

The Impacts of Covid-19 to Small Scale Fisheries in Tun Mustapha Park, Sabah, Malaysia; What Do We Know So Far?

Joannie Jomitol¹, Adam J Payne¹, Sarmalin Sakirun¹, Mohd. Omar Bural¹

¹ WWF-Malaysia, Suite 1-6-W11, 6th Floor, CPS Tower
1 Jalan Centre Point, 88000 Kota Kinabalu
Sabah, Malaysia
Email : jjomitol@wwf.org.my

Abstract: As early as February 2020, many countries have started imposing measures to curb the spread of Covid-19. Despite the right intention, it is a challenging moment for the people, especially the rural population living in the coastal areas. The document presents the preliminary findings on the impacts of Covid-19 on the small scale fisheries in Tun Mustapha Park, Sabah, Malaysia.

Keywords: COVID-19; small scale fisheries; artisarnal fishers; coastal communities; marine protected area; Malaysia; fisheries; impacts

Introduction

Food and Agriculture Organisation of the United Nations (FAO) expected with the current trend of the Covid-19 affecting countries worldwide; there would be disruptions in the food supply chains as of April and May of 2020, of which might hit hardest on the poorest and most vulnerable segments of the population (FAO, 2020). The impacts of Covid-19 are already hitting the fisheries sector, particularly the small-scale fisheries globally. The European Commissioner for

Environment, Oceans, and Fisheries in European Union (EU)'s pandemic emergency response to support the fishing and aquaculture sectors stated that the first to suffer the economic consequences as seafood demand has dramatically decreased are the fishers and aquaculture farmers (European Commission, 2020). The neighboring country, Indonesia, that currently has the highest Covid-19 mortality rate in Southeast Asia region (World Health Organisation. 2020, 9 April), is also experiencing declining sales of fish (Mubarok, F. and Fajar, J., 2020). amid a slump in demand caused by the response to the COVID-19 pandemic. In Malaysia, the Covid-19 was first detected in late January 2020 and mid of March 2020, Malaysia became the worst infected nation in the Southeast Asia (World Health Organisation., 2020, 15 March) where 428 Covid-19 cases were reported. In an effort to curb the pandemic infection in Malaysia, the government has imposed the Movement Control Order (MCO) from March 18. It is extended to April 28 nationwide (Prime Minister's Office of Malaysia., 2020, 10 April), though this end date may be extended again at the discretion of the government. The government enlisted essential services¹ that are allowed to be operating at times of the control order, including food, water, energy, communication, internet etc. Despite the right intention, it is a challenging moment for the people, especially the rural population living in the coastal areas. There has been reported that the income of fishers has been severely affected, despite the government allowing fishers to continue to operate during the MCO (Clare Cinderella., 2020) (Media Baharu., 2020). However, as Covid-19 is a relatively new issue, not many documentations on its impacts are made available. Hence, this paper seeks to understand further how the impacts of Covid-19 affect the small-scale fisheries in Tun Mustapha Park (TMP). The park is an 898,762-hectare marine protected area, covering the coastal areas of Kudat, Pitas, and Kota Marudu districts. Located in the Coral Triangle, this park helps to protect coral reefs,

¹ Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) (No. 2) Regulations 2020 ("Regulations (No. 2)")

mangroves, seagrasses, and some of the area's most productive fishing grounds. It is the largest multiple-use marine protected area in Malaysia, with more than 85,000 people are depending on the marine resources.

Summary of Key Findings

Falling Market and Disrupted Food Supply Chain

Our findings indicate the imposed movement control measures have led to a significant decline in

Map 1 : Map of Tun Mustapha Park, Sabah, Malaysia

the fish price

along the food

supply chain. The most affected ones are the small-scale fishers, primarily those residing in the

islands far from the significant economic activities. The majority of the fishing communities still

relied on middlemen. Currently, fish catch is sold to the village middlemen at a price of around

50% - 70% lower than the price before the movement restriction period. At a fishing village at

