



**PERSIDANGAN PERTAMA  
PENGGAL KEEMPAT DEWAN UNDANGAN NEGERI  
SARAWAK YANG KELAPAN BELAS**

**WINDING UP SPEECH**

**BY**

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## **PREAMBLE**

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh.

Selamat Sejahtera dan Salam Ibu Pertiwiku.

Tuan Speaker,

1. Terlebih dahulu saya mengucapkan terima kasih kepada Tuan Yang Terutama Yang di-Pertua Negeri Sarawak di atas Ucapan Pembukaan Persidangan Pertama Penggal Keempat Dewan Undangan Negeri Sarawak Yang Kelapan Belas.
2. Saya bagi pihak Kerajaan Negeri Sarawak menyambut baik sokongan dan saranan Tuan Yang Terutama Yang di-Pertua Negeri Sarawak untuk kita terus mengadakan rundingan dengan Kerajaan Persekutuan untuk mengembalikan hak-hak Sarawak di bawah Perjanjian Malaysia 1963 mengikut landasan yang betul.
3. Kita juga menerima baik nasihat Tuan Yang Terutama Tun untuk kita terus memantapkan keharmonian, keamanan dan perpaduan di kalangan masyarakat Sarawak yang berbilang kaum tanpa mengambilkira

perbezaan fahaman politik bagi memastikan dan mengukuhkan semangat kekitaan demi kemajuan dan pembangunan Negeri Sarawak dan masa depan anak-anak kita. Kita tidak akan dapat menikmati hasil pembangunan dalam keadaan yang tidak aman dan tidak harmoni.

4. Dalam Ucapan Penggulungan saya kali ini, saya tidak akan membincangkan perkara-perkara spesifik kerana perkara tersebut telah pun disentuh oleh Menteri-Menteri yang bertanggungjawab.

## **STATE ECONOMIC GROWTH**

Tuan Speaker,

5. We are fully aware of what is currently happening around us today. The global economic growth has softened. The National economy has also moderated on the risk of further slowdown in the global trade.
6. We know, Sarawak will not be spared from the slowdown as we have always been an open economy. Thus, constant change is inevitable in order to make us remain relevant to the world of today.

7. Against this challenging backdrop, it is important for us to continue aggressively implementing and monitoring our Development Plan with the necessary adjustments to suit the present situation. Concomitantly, we must put in place the appropriate strategies to stimulate our domestic economic growth.
8. As economist says, the role of government as practiced all over the world is to guide the overall pace of economic activity, attempting to maintain steady growth, continue high level of employment and lower cost of living.
9. In modern times, free play of economic force within highly developed countries like USA has also resulted in high unemployment and instability in the economic system.
10. More often than not, the government intervention has been necessary to stabilise the situation especially in developing and underdeveloped countries which struggle to eradicate poverty and attain high living standards.
11. The process of development in developing and underdeveloped countries cannot be attained simply by

just allowing market forces to function. This is because the country is held back by the primary lack of basic social and economic overheads such as schools, technical institutions, research institutes, hospitals, roads and bridges, railways and ports of which requires high investment.

12. Such investment will lead to the creation of spin off economies which in turn will create more opportunities for private enterprises to expand and develop, especially in logistics, transport of goods, product development and exports. This primary investment will not be undertaken by private enterprises as by itself is not a profitable venture.
13. With sufficient resources and reserves, the State Government has embarked on its role to invest in these primary infrastructures. Thanks to our predecessors who have been able to accumulate huge reserves for the State. But of course we will not spend all the reserves as we may need it for our future generation and not burdening them as well as for rainy days.
14. That being said, the State Government has adopted the expansionary public spending measure, particularly for

development purposes to ensure our economy continues to grow and strengthen.

15. With the necessary infrastructure put in place, we will have the foundation for our economy to remain steady as we move to achieve the targeted growth of 6.5 percent per annum towards a high income and developed State status by 2030.

## **AREA OF FOCUS**

### **Infrastructure Development**

Tuan Speaker,

16. Infrastructure development is important to speed up economic growth and integrate our economy with other countries. We acknowledge that the existing coverage of the infrastructure and utility in the State needs to be expanded on an accelerated basis.
17. To address this issue, we have taken bold steps by approving and implementing massive strategic infrastructure and utility projects for the interest of the *rakyat* and the State. These projects are roads, bridges,

water and electricity supplies as well as telecommunication and connectivity infrastructure.

18. Presently, these projects are implemented by the various State agencies under the different types of projects namely, Projek Rakyat, Rural Transformation Project (RTP), Coastal Road Network, Second Trunk Road, Sarawak Water Supply Grid Programme, Rural Electrification Master Plan and Telecommunication Tower Projects.
19. All these projects are people centric projects that have high impact on the livelihood of the *rakyat*. The planning for these projects involved bottom-up approach based on the request and the needs of the *rakyat*. Once completed, the *rakyat* will have access to clean water supply, 24-hour power supply, better road and internet connectivity.
20. We believe that the completion of these projects will enhance the wellbeing of the *rakyat*, create jobs for the local people and spur domestic businesses activities, support the growth of local industries, open up land for agriculture and real estate development, efficient and

cheaper logistics and transportation of goods and bridge the gap between the urban and rural areas.

