

EMBARGO

**TIDAK BOLEH DISIARKAN SEHINGGA DISAMPAIKAN
PADA ISNIN, 11 NOVEMBER 2024**

BUDGET SPEECH 2025

“TOGETHER BUILDING A PROSPEROUS FUTURE”

**YAB PREMIER SARAWAK MERANGKAP
MENTERI KEWANGAN DAN EKONOMI BAHARU
SARAWAK**

Introducing:

THE SUPPLY (2025) BILL, 2024

In Dewan Undangan Negeri Sarawak

MONDAY, 11th NOVEMBER 2024

Tan Sri Datuk Amar Speaker,

Saya mohon mencadangkan supaya Rang Undang-Undang bertajuk “Suatu Ordinan bagi menggunakan sejumlah wang daripada Kumpulan Wang Disatukan untuk perkhidmatan bagi tahun 2025 dan bagi memperuntukkan wang itu untuk perkhidmatan tahun itu” dibacakan bagi kali kedua.

Tan Sri Datuk Amar Speaker,

Bismillahirrahmanirrahim,

Assalamu’alaikum Warahmatullahi Wabarakatuh dan Salam Sejahtera.

1. Alhamdulillah saya ingin merafakkan kesyukuran setinggi-tingginya ke hadrat Allah S.W.T kerana dengan izinNya saya berpeluang untuk membentangkan Bajet Negeri Sarawak Tahun 2025 dalam Dewan yang mulia ini.

2. As we chart our course for 2025, it is critical for us to reflect on the challenges and performance of 2024 while preparing for what lies ahead. Understanding the present economic and geopolitical landscapes is essential, as these insights will influence and shape our strategic priorities for 2025 State Budget.

3. In this regard, I would like to update this august House with an overview of the economic performances and challenges in 2024 and outlook for 2025, which will serve as the backdrop for the 2025 State Budget proposal.

ECONOMIC PERFORMANCE 2024 AND PROSPECT FOR 2025

Global Economy

4. Following a robust post-pandemic recovery, the global economy is projected to enter a phase of steadier, more moderate growth. The World Economic Outlook, published by the International Monetary Fund (IMF) in October 2024, projected a global growth of 3.2 percent for both 2024 and 2025. A major contributor to the global economic growth is the robust expansion of technology sector. This is particularly evident in Emerging Markets and Developing Economies, where surging demand for semiconductors and electronics is powering growth. Investments in cutting-edge technologies, particularly in artificial intelligence (AI), are transforming production capabilities and boosting exports, especially in regions like Asia; with China and India playing a pivotal role.

5. The Emerging Markets and Developing Economies, as a whole, are expected to grow by 4.2 percent in 2024 and stabilise at this level through 2025. India is poised to continue as a major driver of global growth, with its economy expected to expand by 7.0 percent in 2024. This robust growth is fuelled by vigorous domestic consumption, comprehensive structural reforms and India's pioneering role in the digital economy. Additionally, new growth avenues are anticipated in renewable energy and technology sectors. Meanwhile, China's economy is forecasted to grow by 4.8 percent in 2024 bolstered by strong export performance, particularly in the manufacturing and technology sectors, despite facing challenges in its real estate sector.

6. Economic expansion in Advanced Economies is anticipated to stabilise at 1.8 percent in 2024 and 2025, indicative of cyclical adjustments and repercussions of stringent monetary policies. Within this group, the United States exhibits notable growth prospects, with its economic output forecasted to

expand by 2.8 percent in 2024, propelled by robust consumer spending and sustained non-residential investment. However, a deceleration to 2.2 percent is projected for 2025, attributed to fiscal contraction and a tempering labour market impacting aggregate demand. Conversely, the Euro Area is projected to experience a moderate increase in economic growth, escalating from 0.8 percent in 2024 to 1.2 percent in 2025, supported by recovering exports and a rebound in domestic demand.

7. Global trade volumes are projected to expand by 3.1 percent in 2024, marking a recovery from the subdued growth observed in 2023, despite persistent geopolitical tensions. The resilience of intrabloc trade within global supply chains has played a vital role in mitigating the impact of global disruptions by sustaining more stable trade flows and reducing exposure to external shocks.

8. With pressures from energy and commodity prices easing alongside improvements in supply chain fluidity, global inflation is also expected to decline from 6.7 percent in 2023 to 5.8 percent in 2024.

Tan Sri Datuk Amar Speaker,

Malaysia Economic Performance 2024 and Prospect for 2025

9. Despite escalating uncertainties in the global landscape, Malaysia's economy demonstrates resilience, with growth projected between 4.8 percent and 5.3 percent in 2024. A key driver of this growth is robust consumer spending, bolstered by improvements in labour market conditions and higher disposable incomes. Export recovery, especially in the electrical and electronics and manufacturing sectors, has also contributed significantly to this growth as global trade rebounds. Additionally, a resurgence of the tourism industry and a strengthened expansion in investment activities have enhanced

economic performance. Notably, RM160 billion in investments was approved in the first half of 2024, underscoring investor confidence and commitment to Malaysia's economic landscape.

10. Malaysia's inflation rate is projected to range between 2.0 percent and 3.5 percent in 2024. In the first nine months, inflation has moderated to 1.8 percent, aided by easing global supply constraints and stabilising global commodity prices. However, domestic policy adjustments, such as subsidy reforms, may exert some upward pressure on inflation.

11. The labour market is anticipated to remain strong, with the unemployment rate projected to hold steady at 3.2 percent in 2024. Key sectors driving employment growth such as services and manufacturing sectors, continue to generate substantial job opportunities and support economic stability.

12. Looking ahead to 2025, Malaysia's economic growth is projected to range between 4.5 percent and 5.5 percent. This

growth outlook is expected to be driven by more robust global demand for semiconductors and electrical and electronics products, bolstering the export sector. Additionally, robust private investment will continue to provide critical support, further enhancing Malaysia's economic expansion and resilience.

Tan Sri Datuk Amar Speaker,

Sarawak Economic Performance in 2024 and Prospects for 2025

13. I will now move to the Sarawak economy. Sarawak economic growth is projected to remain resilient, with growth ranging from 5.0 percent to 6.0 percent in 2024. This positive outlook is supported by more robust external demand, increased domestic activity and gradually easing inflationary pressures.

Supply Side

14. On the supply side, the services sector in Sarawak is projected to grow by 6.7 percent in 2024, establishing this sector as a critical driver of Sarawak's economic expansion. This growth is fuelled by notable growth in the tourism sector, with a 21.4 percent increase in business visitors, investors and tourist arrivals from January to September 2024 compared to the same period in the previous year. In addition, expanding trade activities are anticipated to stimulate both direct and indirect growth within the services sector, particularly in transport and logistics, as well as the financial and insurance subsectors. This sectoral expansion underscores Sarawak's strategic focus on diversifying and strengthening its economic base.

15. The mining sector is poised for a recovery in 2024, with a projected growth rate of 2.3 percent. This optimistic outlook is primarily driven by development in the natural gas industry, which stands to benefit from increased production in established

fields and the commissioning of new projects like Jerun gas field and Kasawari gas development projects.

16. Subsequently, the production of liquefied natural gas is projected to increase, contributing significantly to the growth of the manufacturing sector. This increase in production is supported by rising demand from key trading partners, including Japan and China. As a result, the manufacturing sector is expected to achieve a growth rate of 5.2 percent in 2024.

17. In the agriculture sector, crude palm oil (CPO) production experienced a growth of 1.7 percent from January to September 2024, with an improvement in fresh fruit bunch (FFB) yield increasing from 10.61 tonnes per hectare in 2023 to 10.97 tonnes per hectare. During the same period, the average CPO price in Sarawak was RM3,924 per tonne. CPO production is anticipated to continue its upward trajectory, fuelled by robust demand from major importing countries such as India and China. This positive trend is expected to significantly contribute to the

growth of the agriculture sector, which is projected to expand by 2.0 percent in 2024.

18. The construction sector is anticipated to sustain robust growth, with a projected expansion rate of 8.7 percent in 2024. In the first half of the year, the sector witnessed a significant increase in construction value, rising by 26.6 percent compared to the same period in 2023. This surge in growth is underpinned by vigorous activity across all subsectors.

Tan Sri Datuk Amar Speaker,

Demand Side

19. On the demand side, robust external demand coupled with heightened domestic activity is expected to drive Sarawak's economic growth in 2024. In the first seven months of the year, total external trade increased by 5.4 percent, rising from RM109.7 billion in 2023 to RM115.6 billion in 2024. Both exports

and imports showed growth, with exports expanding by 6.6 percent and imports by 3.5 percent.

20. Export performance was strong for LNG and crude petroleum, which grew by 4.3 percent and 6.3 percent, respectively. LNG growth was supported by increased export volume, while crude petroleum benefited from higher oil prices. On top of this, crude palm oil exports saw a substantial increase of 18.1 percent in value and 16.8 percent in volume over the first seven months of 2024 compared to the same period in 2023. This positive trend is expected to continue throughout the year, driven by improving global trade conditions. The Brent crude oil price is also projected to average at USD86.37 per barrel in 2024, up from USD82.41 per barrel in 2023, further reinforcing growth momentum within the global energy sector.

21. On the investment front, the Sarawak Government remains focused on economic diversification by actively encouraging private investment, particularly in emerging sectors.