Balambangan Island, the Spanish Mackerels or Ikan Tenggiri was previously at RM10/kg, and

currently,

some

middlemen are

buying as low

as RM3/kg. As

for Trevallies

or Ikan Putih,

it is now at the

lowest around

RM2/kg

compared to

RM5/kg

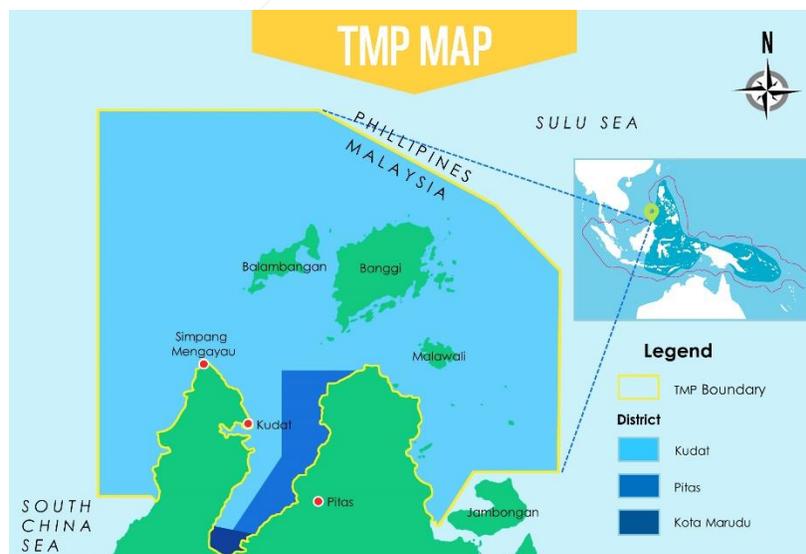
before MCO.

The decline of

selling fish

prices at the

fish market has forced the middlemen to buy fish supplies from the small-scale fishers at a lower



price to avoid business losses. This shows that when middlemen bring fish from distant fishing communities, they must bring fish at a higher price to justify transportation costs incurred. Otherwise, they may end up incurring high costs that may not be recovered. "Ikan sekarang jauh lebih murah daripada sebelum ini. Kami terpaksa membeli ikan (dari nelayan) dengan harga murah kerana permintaan kurang dan pelanggan kami memberikan harga murah. Contohnya (untuk pelanggan kami), Ikan Tenggiri sekarang dibeli pada harga RM12/kg di mana sebelum ini ia berharga sekitar RM18-20/kg."

[The fish price now is much lower than before. We have to buy supplies from the fishers at a lower price because there is a lack of demand for fish, and our customers are buying them at a lower price too. For example, the Spanish Mackerels are sold to them at RM12/kg. Before the MCO, it was priced around RM18-20/kg] (Kudat Middlemen H 2020, pers. comm., 9 April). Having stated this, as a comparison, a fishing community in Pitas is currently selling their produce directly to the fish market in Kudat, and earn the profit solely without middlemen. Trevallies or Ikan Putih is sold at RM15/kg (note: Balambangan current price is at RM2/kg). The said Pitas community has all the means to bring the fish to Kudat and is in a better position to bargain in the market.

We were also informed that due to the uncertainties of the fish selling price in the market, middlemen in some villages are not operating anymore to minimize risk of business losses. "Kalau pergi memancing pun, tiada pembeli ikan (orang tengah) di kampung kami. Di sini (kampung) ada empat tauke ikan, dan tidak ada satu pun tauke kampung yang mahu membeli ikan sekarang." [If we go fishing, no one ones to buy our fish catch anyway. There used to be four middlemen in this village, and none of them wants to be operating at this time.] (Absan and Sulaiman, 2020, pers. comm., 9 April). The Malaysian Inshore Fishermen Action Network (JARING) in their media statement released on the 28 March 2020 stated the same concern that there might be a disruption

in food supply chain as to avoid income losses, majority fishers decided not to go out fishing when their products can no longer be sold. ("Fishermen badly affected"., 2020, 28 March)

The movement control measures have outsized the impacts on the fisheries industry along the food supply chain. A large section of the market for fresh fish and shellfish are also affected, triggering a decline in fish prices. Currently, only selected districts' markets statewide are allowed to open with restricted operation time, from 6.00am until 2.00pm. Along with the travel and movement controls, fish consumption demand has gone down. On fish preference at this point, most people go for the pelagic fishes or generally known as *Ikan Rakyat*, as the prices are still lower than the high-value fishes like The Spanish Mackerels, Groupers and Trevallies. "Ikan-ikan gred tinggi yang kami jual sebelum ini (MCO) tidak laku kerana tidak ada restoran (makanan laut) buka dan pengeksportan ikan juga terjejas. Hanya Ikan Rakyat seperti Ikan Basung dan Ikan Bakulan yang masih laku" [The high valued fishes we usually sold before the MCO are no longer in demand due to the closures of many seafood restaurants and the affected fish export businesses. The customers still seek only the commonly consumed fish by Malaysians like scads and tunas] (Kudat Middlemen 2020, pers. comm., 9 April).

