

IMPACT OF TIMBER TRADE DURING PANDEMIC AND MITIGATION STRATEGY

Noorazimah binti Sarkom @ Hj. Othman¹ and Norhaizurah Zulkarnain¹

¹*Malaysian Timber Industry Board (MALAYSIA)*

E-mails: noorazimah@mtib.gov.my, norhaizurah@mtib.gov.my

Abstract

The COVID-19 pandemic has badly affected the trade worldwide. In a pursuit to halt the pandemic outbreak nationwide, the Government imposed a Movement Control Order (MCO) starting 18 March 2020 before it moved to National Recovery Plan (NRP) starting 1 June 2021. Later, on 8 March 2022, the Government announced that Malaysia is transitioning to the endemic phase by 1 April 2022. International trade plunged in 2020 but recovered sharply in 2021. According to International Trade Centre (ITC), the global timber export suffered a downturn by 1% in 2020 and rebounded by 36% in 2021. Similarly for Malaysia, timber and timber products export reduced by 2% and slowly increased by 3% in 2021. The lockdown and control measures has impacted the economic activities in timber industry. Thus, to mitigate the impact across sectors, the Government has made available several economic stimulus measures intended to “preserve rakyat’s welfare, support businesses and strengthen the economy”. The heterogeneity of trade impacts and changes in trade flows across products, sources and destinations signifies high uncertainty and adjustment costs, and implies additional incentives for consumers, firms and governments to adopt new or adjusting current risk mitigation strategies. The Ministry of Plantation Industries and Commodities together with Malaysian Timber Industry Board has implemented various measures to mitigate the lockdown and economic downturn impacts such as approval to operate during the MCO, issuance of license during the lockdown and encourage the industry players to take advantage of the economic stimulus ‘PRIHATIN’, aimed to support the industry to sustain during these trying times.

Keywords: Trade, COVID-19 pandemic, mitigation measures