In the first half of 2024, a total of RM6.84 billion in private investments was approved across various sectors. By the third quarter of 2024, investments amounting to RM2.93 billion were approved under the manufacturing sector, with a concentration on electrical and electronics, and basic metal industries. Further to this, RM2.87 billion worth of investments are currently pending approval from MIDA, reflecting strong investor confidence and Sarawak's attractiveness as a competitive investment destination. Investment in capital goods also increased by 5.5 percent in the first seven months of this year compared to the previous year, underscoring robust capital formation and capacity expansion in Sarawak.

22. Public investment is projected to grow by 6.0 percent in 2024, propelled by sustained infrastructure spending initiatives from both Sarawak and Federal Governments to uplift Sarawak's socio-economic landscape. For 2024, the Sarawak Government has approved an allocation of RM9.0 billion, with a focus on enhancing connectivity, improving citizens' well-being and

stimulating economic growth. Complementing these efforts, the Federal Government has allocated RM5.8 billion for development in Sarawak, further supporting key infrastructure development and reinforcing economic expansion throughout the year.

23. Meanwhile, public consumption growth will be driven by sustained Government expenditure on emoluments and operational costs, aimed at enhancing the capacity and capabilities of the civil service. The implementation of the new civil servant salary scheme, *Sistem Saraan Perkhidmatan Awam* (SSPA), effective 1st December 2024, is expected to further contribute to this growth by providing improved compensation and incentivising productivity across the public sector.

24. The salary revision is anticipated to enhance spending capacity, thus stimulating private consumption growth. Government initiatives, including financial aid through *Sumbangan Tunai Rahmah* (STR), along with expanded support

for healthcare, housing and small business development, are expected to alleviate household financial pressures. In 2024, private consumption is projected to grow by 5.1 percent, supported by favourable labour market conditions, positive economic activity and manageable inflation levels, all of which will reinforce domestic demand and contribute to overall economic resilience.

25. Sarawak's economy is projected to sustain its growth trajectory, driven by favourable domestic economic conditions and a recovery in global trade. Looking forward to 2025, economic growth is expected to range between 5.0 percent and 6.0 percent, building on current momentum and reflecting continued resilience in the face of evolving market dynamics. This outlook underscores Sarawak's strategic focus on fostering diversified and robust economic development.

Tan Sri Datuk Amar Speaker,

Inflation

26. Sarawak's inflation is projected to moderate, with the average inflation rate for the first nine months of 2024 at 2.5 percent, reflecting a 0.8 percentage point decline compared to the same period last year. A notable reduction in inflation for food and non-alcoholic beverages has contributed to this decrease, supporting a more stable pricing environment. Consequently, overall inflation for 2024 is anticipated to range between 2.3 percent and 2.5 percent.

Labour Market

27. The labour market showed steady improvement in the first half of 2024, with the labour force participation rate rising to 71.2 percent, up from 69.8 percent during the same period in 2023. Employment also grew, with the number of employed

people reaching 1.46 million compared to 1.40 million in 2023. Meanwhile, the preliminary unemployment rate reduced to 3.5 percent in the first half of 2024 from 3.6 percent during the same period in 2023, indicating continued stabilisation and strengthening economic conditions. Registered job vacancies increased by 22.9 percent in the first half of 2024, further reflecting positive trends in labour demand and employment opportunities.

Tan Sri Datuk Amar Speaker,

FINANCIAL PERFORMANCE OF THE STATE IN 2024

28. Before I present the proposed 2025 State Budget, I would like to update this august House on the State's financial performance for 2024.

REVENUE, 2024

29. I am pleased to inform that our revenue collection stands at **RM12.2 billion** as of **October 2024**, or **87 percent** against our projection for the year. Based on the current performance, our revenue collection for this year is projected to be **almost RM14 billion**, which is expected to surpass the 2023 revenue collection of **RM13.3 billion**. This will be yet another record-breaking achievement, setting the highest revenue collection in Sarawak's history.

30. The actual revenue collection of **RM12.2 billion** is mainly from the following major sources:

(I) State sales tax of **RM4.4 billion** comprises of the following:

(a) Petroleum products of **RM3.6 billion**;

(b) Crude palm oil and palm kernel oil of **RM705 million**;

- (c) Aluminium of **RM68 million**;
 - (d) Lottery of **RM61 million**;
 - (e) Timber products of **RM27 million**; and
 - (f) Coal of **RM5 million**.
-
- (II) Cash compensation in lieu of oil and gas rights of **RM2.7 billion**;
 - (III) Dividend of **RM2 billion**;
 - (IV) Interest and return from investment of **RM1 billion**;
 - (V) Raw water royalty of **RM554 million**;
 - (VI) Land premium of **RM191 million**;
 - (VII) Cash compensation in lieu of imports and excise duties on petroleum products of **RM120 million**;
 - (VIII) Forestry of **RM214 million**;
 - (IX) Federal grants and reimbursement of **RM554 million**; and
 - (X) Other sources such as mining royalties, water sales and land rents of **RM507 million**.

EXPENDITURES, 2024

31. The 2024 Ordinary Expenditure has been revised upwards from RM12.363 billion to RM12.678 billion, an increase of RM315 million or 2.5 percent. As of October 2024, **RM9.44 billion or 74 percent of the Ordinary Expenditure** has been expended, of which RM3.59 billion was for operating expenditure, while RM5.85 billion was appropriated to Statutory Funds.

32. As for Development Expenditure, **RM4.31 billion** out of RM9.1 billion or **47 percent** has been expended for the same period. As the development momentum continues to pick up and project implementation intensifies, the expenditure is expected to increase towards the end of the year.

Tan Sri Datuk Amar Speaker,

STATE BUDGET PROPOSAL FOR 2025

33. Now, I would like to present the 2025 State Budget proposal with the theme **"Together Building a Prosperous Future"**. This theme serves as the foundation of our fiscal strategy and embodies our steadfast commitment to the people of Sarawak. It is a Budget designed for an inclusive and prosperous Sarawak — where every *rakyat* has equitable access to opportunities and resources to thrive.

34. The Budget has been meticulously assessed and formulated to ensure our State remains resilient, competitive, and adaptable amid global uncertainties. Building on past achievements and with a solid foundation, we are well prepared to navigate future challenges, safeguarding the well-being of the *rakyat* and bringing prosperity to all.

35. At its core, the 2025 State Budget renews and reaffirms our commitment to **championing the welfare** of the *rakyat* through targeted measures aimed at alleviating the financial burdens of low and middle-income groups and **continuing to implement vital people-centric programmes and projects.**

36. The 2025 State Budget will continue to be an **expansionary Budget** to boost Government spending that will further stimulate the State's economic growth. Thus, this Budget proposes to increase the operating and development expenditure from **RM13.6 billion in 2024** to **RM15.8 billion in 2025**, an increase of RM2.2 billion or 16 percent.

37. In a nutshell, the 2025 Budget is framed across **eight (8) Strategic Thrusts as follows:**

- First** : Transforming and Diversifying Sarawak Economy
- Second** : Positioning Sarawak as a Major Investment Destination and Promoting SME's Development
- Third** : Strengthening Talent and Educational Development
- Fourth** : Accelerating Digital Transformation and Innovation
- Fifth** : Enhancing People's Well-being and Ensuring Inclusive Development
- Sixth** : Promoting Culture, Sports, and Youth Empowerment
- Seventh** : Enhancing Environmental Sustainability
- Eighth** : Strengthening Public Service Delivery and Capacity

Tan Sri Datuk Amar Speaker,

REVENUE ESTIMATES, 2025

38. We anticipate a revenue of **RM14.2 billion** in 2025, the highest revenue ever projected, underscoring our strong commitment to enhancing the fiscal sustainability of the State.

39. The State's revenue estimates are derived from the following major sources:

(i) **Tax Revenue** totalling **RM6.2 billion** or **44 percent** of the total expected revenue in 2025, comprising the following:

(a) **RM5.1 billion** from State Sales Tax, of which **RM4.1 billion** from crude oil, liquefied natural gas and other petroleum products; **RM820 million** from crude palm oil and crude palm kernel oil;

RM75 million from lottery, **RM60 million** from aluminium products, **RM29 million** from timber products, while the remaining **RM6 million** from coal;

(b) **RM620 million** from raw water royalty;

(c) **RM100 million** from forest royalty, timber premium and tariff; and

(d) **RM422 million** from mining royalties, land rents and others.

(II) **Non-Tax Revenue** is estimated at **RM7.0 billion** or **49 percent**, mainly derived from the following sources:

(a) **RM2.7 billion** from cash compensation in lieu of oil and gas rights;

- (b) **RM2.9 billion** from dividend income;
- (c) **RM853 million** from interest income;
- (d) **RM400 million** from land premium;
- (e) **RM120 million** from cash compensation in lieu of import and excise duties on petroleum products;
and
- (f) **RM26 million** from others, including licences, service fees, permits and rentals.

(III) **Non – Revenue Receipt** is expected to be **RM32 million** mainly from unclaimed deposits, overpayment recovered, and disposal of vehicles; and

(IV) **Federal Grants and Reimbursements** are projected to reach **RM937 million**. The revenue contribution from

this source has increased due to the Federal Government's decision to raise the interim Special Grant rate for Sarawak from RM300 million to RM600 million effective next year.

Tan Sri Datuk Amar Speaker,

ORDINARY EXPENDITURE, 2025

40. The 2025 State Budget proposes a total Ordinary Expenditure of **RM13.7 billion**, of which **RM4.9 billion** is for Operating Expenditure, while **RM8.8 billion** is for appropriation to Development Fund Account. This appropriation is to top-up the brought forward balance in the Development Fund Account to finance 2025 Development Expenditure budgeted at **RM10.9 billion**.

