.

The webinar and workshops were moderated by Ms Laura Greene, and the speakers comprised of Datuk Haji Shamsuddin Bardan, Executive Director of MEF; Ms Laura Chapman Rubbo, Chairperson of Corporate Responsibility and Labor Affairs Committee, US Council for International Business; Ms Jodelen Mitra, Technical Officer of ILO; Mr Mohamad Asri Bin Abdul Wahab and Mr Rhymie Bin Mohamad Ramli, Department of Labour Peninsular Malaysia; Mr Marja Paavilainen, Senior Programme Officer of ILO; Ms Bansari Somani, Modern Slavery Innovation Fund (MSIF) Programme Manager of Ethical Trading Initiative; and Mr Houtan Homayounpour, Head of the ILO Project Office for the State of Qatar.

According to Datuk Haji Shamsuddin Bardan, social clauses including prohibition of forced labour are being incorporated into more trade agreements and policies, and countries need to comply to maintain trade relations and enjoy certain trade advantage conferred. He advised the employers to maintain good company reputation and make sure that forced labour practices are not present in their operations and supply chains to prevent suspension or termination of supplier contracts. He also shared that current practice by source country requiring

workers to pay exorbitant sum of money to recruiters at source country must also be looked into. Lastly, he urged employers to comply with the national labour standard and anti-trafficking law. Ms Jodelen Mitra shared the 11 key indicators of forced labor in details. These are (i) abuse of vulnerability; (ii) deception; (iii) restriction of movement; (iv) isolation; (v) physical and sexual violence; (vi) intimidation and threats; (vii) retention of identity documents; (viii) withholding of wages; (ix) debt bondage; (x) abusive working and living conditions; and (xi) excessive overtime.

During the workshop sessions, representatives from the private sector, i.e. Shinko Electronic (M) Sdn Bhd and IOI Group, also shared their experiences and lessons as well as the challenges faced in ensuring that their recruitment process is free from forced labour practice such as excessive recruitment fees at source country, withholding workers’ passports, etc. Each company’s approach in preventing forced labour was also shared.

In the closing remarks, Ms Panudda Boonpala, Deputy Regional Director, ILO Regional Office for Asia and Pacific, stressed the importance of finding effective ways and actions in combatting forced labour issues. She urged all parties to work together in building a strong and resilient enterprise in the interest of fair labour practice. She also shared that 2021 is the international year for the elimination of child labour and hoped that companies and institutions will pledge actions to end child labour and forced labour.

马来西亚雇主联合会 (MEF) 和国际劳工组织 (ILO) 全球强迫劳动商业网络 (GBNFL) 为马来西亚出口制造业和种植业承办一系列有关强迫劳动和公平移民计划的活动,其中包括2021年4月16日的线上研讨会和两个分别于2021年4月20日和21日举办的线上工作坊。

这些活动概述了 (i) 全球和国家层面的强迫劳动和公平移民问题; (ii) ILO 的11项强迫劳动指标; (iii) ILO 的公平招聘的一般原则和操作准则; (iv) 零招聘费政策等等。

Persekutuan Majikan-Majikan Malaysia (MEF) dan Rangkaian Perniagaan Global Buruh Paksa (GBNFL) Organisasi Buruh Antarabangsa (ILO) mengadakan program bersiri mengenai buruh paksa dan migrasi adil untuk sektor pembuatan eksport dan perladangan di Malaysia melalui webinar pada 16 April 2021 dan 2 bengkel maya yang masing-masing diadakan pada 20 and 21 April 2021.

Program tersebut menyediakan gambaran umum mengenai (i) isu buruh paksa dan migrasi adil di peringkat global dan nasional; (ii) 11 petunjuk buruh paksa ILO; (iii) prinsip umum dan garis panduan operasi untuk pengambilan pekerja secara adil ILO; (iv) dasar yuran pengambilan sifar, dll.

*Wishing all
Members and Readers*

*Selamat
Hari Raya
Aidilfitri*

*From the Chairman, Council Members,
Management and staff of STA,
STA Enterprises Sdn Bhd, STA Mutual Sdn Bhd and
STA Training Sdn Bhd*

Pengerusi, Ahli-ahli Majlis, pihak Pengurusan dan kakitangan STA,
STA Enterprises Sdn Bhd, STA Mutual Sdn Bhd dan
STA Training Sdn Bhd ingin mengucapkan
Selamat Hari Raya Aidilfitri
kepada semua ahli-ahli STA dan para pembaca

本会主席，理事会，管理委员会，秘书处，
STA Enterprises有限公司，STA Mutual有限公司及
STA Training有限公司全体职员
在此祝愿所有穆斯林会员和读者
开斋节快乐