21. It is important that everyone of us must understand that the needs of the *rakyat* to have basic infrastructure, is very critical in the development of our people and the progress of Sarawak.
22. Just to quote some examples, accessibility to clean and treated water is good for our health, better road linkages enable people to have easy access to hospital, clinic, school and town centres. Electricity supply and telecommunication connectivity enable people to have better access to information via internet and television.
23. These examples are just to indicate that the focus of Government spending in these areas is an obligation and should not be politicised.

## **Rural Development**

Tuan Speaker,

24. Rural areas continue to be developed and provided with the necessary infrastructure in order to harness the economic potentials of these areas and to allow our people to have access to better educational and health facilities.

25. With the development in rural areas we can create more business and employment opportunities which will benefit the *rakyat* in the rural areas.
26. Therefore, the State Government is emphasising the modernisation and commercialisation of agriculture to improve the income level of the rural population. To do this, we are improving the connectivity to open up more suitable land for agriculture purposes, strengthening the agriculture supply chains and providing venture capital for the agropreneurs.
27. Other areas that we are focussing on are the development of agro-tourism and cottage industries, taking advantage of the scenic, pristine environment and availability of raw materials respectively in the rural areas.

## **Development Initiatives**

Tuan Speaker,

28. Since 13<sup>th</sup> January 2017, I have introduced 65 development initiatives for the wellbeing of the *rakyat* and the development of Sarawak. I personally monitor

the progress of all these initiatives and make sure the implementation by the agencies is on track.

29. The implementation of these development initiatives are progressing well and some have been completed successfully such as establishment of PETROS, DBoS, SMA and UNIFOR. This is the proof that we walk the talks and deliver our promises. This is not hot air or mere rhetoric as claimed by some parties when we first introduced the initiatives.
30. I am aware that there are critics on some of the State Government initiatives, but I need to repeat this subject many times because, we are very clear and we want the people to fully understand that the objectives of these initiatives are purely and solely for the benefit of the rakyat and not for my personal nor for my Cabinet members personal interest.
31. I wish to inform that the State Government will introduce new initiatives from time to time on top of the existing ones in the interest of the *rakyat* and the State.

## **Regional Development**

Tuan Speaker,

32. We are intensifying our efforts to bring more development to every region in Sarawak, be it urban areas or rural areas. While we are focussing on developing infrastructure and utilities to improve the wellbeing of the community, we also need to strengthen the economic foundation in each region. This is in line with our objective to create a balanced regional development throughout the State.
33. We acknowledge that each region in the State has its own competitive advantages. Therefore, in formulating our regional plan, we need to address the challenges faced by the regions, capitalise the economic potentials for growth and understand the needs of the population.
34. We have prepared Master Plans to ensure orderly and systematic development for most of the regions in the State. For the region where we still do not have master plans, we will prepare it. Briefly, these plans provide sectoral economic development framework, proposed regional linkages and land uses.
35. Therefore, I want all agencies to make full use of all the Master Plans that we have prepared in the planning for infrastructure and economic development projects in

each region. We want to make sure that no region is left behind especially in terms of infrastructure and utility development.

36. In order to accelerate infrastructure and economic development in the State, we have undertaken new approach in regional planning. This is done through the establishment of Integrated Regional Samarahan Development Agency (IRSDA) under Samarahan Resident and new agencies under RECODA, namely, Upper Rejang Development Agency (URDA), Highland Development Agency (HDA) and Northern Region Development Agency (NRDA).

## **Public Expenditure**

Tuan Speaker,

37. We need approximately RM154 billion funding within the next 11 years to put in place all the required infrastructures, utilities and facilities to realise our vision to become a high income and developed State by 2030.
38. Over the years, we were dependent on funding from the Federal Government for development purposes. To date, the Federal Government has approved an allocation of

RM79 billion for development in the State. However, the approved allocation started to decline from the 10<sup>th</sup> Malaysia Plan onwards.

39. We must be in control of our own destiny. We need to have sufficient fund to finance the development that we have planned for our State. We cannot depend entirely on the Federal Government for development funding in view of the current political scenario.
40. Since taking over the helm of the State Government on 13<sup>th</sup> January 2017 and taking cognizance of the current level of development in the State, I have decided to implement several bold steps to increase State revenue and expand our development expenditure to support our development initiatives.
41. The provision of State Funding for development is on the rise and until today we have approved an allocation of RM89 billion. This year alone we have approved RM9.1 billion for development, the highest allocation in the State development budget history.
42. In development planning, we place the interest of the *Rakyat* above all. We will continue our efforts to bring

more socioeconomic development to the people. I wish to inform that the returns from our investments, including from MLNG, is utilised to fund our development programmes and projects.