41. The Operating Expenditure of **RM4.9 billion** is allocated to finance the following expenses:

- (i) **RM1.2 billion** or 24 percent for personnel emoluments;
- (ii) **RM1.9 billion** or 39 percent for supplies and services;
- (iii) **RM1.6 billion** or 33 percent for grants and fixed payments, which includes operating grants to Statutory Bodies and Local Authorities, servicing of public debts and payments of gratuities, pensions, and scholarships, including financial and welfare assistances;
- (iv) **RM96 million** for procurement of assets; and
- (v) **RM113 million** for other operating expenses.

42. Effective public spending remains essential to stimulating economic growth, delivering vital public services, and funding investments that support both current needs and future development. It is therefore, crucial to prioritize our spending on high-impact, productive activities while ensuring that programmes and projects are being executed efficiently.

BUDGET SURPLUS, 2025

43. I am pleased to inform this august House that with the **projected revenue of RM14.2 billion** and total **Ordinary Expenditure of RM13.7 billion**, the 2025 State Budget is expected to generate a **surplus of RM486 million**.

44. 2025 State Budget indeed marks the largest budget in Sarawak's history, reflecting the success of our revenue reengineering strategies and prudent financial management. Through this expansionary Budget, we are making substantial

investments in infrastructure while placing the well-being of the *rakyat* at the forefront of our priorities.

Tan Sri Datuk Amar Speaker,

DEVELOPMENT EXPENDITURE, 2025

45. The **2025 State Budget** provides an allocation of **RM10.9 billion** to fund development expenditures in the State. This is the **biggest development budget** in the history of Sarawak.

46. The Budget will continue to provide allocation to key sectors to accelerate economic development and eventually make the State economy strong, robust, and resilient.

2025 BUDGET GOALS

47. The 2025 State Budget is centred towards achieving five (5) overarching goals as follows:

- (i) Building a prosperous and equitable society where no one will be left behind;
- (ii) Enhancing the *rakyat* social well-being through people-centric initiatives;
- (iii) Strengthening Government's capacity and capability to deliver quality services;
- (iv) Enhancing State fiscal position towards financial sustainability; and
- (v) Transforming Sarawak into a developed region and green hub.

48. Guided by these goals, the 2025 State Budget is framed across eight (8) Strategic Thrusts aimed at steering the Sarawak

economy towards becoming a robust, developed and resilient economy by 2030.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUSTS AND INITIATIVES

49. I will now highlight the strategic thrusts and various initiatives under the 2025 State Budget.

STRATEGIC THRUST ONE: TRANSFORMING AND DIVERSIFYING SARAWAK ECONOMY

Initiative One: Transforming Agriculture Sector

(I) Agriculture Transformation Strategies

50. Agriculture is a pivotal sector in driving Sarawak's economic growth, ranking as the fourth most significant contributor to the State's GDP. We are committed to

pursue transformative change, leveraging on technology to ensure food security, and positioning Sarawak as a future net food exporter.

51. Sarawak is advancing agro-food industrialisation to drive this transformation and establish a solid supply chain for essential commodities such as pineapple, coconut, banana, durian, shrimp, fish, and cattle.

(II) Venturing into Commercial Agriculture

52. Encouraging private-sector investment in commercial agriculture is amongst the key initiatives, including expanding food production areas by enhancing essential infrastructure. The 2025 Budget will allocate **RM6 million** to continue infrastructure development within various Agro Parks. To support shrimp production, **RM20.9 million** will be allocated to upgrade the Loba Stoh Aquaculture Park in Rambungan. For

inland fisheries, **RM9.5 million** will be allocated to develop an aquaculture park in Samariang Batu, Kuching.

(III) Enhancing Food Security

(a) Development of Paddy Cultivation Infrastructure

53. With Sarawak's current rice production meeting only 32 percent of the State's demand, resulting in the import of approximately 153,000 metric tonnes last year at a cost of RM401 million, we are committed to transforming the paddy and rice sector into a sustainable, self-sufficient industry.

54. To achieve a 100 percent self-sufficiency level in rice, various key initiatives have been undertaken, including expanding paddy cultivation areas, rehabilitating drainage and irrigation systems, implementing farm mechanisation, and utilising high-yield seeds alongside sustainable agricultural

practices. Thus far, approximately 14,000 hectares have already been designated for paddy cultivation across Sarawak.

55. For **paddy infrastructure**, a scheme value of **RM1.0 billion** has been approved of which **RM51 million** will be allocated in 2025. The focus planting areas cover Stumbin Bijat, Lingga-Banting, Seduku, Gran and Entulang, Tanjung Purun, Lubok Punggor, Sundar and Limbang. On top of this, a sum of **RM50 million** has been set aside for land acquisition, particularly for Tanjung Purun Paddy Scheme, Kuching.

(b) Structured Cattle Breeding Programme

56. In 2023, Sarawak's beef self-sufficiency level stood at just 13 percent, with imports totalling RM229 million. The Sarawak Government has launched key initiatives to increase the cattle population to address this gap. Amongst these, **RM10.6 million** will be allocated in 2025 to establish cattle breeding and fattening farms in Kuching, Serian, and Betong.

These centres will adopt Artificial Insemination technology to drive efficient and sustainable cattle breeding, supporting Sarawak's path towards greater beef self-sufficiency.

(IV) Improving Agriculture Infrastructure and Facilities

(a) Farm Infrastructure

57. We will continue intensifying the development of necessary agriculture infrastructure and facilities to accelerate the agricultural transformation agenda. Towards this, **RM41.6 million** will be allocated for the development of farm infrastructure such as farm roads, drainage and irrigation infrastructure.

(b) Collection, Packaging and Processing Centre (CPPC)/ Agrofood Terminal

58. The Collection, Packaging, and Processing Centre (CPPC)/ Agrofood Terminal is set to foster a competitive and sustainable market for Sarawak's agricultural products, with significant benefits for primary producers, especially rural farmers. Recognising the importance of an efficient marketing supply chain, a sum of **RM8 million** will be allocated in 2025 to support this initiative, ensuring that local agricultural products reach markets effectively.

(V) Increasing Farmers' Income

(a) Assistance to Smallholder Farmers

59. We are resolute towards enhancing the livelihoods of smallholder farmers through targeted development initiatives. For 2025, **RM30.4 million** will be allocated to implement various food crops development programmes, **RM5.9 million** for inland

fisheries and aquaculture projects, and **RM17.4 million** for livestock and veterinary development.

60. Additionally, to empower agropreneurs with essential skills, **RM7.9 million** will be allocated in 2025 for agricultural training, extension services, and support for mechanisation and automation. These initiatives aim to equip smallholder farmers with the resources and expertise to thrive in a competitive agricultural landscape.

(b) Strengthening Farmer's Organisation

61. The State Farmer's Organisation (SFO) plays a vital role in supporting smallholders by offering guidance on sales management and expanding market access. For 2025, **RM10.9 million** will be allocated to strengthen SFO's marketing systems and improve their facilities. Another sum of **RM4.6 million** will be allocated to strengthen the function of the Area Farmer's Organisation.

(VI) Investing in Modern and Smart Farming

(a) Sarawak Agrotechnology Park (SARTECH)

62. The development of Sarawak Agrotechnology Park (SARTECH) is expected to attract more global technology-based agricultural firms and transform Sarawak agriculture into a technology-driven and sustainable sector. For 2025, **RM31 million** is set aside to develop essential infrastructure in SARTECH Tarat, Serian Division. Meanwhile, another **RM30 million** will be allocated for the development of physical works in SARTECH Semenggok, Kuching Division.

(b) Precision Farming Park

63. To accelerate the development of modern farming in Sarawak, the Government has set aside RM60 million under 12th Malaysia Plan to implement a Precision Farming Park at Sg. Sebiew in Bintulu and in Kabuloh, Miri. The construction of these

modern agriculture parks is expected to commence next year with a proposed allocation of **RM40 million** in 2025. These parks are expected to attract greater involvement from youth, entrepreneurs, and the private sector.

(c) Metropolitan Food Cluster

64. We will also be establishing a Metropolitan Food Cluster in Opar, inspired by the Netherlands model. A sum of RM60 million has been set aside for this initiative, with **RM18 million** earmarked for 2025. This initiative will develop a centralised, efficient food supply chain.

(d) Rural ICT Digital Training Programme

65. To accelerate the adoption of smart agriculture and enhance ICT literacy among our rural population, the Government will continue strengthening its capacity-building programmes among the farmers, agro-entrepreneurs and the

targeted rural community group. A sum of **RM1.22 million** will be allocated in 2025 for this purpose.

(e) Agriculture Financing Facility: Sarawak Agro Fund

66. The Government remains committed to supporting aspiring agro entrepreneurs in transforming the agriculture sector through accessible financing. This includes ongoing soft loans and grants provided through Sarawak Agro Fund, which has seen strong demand from industry players since its introduction in 2021. To further drive agricultural commercialisation, **RM12.7 million** will be allocated for this purpose next year.

Tan Sri Datuk Amar Speaker,

Initiative Two: Boosting Tourism Sector

67. The tourism sector is vital to our economic diversification and one of the significant contributors to the State economy. Through focused strategies, the Government aims to make the State a leading destination for eco-tourism, augmented by our rich cultural experiences and unique heritage.