On the 31 Jan 2020, as a response to the Covid-19 outbreak in Wuhan China, the Sabah State Government imposed ban all direct flights from China. The restriction was extended to South Korea at the end of February 2020, where no transit passengers originating from or through the country are allowed to enter Sabah (Avila Geraldine., 2020). As Covid-19 spreads, its effect on businesses is also amplified. Tourism-related businesses are one of the first industries to feel the impacts. In 2019, Sabah Tourism recorded almost one million tourists from China, and South Korea came to Sabah, comprising about 67% of the state total international visitors (Sabah Tourism Board., 2020). The years of efforts by the State Government in promoting Sabah as a

premier tourism attraction, particularly to the Northeast Asia countries has encouraged more tourism-related businesses to participate in the growing economy. One of them is the supporting sector, the seafood industry.

In Kota Kinabalu, the capital city of Sabah, which is 3.5 hours away from Kudat, restaurants mainly targeting the influx tourists from the Northeast Asia countries like China and South Korea, as well as for local consumption are blooming. The source of seafood mostly come from Kudat and areas surrounding Kota Kinabalu. However, ever since the ban on flights from China to Sabah was first imposed in January 2020 and subsequently the nationwide movement control measures starting on the 18 March 2020, the whole food supply chain is disrupted. “Ikan agak susah dijual bagi pihak saya disebabkan pelanggan saya kebanyakannya restoran dan kilang ikan. Alasan mereka kenapa tidak mahu mengambil ikan adalah restoran tidak dibenarkan buka dan tiada pekerja kilang.” [It is hard for me to sell fish nowadays, as most of my customers are the restaurants and fish factory owners. Their reasons for not taking in any more fish supplies are because the restaurants are now closed, and no workers are operating in the factories] (Kudat Middlemen L 2020, pers. comm., 9 April). All interviewed middlemen based in Kudat claimed that since the starting of MCO, they have yet to make a profit from the businesses, and their income has declined significantly.

Economic Impacts on Fishing Communities

Even before Covid-19 hit, Kudat, Kota Marudu, and Pitas are already known as the poorest districts in Sabah where these districts have the most number of poorest households listed in the E-Kasih program; a government initiative to eradicate poverty through implementation and monitoring of programs, both at the national and state level (Hassan et al, 2015). Falling market and disrupted food supply chain as impacts from Covid-19 have indeed affected everyone in the fisheries

industry, and the most vulnerable groups are the small-scale fishers. More than 5,000 small-scale fishers within the three poor districts of Kudat, Kota Marudu, and Pitas depend on the marine resources as their livelihood. A fisherman from Balambangan informed that before the movement control order is in place, he managed to earn around RM980/week through fish catch near his village. “Sekarang musim ikan di Balambangan, kami tangkap banyak ikan pun, jumlah pendapatan masih rendah juga kalau banding sebelumnya. Minggu ini, saya cuma dapat lebih kurang separuh daripada pendapatan sebelum perintah.” [Currently is the fish season in Balambangan (abundance of fish). Nevertheless, no matter how much is the catch, the income generated is still lower compared to the price before the movement control order. This week (first week of April), we earned 50% lesser than before] (Ikhsan 2020, pers. comm., 9 April). In most cases, the fishers have no say on the price fixed by the village middlemen as they do not know how to determine the market price for fishes. “Di kampung sini, asal dapat ikan saja, kami jual terus sebab tukang beli ada sedia di sana. Berapa-berapa harga saja tauke taruh, berserah saja kami sebab mau duit bikin beli” [Here in the village, all fish catch will be sold directly to the village middlemen, as they are always available to buy our fish. Whatever amount (in RM) they fixed, we will accept, as we need the money to buy other necessities.] (Aineh 2020, pers. comm., 9 April). The fishers are facing challenges in accessing markets to sell their produce directly. In some villages, several fishers have stopped fishing due to the meager buying price controlled by the village middlemen. The income generated from the fish catch is barely enough to cover the cost incurred, and the fishing communities face challenges in making ends meet. "Saya tiada sumber pendapatan lain sekarang. Terpaksa menunggu bantuan sumbangan lain juga dan kemasukan Bantuan Perihatin Nasional dari Kerajaan.” [I have no other source of income. (I) have no options but to wait for the government’s financial aid] (Shahbani 2020, pers. comm., 9 April). Moreover,