43. In order to finance our massive infrastructure development, we need to look for alternative sources of funding. This is one of the reasons why I have decided to impose a 5 percent sales tax on petroleum products for export starting from this year, as a new source of revenue to the State.
44. We have also established our own development bank that is Development Bank of Sarawak or DBoS to finance strategic infrastructure and utility projects. All these are being done for the interest of the *rakyat* and economic growth.

### **Establishment of Sarawak Trade and Tourism Office**

Tuan Speaker,

45. During my last visit to the Prime Minister and Deputy Prime Minister of Singapore in March 2018, we have discussed the potential of trade, investment and tourism between Sarawak and Singapore. From the discussion,

the Singapore Government supported the idea that there should be a Sarawak Office in Singapore to promote and further enhance trade and tourism between Sarawak and Singapore.

46. The need for setting up an office in Singapore is to have a one stop centre for investment and businesses as well as for tourism players to meet Sarawak on a daily basis which was raised during my meeting with the Prime Minister and Deputy Prime Minister of Singapore.
47. This office will be manned by a skeletal staff with the CEO from Sarawak who is highly knowledgeable and competent person (yet to be identified) and supported by 5 core staff, preferably Sarawakians based in Singapore. Their tasks are to coordinate with the Singapore government agencies and private sectors as well as foreign based companies in Singapore on a very regular basis.
48. I can assure this august House that the potential returns in terms of investment, trade and tourism coming to Sarawak, from and through Singapore, and also the promotion of our products through the Singapore office

will amply justify the expenditure incurred in the establishment and running of this office.

49. The establishment of Sarawak Trade and Tourism Office in Singapore is timely and critical for the following reasons:

- (a) to leverage on Singapore strategic position as the global trade hub and gateway for Sarawak products to global market;
- (b) to tap into the huge Singapore market with a total trade volume of SGD1.1 trillion and Gross Domestic Product of SGD487.1 billion in 2018;
- (c) traditionally Singapore has always been an export hub and trading country for Sarawak products including Sarawak pepper and timber due to Singapore's strength as global financial centre with world class export facilities;
- (d) Singapore is the regional centre for multi-national companies including Alibaba, Google, facebook and Amazon;

- (e) the setting up of a specific State Trade and Tourism Office is also for the purpose of developing aggressive and targeted promotional and marketing activities for Sarawak products instead of depending solely on Federal promotional agencies such as MIDA, MATRADE and Tourism Malaysia; and
  - (f) to further strengthen bilateral cooperation, trade and tourism between Sarawak and Singapore. In 2018, the volume of trade between Sarawak and Singapore is RM2.9 billion and visitor arrivals from Singapore to Sarawak is 43,734 people and the number is increasing.
50. We need to understand the big picture on the setting up of Sarawak Trade and Tourism Office in Singapore. In fact, this is also in line with our plan to complete the supply chain of the State agriculture sector.
51. The initiatives taken by the State Government to strengthen the supply chain are by increasing agriculture produce through modern and commercial agriculture, setting up more CPPC, strengthening agriculture R&D, providing venture capital for agropreneurs, building

airports and purchasing cargo plane for transporting our fresh agriculture produce to Singapore.

## **ENVISIONING THE FUTURE OF SARAWAK CAPITALISING ON TECHNOLOGY AND R&D**

Tuan Speaker,

52. We must be bold enough to explore new areas of growth and implement new initiatives that can drive further our economic development. We cannot gamble our future by depending solely on the existing resource based traditional economy such as oil and gas, timber and oil palm which we all know are not sustainable and facing more challenges in light of the environmental issues and climate change.
53. We must start to explore these opportunities now and not in the future because the technologies have been developed and starting to be used in developed countries. Why we need to explore these opportunities is because Sarawak has the advantage in all these areas which I will elaborate further later.
54. I know some people were sceptical when the State Government first introduced the new initiatives namely, the implementation of Digital Economy, Light Rapid Transit (LRT), hydrogen fuel cell and commercialisation of our biodiversity.

55. It is important for us to understand that the implementation of these initiatives is critical to the State economy because it will:

- (a) provide wider access to global market for our products through high speed broadband connectivity;
- (b) enhance our competitiveness to attract high technology investment through better IT facilities and connectivity;
- (c) develop local talents in specific areas of technologies including Digital Media, Internet of Things (IoT), Big Data, Artificial Intelligence (AI) and Cyber Security;
- (d) develop our biodiversity related industries through commercialisation of R&D products;
- (e) act as a game changer to spur development within city centre through the concept of Transit Oriented Development (TOD) and 3Ds, namely shorter Distance, high population Density and greater market Demand;

- (f) trigger the development of new industrial clusters based on new products including hydrogen fuel cells; and
- (g) create spin-off to the local economy through the generation of more high value job and business opportunities.