68. In 2025, we will be ramping up our efforts across several areas to attract more visitors and enhance Sarawak's tourism appeal. Digital marketing initiatives will be expanded, focusing on collaboration with online travel agencies and airlines to increase accessibility, especially in key markets across Europe, ASEAN, and Oceania. By strategically enhancing Sarawak's visibility and connectivity, we aim to attract 5 million visitors by the end of 2025. This strategic approach also emphasises on

encouraging extended stays and strengthening Sarawak's brand appeal on the global tourism stage.

69. For this purpose, in 2025, a total of **RM174 million** will be provided to Ministry of Tourism, Creative Industry and Performing Arts for its operations and implementation of various tourism marketing and promotion programmes, which include the following:

- (a) Hosting events and festivals that highlight Sarawak's cultural vibrancy of **RM45 million**;
- (b) Grant to Sarawak Tourism Board, Business Events Sarawak, Sarawak Art Council and Sarawak Craft Council totalling **RM86 million**;
- (c) Sponsorship grants for tourism activities of **RM10 million**; and
- (d) Research Grant of **RM5 million**.

70. In addition, **RM81 million** will be provided under 2025 Development Budget for the continued implementation of various tourism projects such as:

- (a) Performing Arts Centre at Old DUN Building;
- (b) Transformation of Brooke Dockyard into an Industrial Heritage Museum;
- (c) Sadong Jaya Mangrove Tourism;
- (d) Sarawak Museum Campus and Heritage Trails;
- (e) Santubong Archaeological Park and Wallace Centre;
- (f) Restoration and Upgrading of Islamic Heritage Museum Building and Exhibition; and
- (g) Darul Hana Malay Heritage Museum.

71. On the development of ecotourism attractions, Sarawak Forestry Corporation (SFC) continues to champion conservation-based ecotourism by creating experiences that engage visitors in sustainable practices and heritage

preservation while empowering local communities. With other key initiatives being actively pursued such as promoting Niah National Park as UNESCO World Heritage Site and expanding training for park guides, SFC integrates biodiversity awareness with rich cultural experiences, thus establishing Sarawak as a leader in regional ecotourism.

Initiative Three: Enhancing Urban-Rural Economic Integration

72. As Sarawak progresses towards becoming a developed region, balancing growth between urban and rural areas will continue to be our primary development agenda for us to bridge these disparities. Accelerating rural development and intensifying infrastructure projects not only stimulates more balanced growth but also ensures that both urban and rural people thrive together, creating a cohesive and equitable economic landscape for all.

Accelerating Rural Development

73. Bringing more development to rural areas remains our top priority, and in echoing this, the 2025 State Budget will continue to be **rural-biased**. Of the **RM10.9 billion** proposed for Development Expenditure, **RM6.8 billion**, or **62 percent**, will be allocated to **rural development initiatives**. We want to ensure our rural populace also enjoy the fruits of development in tandem with the progress of their urban counterparts.

74. In accelerating rural development to bridge critical infrastructure gaps, we have taken significant steps to ensure that every nook and corner of Sarawak enjoys equal opportunities and access to development. Therefore, specific initiatives, programmes, and projects set to transform our economy and enhance the lives and livelihoods of our people are included in the 2025 Budget as follows:

- (a) **RM650 million** for the implementation of *Projek Rakyat*;
- (b) **RM420 million** for Rural Transformation Projects (RTP);
- (c) **RM265 million** for *Program Projek Khas*.

75. With the establishment of nine Regional Development Agencies, for 2025 a sum of **RM300 million** will be allocated under this Budget and another **RM742 million** will be provided under Alternative Funding to support the implementation of various programmes and projects, such as roads, electricity, and water access that are essential for connecting rural areas to economic centres.

76. These projects are anticipated to generate substantial economic benefits for the State, create new job opportunities for local communities, and stimulate growth in the construction and service sectors.

Intensifying Infrastructure Development

77. Under the 2025 Budget, we will continue to prioritise the development of essential infrastructure and services to enhance connectivity and accessibility. By focusing on building additional roads, bridges, ports, improving water and electricity supplies, and expanding air transport facilities, we aim to unlock greater economic opportunities in rural areas, drive economic growth, and uplift the standard of living of the *rakyat*. Among the major projects that would help us to achieve this aspiration are:

(I) Roads and Bridges Projects

78. Infrastructure development, which comprises the construction of roads and bridges, plays a vital role in boosting the economic growth of Sarawak. For 2025, a sum of approximately **RM1 billion** will be allocated to implement and complete the various roads and bridges projects. Among the projects are:

- (i) Construction of Batu Kawa Road Linking to Stephen Yong Road, Kuching;
- (ii) Construction of New Road from Ulu Sungai Merah to Jalan Tunku Abdul Rahman, Sibul;
- (iii) Upgrading of Main Road from Pekan Lapok to Gejong Long Teran Batu, Tinjar Miri;
- (iv) Nanga Ibau/Ulu Sg. Ibau Road, Kapit;
- (v) Serian-Gedong-Samarahan Roads;
- (vi) Nanga Kesit-Ulu Lemanak-Engkari Road, Lubok Antu, Sri Aman; and
- (vi) Sungai Limbang Bridge.

79. Under Alternative Funding, **RM4 billion** will be provided next year for the implementation of ongoing and new major infrastructure projects, among which comprising the following:

- (i) Sarawak Coastal Road;
- (ii) Second Trunk Road;
- (iii) Sultan Tengah Road and New Santubong Bridge;
- (iv) Northern Coastal Highway;

- (v) Road Link Miri-Marudi, Marudi-Mulu and Long Panai-Long Lama;
- (vi) Gedong to Kampung Samalatong, Simunjan Road;
and
- (vii) Gedong-Serian Expressway.

(II) Water and Electricity Supply Programmes

(a) Water Supply

80. My Administration has set a high priority on expanding the coverage of safe and treated water supply across the State. A remarkable progress has been made, with an overall **water supply coverage** reaching about **85.4 percent** and rural areas achieving 70.5 percent. Efforts will continue to be intensified to ensure a dependable, efficient, secure, and sustainable water supply to meet this objective.

81. Towards this, a sum of **RM352 million** will be allocated under this Budget for the implementation of the 12th Malaysia Plan water supply projects which include the following:

- (i) Serian Regional Water Supply;
- (ii) Construction of Long Lama Water Treatment;
- (iii) Water Supply System for Suai Complex;
- (iv) Julau Water Supply System;
- (v) Mukah Water Supply System;
- (vi) Upgrading of Treatment Plant No.4 Batu Kitang;
and
- (vii) Upgrading of Treatment Plant Salim, Sibul.

82. To complement this effort, **RM452 million** will be provided in 2025 under Alternative Funding and the major projects are as follows:

- (i) Transmission Main Across Batang Sadong Bridge to Simunjan, Pipeline Replacement, Relocation, and Extension at Sebangau and Sebuyau, and Associated Works;
- (ii) Upgrading of Lubau Water Treatment Plant;
- (iii) Upgrading of Bayong Water Treatment Plant;
- (iv) Kapit Water Supply;
- (v) Jalan Belaga / Menjawah Water Supply, Kapit;
- (vi) Miri Water Supply Source Development;
- (vii) Tinjar Water Supply; and
- (viii) Sarawak Alternative Water Supply (SAWAS).

83. To reduce Non-Revenue Water (NRW) and enhance water supply efficiency, the Government is investing a sum of **RM1 billion** under Alternative Funding of which **RM204 million** will be provided in 2025 for Upgrading and Replacement of Water Pipeline Programme in Sarawak.

(b) Electricity Supply

84. Sarawak has achieved a significant **rural electricity coverage of about 99 percent**, and to achieve full coverage across Sarawak, the Government will continue to intensify the implementation of electricity supply initiatives.

85. For 2025, a total of **RM56 million** will be allocated for new and continuation projects under the 12th Malaysia Plan, including the following:

- (i) Upgrading of Electricity Supply in Samarahan Division;
- (ii) Connect Stand-Alone Sarawak Alternative Rural Electrification Scheme (SARES) villages or longhouses to nearby grid with road access;
- (iii) Replacement of batteries in stand-alone solar systems for remote communities to ensure they continue to benefit from 24-hour electricity; and

- (iv) 33 kilovolt Medium Voltage Covered Conductor from Gaat to Tunoh.

86. Whilst under Alternative Funding, a total of **RM170 million** will be allocated for 2025 for the following:

- (i) **RM150 million** for continuation of electrification projects in rural areas; and
- (ii) **RM20 million** for Additional and Late Applicant Fund (ALAF) initiative.

Tan Sri Datuk Amar Speaker,

Ports, Navigational Safety and Riverine

87. For 2025, a total sum of **RM125 million** will be provided for port development, navigational safety and other ongoing riverine projects which include the following:

- (i) Vehicle Yard and Associated Facilities at Senari Port;
- (ii) Construction and Completion of Tanjung Embang Terminal Phase 1, Kuching;
- (iii) Port development and maintenance dredging grants to State Port Authorities;
- (iv) Masterplan Study for Ports;
- (v) Construction of wharves, jetties, river wall and waterfront; and
- (vi) Vessel Tracking Management System (VTMS) and Aids to Navigation (ATONS) for Sungai Miri and Kuala Baram, Sarawak.