the most affected might force to cope with the situation negatively, to compensate the income constraints. Some reported could not afford to buy basic food like rice, which leads to the accumulation of debts in the village grocery stores. At these points of time, the affected communities are receptive towards assistance provided by the state government, politicians, philanthropists, NGOs, and others to help them to go through these challenging times amidst losing income-earning opportunities.

The low fish supplies from the islands are also observed by the middlemen based in Kudat, who used to receive the stock directly from the islands. "Tidak ada berlaku kekurangan stok ikan kerana bekalan daripada nelayan komersial seperti pukot jerut dan tunda masih banyak. tapi bekalan ikan daripada pulau-pulau sudah terhenti" [There is no issue on low supplies of fishes as the commercial fishers are still operating and supplying us with plenty of fishes. However, fish supplies from the islands have stopped] (Kudat Middlemen 2020, pers. comm., 9 April).

Fisheries Regulatory Compliance Issue

Our findings also suggest fisheries regulatory compliance issue as one of the factors contributing to the fishers' challenges in market access besides declining fish selling price. "Sekarang banyak roadblocks di laut juga. Mungkin nelayan dan tukang beli ikan di kampung tidak mempunyai dokumentasi lengkap. Itu sebab takut kena tangkap bila keluar bawa hasil ikan keluar dari kampung. " [Currently, the enforcement agencies are patrolling the sea regularly. Some of the fishers and middlemen do not possess legal documentation to fishing; hence they are afraid to bring their fish products out of the village] (Sulaiman and Ikhsan 2020, pers. comm., 9 April). Covid-19 is a global crisis that threatens public health and safety. It constitutes the term "disaster"

under Article 4, Malaysian National Security Council Directive 20. As of 12 April 2020, there were more than 4,500 cases, and it claimed the lives of more than 70 people in less than two months. Under the directive of Malaysia National Security, the enforcement agencies, including the Malaysian Armed Forces, Royal Malaysian Police, and Malaysian Maritime Enforcement Agencies (MMEA) work closely together to tighten surveillance and monitoring of the land and maritime of Peninsular Malaysia and East Malaysia. Security assets are widely mobilized to ensure compliance of the MCO. This posed an issue to those individuals who are not compliant with the fisheries regulations.

Conclusion and Recommendations:

The plummeting demand for fish and the selling prices along the supply chain, which is beyond the fishers' control, have restricted their purchasing power and resulted in potential loss of income-earning opportunities. The preliminary finding also shows that middlemen play a significant role in determining the price for fish produce and subsequently affect the livelihood of the fishing community. Fisheries regulatory compliance is another hindrance for individual fishers to sell their produce directly to the market and earn their profit without the middlemen's involvement.

Based on the preliminary findings, the following interventions are recommended:-

- Post Covid-19 rapid study should be conducted to obtain a quick understanding of the food security and livelihood situation of all fishing communities. It is also recommended to expand the study to commercial fisheries. Findings from this study will provide further inputs to relevant agencies to make better-informed decisions in planning the next steps.
- Consider integrating Disaster Risk Reduction and Preparedness in the district's plans as an intervention to sustain and protect the livelihoods of the communities in facing the impacts of climate change-related disasters and disease outbreak.
- Improve the necessary amenities such as electrical supplies, which can better support adequate small-scale post-harvest handling facilities, e.g., freezer and, at the same time, enhance the fishers' skills to ensure quality maintenance for better market and prices.
- Promote the livelihood diversification program at village levels to reduce total dependency on one source of income.

Research Limitations:

As Malaysia is in its effort to curb the spread of Covid-19, data were collected through interviews conducted using Whatsapp messenger with several individuals comprised of fishers and middlemen who reside in Kudat City and rural areas of Banggi Island and its surrounding islands. Hence findings cannot be generalized to a larger population—further in-depth study to wholly understand the impacts of Covid-19 on the fishing communities in TMP is recommended.

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