## **Digital Economy**

Tuan Speaker,

- 56. The implementation of digital economy initiatives is progressing well since the establishment of the Sarawak Multimedia Authority (SMA) in November 2017.
- 57. The State Government has successfully implemented the following programmes:
  - (a) 300 telecommunication towers are being implemented for 2019-2020 and another 300 towers after 2020. We expect this will bring down the cost of connectivity which will benefit the people and cost of doing business. This is a State funded project.;

- (b) Sarawak ID, a unified digital identification for users of Sarawak Government online services is being used by 135,000 and it supports 14 Sarawak Government applications including eLASIS and Talikhidmat;
- (c) Sarawak Pay digital wallet has attracted 65,000 users and adopted by more than 2,100 merchants;
- (d) Sarawak Data initiative has 147 sets of data from various State Government Agencies is ready for use;
- (e) 5 Digital Innovation Hubs have been established in Kuching, Sibul, Miri, Bintulu and Sarikei and produced 75 new Start-ups and helped 1,458 entrepreneurs;
- (f) 26 research grants have been provided to 5 universities in Sarawak benefitting 22 students at Masters and Doctoral Degrees;
- (g) 16 workshops on "Industry 4.0 Awareness Program" were conducted benefitting over 1,000 participants including SME operators and manufacturing workers; and

- (h) 194 computer trainings were conducted and benefitted 30,969 participants, 9,300 visitors visited SCAT Fair exhibitions and 869 students participated in Innovators Programmes.

## **Research and Development on Biodiversity**

Tuan Speaker,

58. The potential of our unexploited biodiversity is enormous. Collaboration with world class researcher and industries would enable us to produce medicinal, pharmaceutical and cosmetic products which are nature based products that are of high demand globally.
59. The global wellness industry, which include key sectors in personal care and anti-aging, health and nutrition, and so on including wellness tourism, has a global market of US\$4.2 trillion in 2017.
60. We acknowledge that Research and Development (R&D), especially in biodiversity is another potential source of revenue for the State to embark on now. For this reason, I have directed the Sarawak Biodiversity Centre (SBC) to broaden its scope by commercialising its research findings. SBC has documented 6,000 plants including

25,000 plants and 29,000 microbial extracts kept in SBC Natural Product Library.

61. SBC in collaboration with indigenous communities of Sarawak has produced essential oil from *Litsea* tree, trademarked as LITSARA® that has been made into a range of natural-based personal care products such as soap, shampoo, air freshener and essential oil for aromatherapy.
62. SBC is also collaborating with foreign partner on algae project since 2012. It has a collection of 653 microalgae for various applications. SBC is experimenting the scale-up production of algae in an outdoor facility using Internet of Things (IoT), smart monitoring and digital analytics to boost production.

## Hydrogen Fuel Cell

Tuan Speaker,

63. I have been talking about Sarawak producing hydrogen as an alternative green energy because we have abundant water sources that can be converted to hydrogen for public transport or even for export.

64. Countries like US, Europe, Korea and Japan are now producing vehicle that run on hydrogen fuel cell due to environmental consideration and depleting fossil fuel resources. Since 2013 until 2017, there were 6,500 hydrogen fuel cell cars sold globally.
65. However, the cost of hydrogen production in these countries is much higher due to higher energy cost and less water resources. Production of hydrogen from natural gas is not competitive as the production of hydrogen from water through electrolysis.
66. Therefore, Sarawak has all the advantages in producing hydrogen from water at cheaper cost and using green energy that is hydropower. With the advancement of technology, we should be able to realise the export of hydrogen to these countries in the very near future and will become our next source of revenue for the State just like how we export LNG.
67. We are collaborating with Linde Group, the world's leading industrial gases company and Hydrogenics, the world's leading company in water electrolysis-based hydrogen generator on this project.

68. Our first Hydrogen Production Plant and Refuelling Station project is now 100 percent completed. The testing and commissioning are in progress and expected to complete by 27<sup>th</sup> May 2019.
69. We have also acquired three Hydrogen-powered buses that serve as part of the Sarawak pilot project and research into having a better green public transportation system.

### **Light Rapid Transit (LRT)**

Tuan Speaker,

70. Traffic jam has been the cause of public complaints and higher cost of doing business due to congestion and time wasted on the road. Some critics said that building Light Rapid Transit (LRT) is not feasible to address this problem and suggested to build more roads and provide free bus service.
71. Based on the study that we have conducted, no country in this world can solve the traffic congestion just by building more roads. More roads mean more vehicles on the roads and more traffic congestion. Even using bus you will be caught on the road with the traffic jam.

72. Typical example is the Kuching and Samarahan areas which before the construction of Kuching-Samarahan Expressway, were only served by Kuching-Penrissen-Muara Tuang road. The Kuching-Samarahan Expressway was built to provide alternative road and to reduce the traffic congestion. Now as we all experience, the new Kuching-Samarahan Expressway are always congested especially in the morning and after office hours. I am getting a lot of complaints from commuters moving along these two destinations expressing their frustration of long driving time and crawling traffic.
73. Being a responsible Government, we listen to the demand of our city folks for a better and efficient public transportation system. Therefore, we will proceed with the detailed technical study on the implementation of the Phase 1 covering the most congested areas in Kuching and Samarahan areas using the most feasible technology option.