88. We are committed to improving port development to deliver better and more efficient services. A significant step forward was the gazettment of the Sarawak Ports Authority Ordinance, 2024, which lays the groundwork for a unified port authority to oversee and streamline operations across all State's ports. This integration is designed to strengthen corporate

governance, enforce financial discipline, and boost operational efficiency.

89. Establishing a centralised governing body will enhance oversight and optimize resource allocation, enabling more strategic investments that will benefit the entire State. These reforms are expected to raise service standards, expand economic opportunities, and ensure Sarawak's ports are equipped to meet the demands of both domestic and international trade.

90. We are also looking into the development of a new deep sea port at Tanjung Embang in collaboration with PETROS to propel Sarawak as a regional maritime and energy hub. This port will serve as a gateway for international trade, thereby increasing the State's capacity for container cargo handling as well as integrating gas terminal facilities for PETROS.

Investing in an Integrated and Modern Public Transport System

91. The Kuching Urban Transportation System (KUTS) project is set to transform Sarawak's public transport system by providing seamless and smart transportation system that enhances connectivity between urban and rural regions.

92. With a budget allocation totalling **RM1.42 billion** for 2025 under Alternative Funding, the key project components are:

- (i) Construction of three Autonomous Rapid Transit (ART) Lines;
- (ii) Construction of Rembus Depot main building;
- (iii) Construction of Feeder Bus Depot; and
- (iv) Mass production of ART vehicles and Feeder Buses.

93. These initiatives not only promote economic growth but also contribute to environmental sustainability by reducing

carbon emissions. This aligns with our pledge to drive green mobility and support the global endeavour to achieve Net Zero Emissions by 2050, promoting a cleaner environment and inclusive growth for all.

94. In our effort to improve and upgrade the public transport system, **RM8 million** will be provided in 2025 for the implementation of smart buses in Miri City and **RM1 million** for the construction of a bus terminal in Kapit.

95. For the proposed development of a new International Airport in Kuching as I have announced in the last DUN sitting, a detailed feasibility study will soon be undertaken on the development of the project.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST TWO: POSITIONING SARAWAK AS A MAJOR INVESTMENT DESTINATION AND PROMOTING SME DEVELOPMENT

96. Sarawak is fully committed to strengthening its economic landscape by supporting local businesses, driving industrial growth, and creating an environment that is favourable and conducive for investors.

Initiative One: Enhancing Sarawak Competitiveness

97. To increase the competitiveness of Sarawak businesses in the global market, we are implementing capacity-building programmes designed to equip SMEs with valuable skills in entrepreneurship, technical know-how, digital marketing, and product promotion. In 2025, **RM3.1 million** will be allocated for these programmes to enhance the capacity and performance of SMEs.

98. In providing rural and remote communities with the infrastructure and resources to launch and expand their businesses, the Government has introduced the *Anjung Usahawan* Development programme. This Budget will allocate **RM8.4 million** to support the establishment of 18 entrepreneurship centres throughout Sarawak. Together, these efforts reflect our commitment to building a competitive local economy that promotes inclusive growth across all areas.

99. In developing local entrepreneurs and supporting micro-traders and startups to further strengthen their businesses, the Government will continue with financial assistance initiatives such as the Special Relief Fund and Sarawak Recovery BizFund. Further in ensuring SMEs have the resources to grow, a sum of **RM15.5 million** in soft loans and grants will be provided in 2025 to fund various programmes, including *Skim Kredit Mikro Sarawak*, *Skim Pinjaman Industri Kecil dan Sederhana*, *Programme Graduan ke Arah Keusahawanan*, and the GoDigital Programme.

100. In addition to this and in line with the Government's desire towards building a sustainable and green economy, a new scheme will be implemented in 2025 namely **the Sustainable Development Financing Scheme**. This scheme will be implemented through DBOS with a financial provision of **RM50 million**. The scheme will be based on a similar concept of green and sustainable finance promoted by other financial institutions, that is primarily to finance decarbonization efforts and support green transition initiatives. For a start, DBOS will only offer loan facilities to targeted eligible borrowers, particularly on small-scale initiatives that utilize technological innovation to drive sustainability efforts. As for larger-scale financing, DBOS may act as a facilitator or establish a collaborative approach with more established financial institutions in driving access to sizeable green or sustainable finance.

Initiative Two: Intensifying Industrialisation Programme

101. We are intensifying industrialization efforts to further strengthen our position as a preferred investment destination in Malaysia. This includes the development of 14 industrial estates across the State with a total allocation of **RM40 million** in 2025.

Among the major projects are:

- (i) Sibul Industrial Estate;
- (ii) Bau Industrial Area;
- (iii) Limbang Industrial Park;
- (iv) Samalaju SME Cluster; and
- (v) Rantau Panjang Industrial Estate Phase II.

102. With high-quality infrastructure and attractive incentives, these industrial areas will support large-scale production and export activities, further enhancing Sarawak's industrial ecosystem.

103. Moreover, in our effort to position Sarawak as a key player in the semiconductor industry, a sum of **RM5 million** will be allocated in 2025 for a high-tech industrial park in Kuching. This park will drive innovation in semiconductor and advanced manufacturing, design, as well as research and development (R&D). The strategic goal is to attract leading R&D players from Europe and USA towards establishing Sarawak as a global hub for advanced technologies in the future.

104. By enhancing competitiveness, expanding industrial infrastructure, and promoting sustainable practices, Sarawak is shaping its future as a prime investment destination and a hub for SME development. This strategic direction emphasises our forward-looking policies to spur the State's economic growth that will create spillover effects to the domestic economy.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST THREE: STRENGTHENING TALENT AND EDUCATIONAL DEVELOPMENT

Initiative One: Enhancing Sarawak Education System and Facilities

(I) Investing In Quality Education

105. We will continue to support the early childhood sector, by allocating **RM20 million** for our State-owned early childhood provider, SeDidik, and a sum of **RM14 million** for the annual special grant to all registered Early Childhood and Care Institutions in 2025.

106. To ease the burden of parents, an allocation of **RM2.5 million** will also be allocated next year for TADIKA and TASKA fee subsidies. This will benefit 2,500 children whose parents' monthly income is RM7,000 and below. By providing

this assistance, we aim to increase Sarawak children's access to early childhood education.

Sarawak Education Enhancement Programme

107. In order to bridge the gap between students in rural and urban areas, the Sarawak Government in collaboration with Jabatan Pendidikan Negeri Sarawak introduced the **Sarawak Education Enhancement Programme (SEEP)**. This is a joint free tuition initiative for Form 4 and Form 5 students in core subjects such as Science, Mathematics, English and History as well as pure science subjects in 2024, with an initial allocation of RM15 million. In 2025, an allocation of **RM20 million** will be provided for SEEP, with an expansion in the programme's coverage.

Teaching of Science and Mathematics in English (Dual Language Programme)

108. The overarching meaning of teaching Science and Mathematics in English is to improve students' English proficiency and competitiveness in the future workforce. This is part of the Sarawak Government's Dual Language Programme, which was first implemented in 2016. The programme is being extended to secondary schools. We will continue this initiative with an allocation of **RM4.6 million** in 2025.

Intensifying TVET through collaboration with industry players

109. Through research and development, enhanced technical and vocational education and training (TVET), and community engagement, we seek to empower our people and position Sarawak as a leader in sustainable development in the region. Sarawak not only focuses on skills development in renewable energy and green technologies but also promotes

collaboration with industry, academia, and training institutions to align training with market needs. As part of this commitment, Sarawak is set to host the WorldSkills Malaysia Sarawak event in 2025, alongside the Sarawak Aerospace International Conference and the Sarawak Workforce Conference.

Assistance to State-owned Universities /Colleges

110. We will also continue to provide annual operating grants to our State-owned universities and colleges. For 2025, a sum of **RM35 million** will be allocated to University Technology Sarawak, **RM30 million** to Sarawak Skills Development Centre, **RM30 million** to i-CATS University College, and **RM5.5 million** to Kolej Laila Taib.

(II) Investing In Educational Facilities

State-Owned International Schools

111. Presently, two State-owned International Schools in Sarawak are fully operational in Petra Jaya, Kuching and Mile 12 Kuching-Serian Road. The third International School located in Sibu is scheduled to be completed by the end of this year. Under the 2025 Budget, a sum of **RM27 million** will be allocated to cover the operation costs of these three schools.

(III) Providing Educational Assistance Programmes

112. Substantial allocation for various educational assistance programmes will continue to be provided as it is a crucial investment for the future of our children. As an assistance for Sarawak graduates who have repaid 30 percent and above for their PTPTN loan, a loan repayment discount of 30 percent will be provided as an incentive for full settlement of the outstanding

loan balance. Since the introduction of this incentive in 2021, some 31,706 borrowers have benefitted, involving a total amount of RM116.57 million. For 2024, there are 5,419 eligible borrowers with total financial assistance of RM26.15 million. In 2025, an allocation of **RM15 million** will be provided for the same purpose.

113. As a caring and responsible Government, we recognise the need to mitigate the cost-of-living pressures among the low and middle-income groups, especially when it comes to bearing the cost of our children's education. Hence, we introduced two key initiatives which were launched in August this year. The same initiatives will be continued in 2025 as follows:

First: Book vouchers of RM500 per person for IPTA and IPTS Sarawakian's students for households with per capita income of RM1,500 per month and below. A sum of **RM2 million** will be allocated for this purpose in 2025 Budget.

Second: Free laptop to be given to Sarawakian students who have successfully enrolled into IPTA and IPTS for households with per capita income of RM1,500 per month and below. This assistance will empower our students with the essential technology they need to excel in their academic pursuits with an allocation of **RM30.5 million** next year, which will benefit 10,166 students.

