



## EFBWW Standing Committee Wood/Furniture/Forestry

**Videoconference 22 September 2020, 9:00 to 12:00**

### **Item 5 : COVID-19 Disease and its impact in our countries/sectors**

**Short description on the national situation and in the wood/furniture/forestry sector. The reports will be compiled and send back to the participants. They shall give a structured overview on the situation and serve as basis for the discussion in the SC Wood. We may use them for the EFBWW webpage too. Therefore, we ask you to write not more than 10 lines for each question.**

Please complete this survey and return it to [info@efbww.eu](mailto:info@efbww.eu) before 10 September.

**Country: Latvia**

**Union: Forest Sphere Trade Union of Latvia (LMNA)**

**Sectors concerned: Forestry, wood, furniture**

**Survey completed by: Anete Kice**

### **1. What is the current situation on COVID19 in your country (maximum lines)**

*At present, the incidence rates of covid-19 in Latvia remain low, self-isolation of 10 days has been established if returning from abroad with a high incidence of covid-19. Restrictions on gathering are still in place, currently 1000 people can be in the premises at the same time, not exceeding 50% of the capacity of the room, observing a distance of 2 m, 3000 people can gather in outdoor events, taking into account the distance.*

## **2. What are the consequences for the wood and furniture sectors?**

*At the beginning of the Covid-19 pandemic - in mid-March and early April - the industry allowed a worse scenario than in reality, sales were expected to stop, there were no orders, but perhaps the most favourable scenario has materialized. For wood processing companies, orders are currently for a longer period ahead, including many companies with orders two or three months ahead. Also, while construction in the United Kingdom was initially expected to resume only in June, activity resumed in May and there is currently a relatively large deficit in certain product segments. The opportunities for good sales of wood products in the US market, reducing competition in the European market, where Latvian wood processing companies operate, are to be positively assessed. This time in the sale of softwood lumber in the United States each year is usually an empty period. However, this year, due to many coincidences, coniferous lumber prices in the United States are record high and the market is extremely active. This year, the volume of exports of companies in the wood industry sector could decrease in general, as well as there will be no significant profit for companies in the sector - at best, companies will have a small profit. The biggest challenge for the industry in the coming months could be the second wave of the Covid-19 pandemic, and at the end of the year there will be additional challenges related to Brexit. From the point of view of the marketing of wood products, there is no huge difference between whether or not the United Kingdom withdrew from the European Union (EU) with or without an agreement. There are no significant differences in import duties in the United Kingdom. However, difficulties can be caused, for example, by different production standards.*

## **3. Which measures will be taken to support the sector?**

*To support companies in the sector in the crisis caused by the covid-19 pandemic in Latvia, the government decided to grant downtime benefits. To receive these types of benefits a company must meet the following rules. Companies whose revenues have fallen by 20% are eligible if they meet at least one of the three criteria. Namely, the company's export volume in 2019 makes up 10% of the total turnover or is not less than 500,000 euros; the average monthly gross salary paid by the company in 2019 is not less than 800 euros; long-term investments in fixed assets as at 31 December 2019 are at least 500,000 euros.*

**4. Are there any negotiations or specific joint action of the social partners in our sectors?**

*One example of good practice is Covid-19, at a time when the government, together with the social partners and employers, was agreeing to amend a law that allows large collectively agreed companies to make changes to working hours and wages to cover larger groups in the company and without switching each employment contract separately.*

*These amendments were drafted by the Trade Union Confederation together with LMNA and the company "Latvijas Finieris".*

**5. Other aspects of importance you like to report on?**

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