## **SOCIAL DEVELOPMENT**

Tuan Speaker,

74. With the rapid development in the State and resultant of social economic changes, therefore social development is an important component of our development planning.
75. As a caring government, we must take proactive action to address existing and emerging social issues in the State. In order to do this, the State government is formulating and implementing various social development initiatives including talent development, education and addressing high cost of living.
76. We must acknowledge that social development is about inclusivity and improving the wellbeing of the *rakyat* and developing their full potentials. This is important to us because the success of the State is also associated with the well-being of its *rakyat*.

## **Talent Development**

Tuan Speaker,

77. Our economy is growing and expanding. Hence, talent development is a critical element to support and sustain

the growth of the State. We need highly competent and agile workforce.

78. As we move towards Industry 4.0 and the implementation of digital economy, we need to have comprehensive talent development strategies in the State. This is important for us to develop our local talent systematically based on the need of the industries. At the same time, we are attracting skilled local professionals living abroad to return to Sarawak.
79. Through the implementation of digital economy initiatives in the State, we are creating high value jobs for our people which include data scientist, digital marketing experts, network engineer, IoT experts, GIS experts and User Interface Designer. I am sure there are many young Sarawakians who are talented, knowledgeable and skilled will grab these opportunities.
80. Opportunities are also being created for our talented youth today to participate in various skilled training programmes especially in digital economy initiatives. For example, collaboration between CENTEXS and HUAWEI to develop our youth in digital technology.

## Education

Tuan Speaker,

81. Education is a long term investment. In order to jump start good education, sufficient funding is required at birth. The parents need assistance to reduce their burden in bringing up their child for higher education. This is the reason why we are providing endowment fund of RM1,000 for every new born Sarawakian babies starting this year.
82. We need educated, skilled and motivated workforce to drive the State development forward. Therefore, we always place our human capital development as one of the most important components in our development planning.
83. We want our children especially in the rural areas to have access to good education and to study in conducive learning environment with good schools, equipped with all the necessary facilities including high speed broadband.
84. We want to prepare them as the highly knowledgeable and competent workforce as Sarawak is in a dire need of

producing human capital to support the State's digital development initiatives or employment in other highly skills related industries.

85. Therefore, we are putting in concerted efforts to enrol more of our students into Science, Technology, Engineering and Mathematics (STEM) and Technical Vocational Educational and Training (TVET). It is expected that majority of jobs created in the digital economy will require knowledge and skills in STEM as well as TVET.
86. In addition, the State Government is offering scholarship to high achievers and deserving students especially those from the low income families and from the rural areas to pursue their studies in selected courses both at local and foreign universities.

Tuan Speaker,

87. The continuous demand for workers with technical skills in Sarawak is an opportunity for our youth to prepare themselves with knowledge and skills to meet this demand. With the competencies they possessed, some of them will even become the future leaders of Sarawak.

88. However, we would not be able to achieve this objective when looking at the current poor condition of our schools especially in the rural areas. Some are without electricity and treated water supplies.
89. With these constraints and challenges, we cannot expect our students to achieve good results, particularly in rural areas.
90. We are very serious to resolve the pressing problem of dilapidated schools in the State. I just want Sarawakians to be educated. Money is not an issue. The State Government is willing to give loan to the Federal Government on this matter, although we know it is the Federal Government responsibilities.
91. When it comes to education, let us sit together and resolve it. To our opposition members in this august House, we must put aside the political differences for the sake of our children. If we face obstacles under the law, we must find solution to it and if necessary, we change the provisions under the law.

## **Cost of Living and Poverty Eradication**

Tuan Speaker,

92. Economic growth without social inclusion will not reduce poverty. As a caring government, we empathise the hardship faced by the poor in the State. We want everyone to enjoy a fair share of the economic cake. Hence, we are working hard to accelerate income growth and reduce income disparity in the State.
93. We need a clear policy to address the issue on poverty and to identify strategic and targeted programmes to lift the people out from the poverty vicious cycle. For this purpose, the State Government will undertake a Sarawak Master Plan for Poverty Eradication. The scope of the study covers both rural and urban areas, assess the implementation of the existing poverty eradication programmes and propose recommendations to better assist the poor.
94. I would say that poverty eradication is not just about getting them out of the Poverty Line Income (PLI). What matters more is to equip them with the necessary skills and knowledge to enable them to progress towards better livelihood in the long run.
95. I would like to inform that the State Government will continue to undertake programmes and projects for the

poor in the State. These include providing welfare assistance, building affordable housing, repairs of dilapidated houses for the poor and conduct skills and vocational training for the Bottom 40.