Tan Sri Datuk Amar Speaker,

Special Financial Assistance for Sarawakian Students in Universities/Colleges

114. For 2025, I am pleased to announce that my Administration will introduce **special financial assistance** for Sarawakian students studying in higher learning institutions across Malaysia in the form of **pocket money of RM1,200 per student**. This financial assistance will benefit 25,000 Sarawakian students from families of lower income groups with household per capita income of RM1,500 or below per month.

The money given is to be spent on food and essential goods to help them mitigate the cost of living. Under this Budget, a sum of **RM30 million** will be allocated for this purpose.

115. With these initiatives from early childhood education to tertiary education, I am hopeful that our students will continue to excel in their studies and help those who need a leg up in progressing to their next stage in life.

Initiative Two: Enhancing Sarawak's Workforce

116. We are committed to developing a local technology and digital talent pool that aligns with the industry's needs and produces a highly skilled workforce, laying a foundation to cater to the needs of high-value industries.

117. In this regard, Centre of Technology Excellence Sarawak (CENTEXS), a provider of industry-based competency training programmes, will receive an operating grant of

RM40 million next year. In addition, CENTEXS Digital Academy will receive **RM20 million** in 2025 for the provision of infrastructure, facilities and technologies for upskilling and reskilling training to produce a highly digital skilled workforce.

Skills Enhancement Programme for Graduates/GETS

118. In 2024, the GETS Programme was improved and restructured to keep pace with evolving industries and markets, ensuring our graduates remain competitive through regular skill updates. The programme focuses on addressing graduate unemployment and equipping young Sarawakians with the right skills required by the job market.

119. These graduates will receive a **monthly allowance of RM1,500 per month**, and to be given training opportunities in both public and private sectors, focusing on soft skills, leadership skills and team building training. Under this Budget, a sum of

RM23 million will be allocated next year which will benefit 1,000 graduates.

Talent Development in Semiconductor Industry

120. We have incorporated SMD Semiconductor, a wholly owned Government company specialising in designing analogue and mixed-signal integrated circuits or chips. SMD Semiconductor will provide chip design services to world-class foundry partners such as X-FAB in chip development and develop highly skilled talents in the industry for Sarawak. For next year, an allocation of **RM11.6 million** will be provided for its operation.

121. This Budget will also allocate **RM6 million** for continuous professional development training under SMD Semiconductor to advance its talent development programme in 2025. In 2024, the programme has successfully produced 33 skilled Sarawakian graduates who are now employed in local

semiconductor sector. Building on this success, the programme which aims to cultivate a pool of skilled professionals, will be continued. This will ensure Sarawak's semiconductor industry remains competitive, innovative, and capable of supporting high-value tech industries, thus positioning Sarawak as a high-tech hub in the near future.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST FOUR: ACCELERATING DIGITAL TRANSFORMATION AND INNOVATION

122. In order to shift its dependence on a non-renewable resources-based economy to a technology-driven economy and society, Sarawak introduced the first Digital Economy Strategy (2018-2022) in 2017 followed by Sarawak Digital Economy Blueprint 2030.

123. Since the implementation of this digital economy agenda, we have achieved several remarkable successes. These include a number of high-impact projects such as SPayGlobal, Talent Development and Entrepreneurship programmes, Digital Infrastructure, and end-to-end online Government agency services.

124. In 2025, **RM20 million** will be provided for the development of electronic Government, **RM25 million** for SPayGlobal and another **RM25 million** for Sarawak Multimedia Authority's operations. For projects implemented under Sarawak Digital Economy Corporation Berhad (SDEC), a total of **RM470 million** will be provided under Alternative Funding. The key initiatives implemented under the digital economy agenda include the following:

Initiative One: Developing and Upgrading Digital Connectivity

125. Digital infrastructure is one of the key enablers to bridge the digital divide and enhance connectivity throughout Sarawak. We have been actively pursuing broad-based internet coverage both in the urban as well as rural areas. Under the SALURAN initiative, a total of RM1.9 billion has been invested for this purpose. As of mid-2024, we have successfully achieved 81.68 percent internet coverage in Sarawak.

126. Another key initiative is construction of 600 towers under Sarawak Multimedia Authority Rural Telecommunication (SMART) project by SDEC with a total cost of RM1.5 billion. As of third quarter of 2024, 545 out of 600 towers have been constructed. For next year, **RM397 million** will be provided under Alternative Funding for continuation of the project.

127. Sarawak Rural Broadband Network (MySRBN) which was launched in 2021, has connected a total of 22,403 Customer Premises Equipment. In June 2024, MySRBN home prepaid package preloaded with 300MB of free data every month has been introduced, allowing more people in rural areas to enjoy high-speed internet access. In 2025, **RM73 million** will be provided under Alternative Funding for MySRBN initiative, and another **RM20 million** will be provided as Government assistance to allow more people in the rural areas to enjoy affordable high speed internet access.

128. These efforts demonstrate our continuous drive to expanding network coverage and enhancing connectivity throughout Sarawak.

Initiative Two: Intensifying Digitalisation

(I) Data Governance

129. According to a report by International Data Corporation, in 2025, the total amount of digital data created worldwide is expected to reach 175 zettabytes, up from 79 zettabytes in 2021. This growth highlights the increasing importance of data governance to manage, secure, and regulate large volumes of data. The Government is set to introduce a formal data governance framework along with the necessary policies, guidelines, and legislation in 2025.

(II) Sarawak Integrated Operation Centre (SIOC)

130. As we continue to digitalise and modernise Sarawak, the development of the SIOC becomes vital. The SIOC will be the nerve centre for collecting real-time data from various Government's systems, command centres, and digital services.

This Centre will help us to perform data analytics towards improving decision-making and crisis alert management, as well as enabling effective responses to arising issues, problems, trends, and events.

(III) Cybersecurity

131. A dedicated Cyber Security Unit has been established in February 2024 to implement a comprehensive Cyber Security Framework, focusing on effective governance, compliance, and capacity building. This proactive approach aims to safeguard Sarawak's cyber environment against increasing threats, which are particularly pertinent given the rise in cybercrime reported in recent years.

Initiative Three: Establishing Sarawak Artificial Intelligence Centre

132. My Administration will launch the Sarawak Artificial Intelligence Centre (SAIC) in 2025, a key initiative to position

Sarawak as a leader in technology-driven innovation. SAIC will focus on advancing AI technologies in various critical sectors such as healthcare, agriculture, education and manufacturing. The centre aims to enhance productivity and create high-value jobs by fostering public-private partnerships and collaborating with local and international players.

Initiative Four: Promoting Digital Business Environment

133. The Government, through Sarawak Digital Economic Corporation, has taken various measures to promote a Digital Business Environment among Micro, Small, and Medium Enterprises (MSME). Among these initiatives are as follows:

- (a) **GoDigital** Grant which provides RM10,000 for purchase of digital hardware and software subscriptions to increase the adoption of digital tools and technologies among MSMEs.

- (b) **Digital Innovation Hubs** to ease business registration. To date, 7 Digital Innovation Hubs are operating under SDEC, working with the respective local authorities to facilitate the process.

- (c) **Digital Village Accelerator (DiVA)**, a 6-month accelerator programme targeted towards high-tech and innovative startup companies in AI, drone, blockchain and biotechnology. The programme participants will receive a grant of RM150,000 each to assist them with the startup. To date, 16 startups benefitted from the accelerator programme which has seen equity investment of about RM300,000 with a total valuation of RM80 million.

- (d) **Founder's Forge** is a six-month boot camp targeted for innovative founders across Sarawak

to discover potential startup founders and teams. Over 50 individuals have participated in the programme since its introduction in 2022, with notable projects implemented together with SDEC in AI-powered vending machines, smart farming, and aquaculture projects.

- (e) **Sarawak Digital Mall** has empowered local entrepreneurs by providing sellers with incubation training and promotional support. To date, 1,041 sellers have been trained, with 297 receiving incentives, collectively generating more than RM1.0 million in Gross Merchandise Value on TikTok Shop.

Initiative Five: Promoting Invention and Innovation

134. The Government will continue to provide research grants to promote and generate highly impactful, science and

technology-based research and innovation with the prospect of commercialisation. A sum of **RM16 million** will be made available in 2025, comprised of the following:

- (a) Sarawak Infectious Disease Centre of **RM12 million**;
- (b) Sarawak Research Development Council of **RM3 million**; and
- (c) The Sarawak Science Centre of **RM1 million**.

135. On top of this, **RM150 million** will be provided next year to continue with the construction of Sarawak Infectious Disease Centre which is expected to be completed by September 2026. While another **RM135 million** will be provided for construction of Sarawak Science Centre which is expected to be completed by the end of 2025.

136. A sum of **RM25 million** will be allocated to Sarawak Biodiversity Centre in 2025 for its operation and various R&D

projects. In order to promote research and development in applications from our rich biodiversity, an Algae Research and Production Facility to demonstrate the feasibility of cultivation at the community level with trial-testing in Gedong has been approved with a ceiling of RM5 million. In addition, **RM22.5 million** is provided for land acquisition for setting up of a large-scale micro-algae production facility in Gedong.

137. To promote, facilitate and develop sago and nipah industries, the Government has established Sago and Nipah Development Board (SNDB). A sum of **RM5 million** will be set aside for the operation of the Board in this Budget. To support the ongoing R&D in relation to sago and sago biomass, a sum of **RM18 million** will be allocated for CRAUN Research in 2025.