96. I wish to highlight that the task to reduce poverty is a collective efforts and not the sole responsibility of the government. We need to have shared responsibilities among the communities, organisations, businesses, universities and municipalities.

97. I would like to commend the efforts undertaken by the Non-Governmental Organisations or NGOs to help the poor in the State. The State Government through the relevant agencies is always willing to collaborate with the NGOs in addressing poverty.

## **PRESERVING OUR SOVEREIGNTY AND RIGHTS**

Tuan Speaker,

98. On 30th of April, 2019, all Honourable Members of this august House unanimously passed the Motion proposed by Ahli Yang Berhormat for Samariang. With this mandate, the State Government will through the ongoing

discussions with the Federal Government on the implementation of the Malaysia Agreement 1963 (MA 63) seek amendments to the Federal Constitution that would:-

- (a) satisfy the aspirations of all Sarawakians that Sarawak's constitutional position in Malaysia is not similar to the states in the Peninsular of Malaysia, with due recognition been accorded to MA 63, of which Sarawak is a party, and without which, Malaysia would not have been established;
- (b) ensure that the legislative and executive powers and the sources of revenues provided and assigned to Sarawak are securely safeguarded; and
- (c) provide adequate protection against any encroachment or erosion of the State's constitutional rights and safeguards.

99. The recent Constitution (Amendment) Bill, 2019 was introduced in Parliament on the 4<sup>th</sup> April 2019 to amend Article 1(2) did not meet these fundamental objectives particularly the failure to accord recognition to the fact that Malaysia is a federation formed by virtue of MA 63.

Therefore, the State Government was not able to support the Bill aimed as solely to amend Article 1(2). The GPS Members of Parliament had to abstain from voting on this Bill after their proposal to have the Bill referred to a Special Select Committee for deliberation, was rejected.

100. Since the Bill was defeated for lack of the mandatory two-third majority on the 9<sup>th</sup> April 2019, the Minister for Law, Yang Berhormat Datuk Liew Vui Keong met me on 29<sup>th</sup> April 2019. The federal Minister has since announced there would be a special Parliamentary Select Committee on amendments to the Federal Constitution and he was waiting what he described as “the package” of amendments to be made to the Federal Constitution to be put forward from this august House.

101. The State Government will render full co-operation to the Parliamentary Special Committee in its work on the amendments to the Constitution to ensure that the amendments unanimously agreed upon by the august House will be incorporated into any Bill to amend the Constitution to be tabled in Parliament, and more importantly, the above stated objectives are fully met.

Tuan Speaker,

102. Malaysia is a Federation. Like all federal systems of Government, the Constitution, as the supreme law, sets out the division or separation of legislative and executive powers, the sharing of incomes or revenues between the federal Government and the Government of the component states. The federal and state governments are allowed to have autonomy within their respective spheres allowed by the Constitution.
103. However, in every federal system of government, there is a tendency for powers to gravitate towards the Centre. In other words, the central or federal government will want to be strong and in the process, seek to transgress upon powers which, constitutionally belong to the State. The federal system we have in Malaysia is no exception.
104. Therefore, the State Government and the people must, at all times, stay vigilant to prevent any erosion of our constitutional rights and safeguards. We, Sarawakians must stand united and be bold in the defence of our constitutional rights and the special position of Sarawak within the Federation. My late predecessor, Pehin Sri Adenan Satem, started this process of reclaiming our rights and revenues which had been granted or assigned to Sarawak when Sarawak agreed to the formation of

Malaysia. I want to continue what the late Pehin Sri Adenan Satem had initiated, and indeed with greater vigour and with the united support of all Sarawakians as expressed through their representatives in this august House.

Tuan Speaker,

105. The State Government will not abdicate its responsibilities to defend the State's constitutional rights and the territory of the State including its boundaries. The State Government's record in defending the legitimate interests of the State and our people is truly exemplary and as a matter of public record, I would like to highlight a few instances where the State Government had prevented efforts to undermine our constitutional rights and safeguards.

(a) In 1966, Parliament passed the Continental Shelf Act, 1966 and the Petroleum Mining Act, 1966 aimed at taking control of the continental shelf and the exploration of mining of oil and gas within the boundaries of Sarawak. The State Government objected to the extension of these two Acts to Sarawak resulting in those laws being applied only to

West Malaysia from 20<sup>th</sup> July 1966. However, our efforts were thwarted by the Federal Government using the Emergency powers to extend the laws to the State in 1969.

- (b) However, since the Proclamation of Emergency had been annulled by both Houses of Parliament in December 2011, the laws made under emergency powers had ceased to have effect under Article 150(7) of the Federal Constitution and the extension of the Petroleum Mining Act, 1966 and the Continental Shelf Act, 1966 also ceased to have effect. The State Government has therefore proceeded to enforce the Oil Mining Ordinance, 1958 to regulate oil mining both onshore and offshore of Sarawak. By taking such measures, the State Government through PETROS is determined to have regulatory control of offshore mining and equity participation in existing oil and natural gas fields and future exploration and mining areas offshore. At the same time, Sarawak will want to have full control of onshore mining before the end of this year.
- (c) Additionally, the State Government had imposed State Sales Tax on the export of certain items of

petroleum products such as crude oil, LNG and condensates. These measures will enable the State to have a more equitable share of the revenues yielded from oil and natural gas produced in Sarawak.