138. In our continuing effort to undertake research to manage Sarawak tropical peatland in an environmentally sound and sustainable manner, an allocation of about **RM2 million** will be

provided to Sarawak Tropical Peat Research Institute in 2025 for its research projects.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST FIVE: ENHANCING PEOPLE'S WELL-BEING AND ENSURING INCLUSIVE DEVELOPMENT

Initiative One: Strengthening Social Protection

139. Under this Budget, we will continue with various social welfare programmes to foster healthy families, communities and social inclusivity and these include among others, as follows:

- (i) **RM15 million** for the Endowment Fund Sarawak and **RM14 million** for Bantuan Ibu Bersalin to support maternal and child health;

- (ii) **RM3.94 million** for One-Stop Early Intervention Centres to provide essential services for special needs children;
- (iii) **RM55 million** for various welfare aids such as *Bantuan Am, Bantuan Bencana, Bantuan Perubatan, Bantuan OKU Tidak Berupaya Bekerja (BTB), Bantuan Sekolah, and Bantuan Belia-Beliawanis*;
- (iv) **RM4.7 million** for haemodialysis assistance for kidney patients; and
- (v) **RM15 million** for the Death Compassionate Assistance to ease the financial burden on families of deceased Kenyalang Gold Card holders.

140. These initiatives reflect our unflagging commitment to improving the lives of the *rakyat*, particularly those in vulnerable groups.

Sumbangan Keperluan Asas Sarawak

141. Being a caring and responsible Government, I am pleased to announce another **new and major initiative** that aims to alleviate the financial burden of the *rakyat* especially those from the low-income groups who are most affected by the rising cost of living. This initiative is called ***Sumbangan Keperluan Asas Sarawak (SKAS)*** which provides financial assistance ranging from **RM250 to RM800 annually**.

142. Eligible recipients are Sarawakians residing in Sarawak and the eligibilities are as follows:

- (a) Household income of RM5,000 and below will receive assistance worth RM800;

- (b) Senior citizens without partners and children with income of RM5,000 and below will receive assistance worth RM400; and
- (c) Single persons with income of RM2,500 and below will receive assistance worth RM250.

143. This assistance will help them to purchase basic food items such as rice, flour and cooking oil. For this purpose, my Administration will allocate **RM450 million** next year which will benefit not less than **850,000 recipients**. With this assistance, I may say, **everyone will have food on their table**.

144. Notwithstanding this, most of the recipients of SKAS will also be receiving financial contribution given by the Federal Government under *Sumbangan Tunai Rahmah* (STR).

Senior Citizen Health Benefit

145. As a Government that will continue to protect the *rakyat*, we will further invest in healthcare, especially to assist our ageing population and empower them to take charge of their own health. We have recently approved the implementation of the **Senior Citizen Health Benefit**. For 2025, a sum of **RM50 million** will be allocated for this purpose which is estimated to **benefit 100,000 senior citizens**. Each eligible senior citizen will be entitled to **RM500 cashless medical assistance** to pay for their medical bills at the approved panel clinics. This assistance is particularly aimed at the M40 and B40 groups, many of whom are retired or without a stable income.

Initiative Two: Creating Job Opportunities and Increasing Household Incomes

146. Various programmes to empower women and vulnerable groups to equip them with knowledge and entrepreneurship skills will continue to be implemented next

year, aiming at increasing their household incomes. Among the programmes are as follows:

- (a) **Low-Income Household Empowering Programme** with an allocation of **RM3.75 million** to assist 750 low-income families in starting small businesses;
- (b) **Usahawan Mikro Kebajikan** with an allocation of **RM2.5 million** to support micro-entrepreneurs from B40, persons with disabilities, single mothers, and widows through training, capital assistance, and market access; and
- (c) **Women Skills Training** with an allocation of **RM494,000** for culinary, beauty, spa and sewing courses.

Social Support Facilities

147. We will also continue to provide funding in 2025 for the establishment of new centres and operations of the existing social support centres for the vulnerable, risky and affected groups as follows:

- (a) **RM3.08 million** for the establishment and operation of Community Social Support Centre in Kuching, Sri Aman, Sibul, Bintulu, Lawas and Mukah.
- (b) **RM1.8 million** for operation of current *Tempat Transit Gelandangan* Sibul, Kuching, Miri and Bintulu;
- (c) **RM1.5 million** for establishment of Special Needs Community Centre; and

- (d) About **RM737,000** to set up Temporary Shelter for Low-Income Recovery Community in Sibul and Bintulu.

Initiative Three: Investing in Affordable Housing

148. In our effort to provide affordable housing to the *rakyat*, particularly the low-income group, under the 12th Malaysia Plan, 16 affordable *Rumah Spektra Permata* housing projects, consisting of 1,000 units in Kuching, Serian, Betong, Sarikei, Mukah, Miri and Limbang will be constructed by Housing Development Corporation. For 2025, a sum of **RM54 million** will be provided for continuation of these projects.

Longhouse Loan Scheme

149. The Longhouse Loan Scheme was introduced to help rural communities to live in comfortable longhouses. This scheme offers interest-free loans in the form of building materials

and hardware ranging from RM30,000 to RM50,000 per door for refurbishing or constructing new longhouses. As of September 2024, RM230.27 million has been allocated, benefiting 339 longhouses and 7,168 doors. My Administration has committed to provide **RM50 million annually** for this scheme, on top of an annual allocation of RM10 million from the Federal Government.

Housing Deposit and Repayment Assistance Scheme

150. The Housing Deposit and Repayment Assistance Scheme, which is managed by Mutiara Mortgage and Credit Sdn. Bhd., provides financial assistance of RM10,000 to first-time homebuyers from the B40 and M40 income groups to help cover housing deposits or loan repayment. A sum of **RM41 million** will be provided in 2025 for continuation of this scheme.

Housing Subsidies for Home Ownership

151. To ensure our *rakyat* can afford to own a house, my Administration will introduce a new initiative in the form of housing subsidies for the low-income group to cover part of the housing prices. A sum of **RM50 million** will be allocated in 2025 for this purpose.

Resettlement Scheme and Village Extension Scheme

152. In easing the financial burden of those in the low- and medium-income groups in Sarawak to secure residential lots to build their own houses, we will continue to give priority to the implementation of Resettlement Scheme (SPS) and Village Extension Scheme (SPK) projects with a budget of **RM39 million** in 2025. Among the major projects to be carried out next year are as follows:

- (i) Selirik Resettlement Scheme, Kapit;
- (ii) SPK Igan Baru, Mukah;
- (iii) SPK Melugu, Sri Aman;
- (iv) Kampung Trusan Bazaar Extension Scheme, Lawas;
- (v) Kampung Tebakang Melayu Extension, Serian; and
- (vi) Kampung Pusa Extension.

Urban Renewal Project

153. We will also continue our effort in uplifting the physical and social well-being of the *rakyat* and providing quality houses that are affordable and conducive through our urban renewal and *kampung* redevelopment projects. For this purpose, an allocation of **RM247 million** will be provided next year for *Kampung* Redevelopment Projects in Kuching, Sibu, Bintulu and Limbang.

Initiative Four: Improving Healthcare Facilities and Services Construction of Sarawak Cancer Centre

154. Sarawak is in dire need of a cancer centre as the number of patients suffering from cancer has significantly increased. A total of RM1 billion has been set aside to construct a state-of-the-art Cancer Centre in Sarawak which aims to:

- (a) provide Comprehensive Cancer Care by offering a wide range of cancer treatment services, including stem cell transplantation and cellular therapy; and
- (b) advance Cancer Research and Training by serving as a hub for cancer research and training, developing innovative treatments and nurturing skilled healthcare professionals.

155. The Federal Government has agreed that the construction of the hospital will be funded by the Sarawak Government in advance and will be reimbursed by them later.

For 2025, **RM5 million** will be allocated for preliminary works for this project.

Tan Sri Datuk Amar Speaker,

156. Our suite of public investments in ensuring the well-being of Sarawakians, from basic needs to education, housing, welfare and healthcare, testifies to our steadfast commitment to addressing the needs of the *rakyat* through every stage of their life, from cradle to grave.

STRATEGIC THRUST SIX: PROMOTING CULTURE, SPORTS AND YOUTH EMPOWERMENT

Initiative One: Promoting Sport

157. We have successfully hosted the recent 21st edition of SUKMA and the Para SUKMA 2024. These events clearly showed an exciting and remarkable display of athleticism and sportsmanship among Sarawakian athletes. Sarawak has

excelled as the overall champion of Sukan Malaysia and Para SUKMA, a truly inspiring feat indeed! Thank you and congratulations to all our athletes, officials, volunteers and sponsors who made these two sports events a major success.

158. Given these outstanding achievements that prove Sarawak's ability to host major sporting events, we are set to co-host Southeast Asia's biggest sporting event, the 2027 SEA Games. We view this opportunity as an investment which will further elevate Sarawak's profile across Southeast Asia.

Initiative Two: Enhancing Youth and Sports Facilities

159. The Government is committed to improving our sports infrastructure to enhance youth participation, community well-being, and economic advancement. This year, RM76.4 million has been approved for building and upgrading sports facilities throughout Sarawak to meet international standards, and another **RM30.7 million** will be provided next year.