- (d) In 1983, Parliament passed the Perbadanan Pembekalan Letrik Sarawak Act 1983 [Cap.279]. The intention was for the Federal Government to take over Sarawak Electricity Supply Corporation (SESCO). This was despite the Borneo States (Legislative Powers) Order, 1963 made by the Yang di-Pertuan Agong under Article 95C of the Federal Constitution which extended the legislative authority to include electricity and distribution of gas to the State. Unlike Sabah, the State Government refused to relinquish its legislative authority and hand over SESCO to Federal control. Today, SESCO under Sarawak Energy Berhad (SEB) is the pride of Sarawak and is one of the biggest local companies in terms of capitalisation, supplying energy at the cheapest tariffs in the ASEAN region, attracting many investors to the State.

Tuan Speaker,

106. Not only did the State Government refused to allow SESCO to be taken over, the State Government was able instead to acquire, through Sarawak Energy Berhad, a State Government entity, Sarawak Hidro Sdn Bhd a federal Government owned Company who was the developer and owner of the Bakun Hydro-electric Dam and powerhouse, so that all power generation in the State comes under the jurisdiction of the State and regulated under the Electricity Ordinance and not regulated by the Energy Commission established by the Federal Government.
107. With its legislative and executive control over Electricity and hydro power, the State has been able to increase its power generation capacity from approximately 1,500 megawatts in 2009 to 4,800 megawatts in 2018, and clean energy in the form of hydro power increased during this period from 20% of total generation capacity to almost 75%. Besides, the State Grid has been strengthened with the recent commissioning of the 500kv transmission line, thus ensuring reliability and security of supply of power for domestic, commercial and industrial users.

108. All these should not have been possible if the State Government had not prevented the take-over of SESCO and surrendered our legislative and executive authority over Electricity and Distribution of Gas to the Federal Government.

Tuan Speaker,

109. In 1993, Parliament passed the Gas Supply Act 1993 [Act 501] with the intention of applying it throughout Malaysia. The State Government objected to its application on the ground that it would infringe the State's legislative powers over distribution of gas. To preempt the application of the said Act to Sarawak, the State Legislature passed the Sarawak Gas Supply Services (Operating Company), Ordinance 1995 to ensure that our own State Company continues to supply piped gas. This was followed with the insistence by the State Government that a clause be inserted into the Gas Supply (Amendment) Act, 2016 that this Act will not be applicable to Sarawak unless consented to by the State Authority. To further protect the State's rights in this respect, the Distribution of Gas Ordinance was enacted in 2016.

110. Through the enforcement of the Distribution of Gas 2016, the State Government intends to restructure the gas distribution system in Sarawak to enable PETROS and other qualified companies to have more meaningful participation in the downstream business of the oil and gas industry. This includes having Sarawak companies

involve in the importation and distribution of liquefied Petroleum gas (LPG) so that this essential commodity is more efficiently distributed or made available to the rural communities. The State Government would like to see the increase of the LPG imported so that industries who required LPG for their operation or expansion can secure their needed supply of LPG.

Tuan Speaker,

111. The Federal Government also wanted to extend Part III of the Malaysian Timber Industry Board (Incorporation) Act, 1973 to Sarawak having extended it to Sabah in 1992. This would have required all exporters, importers, traders, suppliers and graders of timber and timber products to be registered with MTIB. The Sarawak Government objected to this extension and as a result has until today retained full authority over export and import of timber products. Having such powers has enabled the State through Sarawak Timber Industry Development Corporation (STIDC) to reduce timber exports and to make timber produce available to support the local downstream timber industry.

112. In 1972, the Federal Government extended the then Fisheries Act, 1963 [Act 210] to Sarawak which defined "estuarine waters" as waters extending from the mouth of the river to the uppermost point upstream penetrated by sea water at the highest tide in the year." Based on this definition of "estuarine waters" for example since sea water in the Batang Rajang could penetrate up to Kapit at high tide; practically all waters in the Batang Rajang would be estuarine waters. Thus, the Federal Fisheries Department wanted to take control of fishing in the rivers of the State when riverine fishing is a State matter: **See: Item 12 List II of State List.** All fishing activities in that river would have to be licensed by federal Fisheries Department. The State's authority to regulate riverine or inland fisheries would be adversely affected. The State Government protested over the definition of "estuarine waters." Consequently, when the new Fisheries Act, 1985 [Act 317] was enacted; the following words were inserted in the new definition of estuarine waters "In the case of the State of Sarawak, the limit sets by the Minister, with the concurrence of the State Authority in regulations" made under the Act. This limits federal control of inland fishing to the mouth or estuary of rivers. The State later enacted its State Fisheries Ordinance, 2003 [Cap.54] to

protect the interests of fishermen operating in riverine and other inland waters of Sarawak.

113. There are also other instances where the State Government has intervened to prevent attempts made by the Federal authorities which would have infringe the constitutional safeguard of the State, and this includes the proposed extension of the Legal Profession Act 1976 which would have allowed lawyers from outside Sarawak to practise before our Courts, and the proposed merger of the High Court in Borneo with the High Court in Malaya in the year 1973.

Tuan Speaker,

114. Some Honourable Members of the Opposition are asking "why now?". The GPS Government has always been firm in the defence of the state interest and its constitutional rights. The duty to defend and safeguard our constitutional rights, territory of Sarawak and its special interest is a continuous responsibility, which must be carried out as and when the rights of the State of Sarawak are infringed.

115. Additionally, the GPS Government will continue its efforts to seek decentralization or devolution of authority over education and health matters. The GPS Government feels that the performance by the Federal Government in respect of these two important subject matters have been unsatisfactory, and there is sufficient constitutional authority under Article 95C(1)(b) read with Article 80(4) for the Federal Government to transfer the executive functions for this matter to the State as well as to provide adequate funding to the State to discharge these executive functions. I wish to assure this august House that when the powers on education and health are devolved to the State, the State Government will be able to provide the standards of education and health services that would meet the expectations of Sarawakians.

116. The GPS Government will regard as its paramount duty to safeguard the constitutional rights of Sarawak as it will always put Sarawak First.

## **GOOD GOVERNANCE**

Tuan Speaker,

117. We are serious and committed to have clean and transparent government. We do not want to dwell on

what had happened in the past. We are focus in our efforts to achieve high integrity and corruption free government.

118. The PH Government, as you know are working with people and leaders of the past and any attempt by anyone to raise issues related to these people and leaders on their past practices have always been rebutted by saying PH is a new government moving towards clean and good governance.

119. I am aware on the opposition efforts of trying to run down my government by implying and insinuating that my government is corrupt. But we know, MACC are professional people. They do not succumb to pressures or interferences from any quarters as reiterated by the Chief Commissioner of MACC in one of his media statements. MACC does not simply take action based on hearsay but based on the rule of law. They only take actions based on thorough investigation and hard evidence. For this reason, I want to congratulate MACC for being professional in handling issues under their jurisdiction.

120. We are implementing massive development programmes and projects under the 11<sup>th</sup> Malaysia Plan, especially through the implementation of *Projek Rakyat* and Rural Transformation Project. For this purpose, we are allocating huge amount of fund to finance the projects. The projects must be implemented based on the agreed cost, specification and timeline. We do not compromise with anyone who is found to be involved in malpractices in our efforts to achieve these objectives.
121. In this regard, we will ensure transparency and compliance with the existing rules and regulations as well as processes and procedures in implementing the projects. We don't want any leakages in the system and will not tolerate if there is any unscrupulous act.
122. We mean what we promised. Therefore, the State Cabinet and State agencies have taken Integrity Pledge to ensure our State Administration is clean, transparent and driven by people who are of high integrity.
123. We have also established the *State Integrity and Ombudsman Unit* to drive the initiatives on integrity and transparency in our administration in collaboration with the Malaysian Anti-Corruption Commission (MACC). We

are the first State to organise CeIO programme for State officers. There are 44 Certified Integrity Officers (CeIO) placed in the State Ministries and Departments to ensure greater transparency and compliance with the financial procedures.

124. We trust that these integrity initiatives will bring benefit to all stakeholders including the business community in the State and earn their respect and confidence.

125. I would like to extend my greatest appreciation to the Civil Service for their unwavering support, total commitment, contribution and hard work in ensuring good governance and effective service delivery especially in project implementation.

## **CONCLUDING REMARKS**

Tuan Speaker,

126. Akhir kata, saya mengambil kesempatan ini untuk mengucapkan terima kasih kepada Tuan Speaker yang telah mengendalikan persidangan DUN kali ini dengan cekap, teratur dan cemerlang.

127. Ucapan terima kasih juga ditujukan kepada semua petugas Dewan yang telah menjalankan tugas dengan cemerlang dan penuh kesabaran.
128. Sebelum mengakhiri ucapan, saya ingin mengucapkan selamat mengerjakan ibadah puasa kepada seluruh masyarakat Islam dan Selamat Menyambut Hari Raya Aidilfitri yang bakal menjelang tiba.
129. Kepada masyarakat Dayak pula, saya ucapkan Selamat Menyambut Hari Gawai Dayak, "*Gayu Guru Gerai Nyamai, Lantang Senang Nguan Menoa*". Semoga dengan sambutan perayaan-perayaan ini akan terus mengeratkan lagi hubungan silaturrahim di kalangan kita semua.
130. Sekian, terima kasih.
131. Assalamualaikum warahmatullahi wabarakatuh.