160. In addition, **RM250 million** has been approved under *Projek Rakyat* to develop new sports complexes and upgrade the existing civic centres, providing more opportunities for recreational and competitive sports.

161. Through these efforts, Sarawak is striving to build a vibrant and inclusive sports environment that benefits our *rakyat*.

Initiative Three: Promoting Youth Development Programmes

162. In promoting youth development, a comprehensive range of programmes are designed to equip young people with skills, resources, and opportunities to excel in leadership, entrepreneurship, technology, and employment. Various initiatives have been introduced and continue to be implemented with specific allocation in 2025 Budget, among others, as follows:

- (a) **RM6.1 million** for sports development grants to organize sports events, support team formation, and provide resources for athletes to participate in training and competitions, as well as the establishment of sports clubs.
- (b) **RM9 million** has been made available for Sarawak Youth Creative Industry Fund, which aims to foster the creative and innovative potential of our youth, particularly in areas such as music, film, theatre, and innovation initiatives. This fund has enabled more talented youths to participate in international programmes, explore digital creative content, and contribute positively to their communities through creative projects.
- (c) **RM2 million** will be provided under the operating expenditure to carry out various programmes and

activities to promote and encourage entrepreneurship among Sarawak's youth.

163. With the right infrastructure, skills, and support, we are confident that our youth will rise to the occasion and able to create a better future for themselves.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST SEVEN: ENHANCING ENVIRONMENTAL SUSTAINABILITY

Initiative One: Promoting Climate Change Initiative

a) Net Zero Strategy

164. Sarawak is at the forefront of the hydrogen economy, showcasing our commitment to innovation and our vision of becoming a regional leader in clean energy. We are a key player in Malaysia's National Energy Transition Roadmap, with plans to

develop a green hydrogen hub. This emerging hydrogen economy opens exciting opportunities for investment - from cutting-edge technologies like electrolyzers and fuel cells to energy storage and sustainable transport. By embracing collaboration, strong policies, and continuous innovation, we can build a future powered by clean, sustainable energy.

165. In addition, Sarawak aims to play a central role in addressing global climate challenges, including the goal of Net Zero by 2050, while advancing our aspiration to become a regional renewable energy powerhouse.

166. Towards this end, under the 2025 Budget, a sum of **RM11 million** will be set aside to establish Sarawak Net Zero and Carbon Plan as well as for the implementation of Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023.

b) Forest Carbon Activity

167. Forest carbon activity is one of the strategies to reduce greenhouse gas emission by conserving forest or restoring degraded forest. The introduction of Forests (Forest Carbon Activity) Rules, 2022, provides a clear regulatory framework for forest carbon projects in Sarawak. These regulations offer comprehensive operational guidelines for forest carbon initiatives, encompassing the issuance of forest carbon permits, administration of carbon credits, and verification and monitoring of carbon sequestration efforts.

168. In alignment with its climate change strategy, Sarawak has issued four (4) forest carbon permits covering 130,037 hectares. The issuance of these permits marks a pivotal achievement, reflecting Sarawak's dedication to sustainable forest management while simultaneously creating new revenue opportunities through the sale of carbon credits in international

markets. For 2025, **RM1.5 million** will be allocated for forest carbon projects in Sarawak.

Initiative Two: Intensifying Environmental Sustainability

(I) Sustainable Environmental Management

169. The Sarawak Sustainability Blueprint aims to create sustainable pathways in key economic sectors while aligning environmental development with sustainability goals. It includes a monitoring, reporting, and verification system to track progress. Covering ten sectors such as utilities, oil and gas, and agriculture, the Blueprint seeks to promote economic growth, environmental stewardship, and resilient communities, guiding Sarawak towards achieving the PCDS 2030 and Sustainable Development Goals (SDGs).

170. In 2025, Sarawak is committed to advancing environmental sustainability and Environment, Social, and

Governance (ESG) principles through significant investments in Sarawak Biodiversity Centre (SBC) and Sarawak Bio Industrial Park (SBP) as follows:

- (a) **RM1.5 million** for SBC to document traditional knowledge with Indigenous communities that exemplify inclusivity and equitable benefit-sharing; and
- (b) **RM3.3 million** to kickstart the construction of SBP, which will span 26 acres, thereby supporting a circular economy and enhancing environmental resilience.

(II) Forest Management Certification

171. Timber continues to play a pivotal role in the socio-economic development of Sarawak. To promote the sustainability of forest resources, protect the environment, and

ensure social security within forest operations, the Government mandates that all long-term Forest Timber licenses and qualifying forest plantations must secure forest management certification. Presently, Sarawak boasts 25 certified natural forests encompassing 2.33 million hectares, along with 8 certified forest plantations covering 124,090 hectares.

172. Sarawak has set a target to certify 3 million hectares of natural forests and 178,000 hectares of qualifying forest plantations. This initiative aims to implement sustainable forest management practices that adhere to rigorous international standards, thereby enhancing transparency and accountability in forest management and fostering global market confidence in Sarawak's forest products.

(III) Forest Landscape Restoration Programme

173. Forest Landscape Restoration Programme is a key priority for Sarawak to achieve its environmental sustainability

goal. This programme will contribute to sustainable development through restoring the ecological, social, economic values and functionalities of degraded forest landscapes.

174. Implementation of this programme is in line with the National 'Greening Malaysia Programme Through 100 Million Tree Planting Campaign 2021-2025', and Sarawak's target to plant 35 million trees by 2025. As of June 2024, this target has been exceeded.

175. We will continue to focus on strengthening diverse restoration strategies, including intensifying tree plantings with an allocation of **RM4.1 million** to be provided next year.

(IV) Totally Protected Area and Wildlife Protection

176. Totally Protected Areas (TPA) in Sarawak are forested regions established aim at conserving wildlife and their habitats.

A sum of **RM2.8 million** will be set aside next year to gazette a land area of 1 million hectares as TPAs by 2025.

177. As a measure to preserve forests and wildlife in Sarawak, we will allocate **RM62 million** to Sarawak Forestry Corporation for its operation and another **RM21 million** for its development projects.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST EIGHT: STRENGTHENING PUBLIC SERVICE DELIVERY AND CAPACITY

Initiative One: Enhancing Government Capability and Capacity

Enhancing State Civil Service Capability

178. The capability of State Civil Service (SCS) is fundamentally connected to fostering a high-performance culture which ensures that our SCS is knowledgeable, highly effective,

adaptable, and innovative. Therefore, under this Budget, **RM18.5 million** will be allocated for civil service training and development initiatives which include:

- (i) Competency-based Training for support staff to enhance their skills;
- (ii) Executive Leadership Programmes for top management to cultivate strategic thinking and leadership skills essential for navigating complex challenges;
- (iii) Tailored Programmes for Emerging Leaders to develop future leaders through targeted training, ensuring a strong leadership pipeline; and
- (iv) Upskilling and Reskilling Programmes to ensure our workforce can adapt and thrive in an evolving working environment.

Enhancing SCS Well-being

179. Acknowledging the significance of SCS's well-being, we will implement a series of initiatives in 2025 aimed at promoting a holistic development of our employees' well-being. These initiatives will be provided with a budget of **RM1.8 million**.

180. My Administration is also committed to addressing the shortage of Government housing for civil servants. In this regard, we will construct new housing and facilities for civil servants throughout Sarawak, with a scheme value of RM3.55 billion. Construction is expected to commence in 2025 with an initial allocation of **RM200 million**.

Initiative Two: New Sarawak Civil Service Scheme

181. My Administration will also focus our attention on the welfare and well-being of SCS employees in light of the increasing cost of living. Aligning with the Federal Government

Civil Service reforms, I am pleased to inform this august House that the Sarawak Civil Service has adopted the recently announced *Sistem Saraan Perkhidmatan Awam* (SSPA). The adoption of SSPA will incur an amount of **RM67 million** in 2025 Budget.

Special Allowance for Sarawak Civil Service

182. In recognizing the contribution and dedication of the Sarawak Civil Service, I am pleased to inform that my Administration will further augment this initiative by providing a **special allowance for Sarawak Civil Service employees**, with an initial annual financial impact of **RM102 million** next year. In line with this reform, we will be introducing an **enhanced Management Performance System** for SCS towards creating a result-driven and world-class civil service. Therefore, I urge all our civil servants to continue with their dedication and relentless efforts in improving their productivity and delivering effective services to the *rakyat*.

Initiative Three: Enhancing Governance and Integrity

183. We remain committed to implementing various initiatives that enhance and embed integrity within the SCS by implementing, among others, the following measures:

- (i) Empower Certified Integrity Officers (CeIOs) across various agencies, ensuring they are equipped with the necessary tools, support, and framework to perform their responsibilities effectively.
- (ii) Maintain oversight and coordination of the essential functions performed by the Integrity Units in different agencies; and
- (iii) Establish the Sarawak Ombudsman which plays a crucial role in addressing issues of maladministration within public service agencies.

It investigates complaints and advocates accountability, transparency, and fairness, ensuring that public officials uphold the highest ethical standards.

Initiative Four: Accelerating Digital Transformation of Government Services

184. Our SCS will continue to improve service delivery system by streamlining processes, fostering inter-agency collaboration, reducing bureaucracy, implementing regulatory experiments, leveraging behavioural insights, enhancing service delivery, and ultimately improving ease of doing business.

185. For this purpose, **RM21 million** will be allocated to develop and enhance various government ICT projects across key sectors while **RM107 million** will be provided for the maintenance of the systems in 2025.

Tan Sri Datuk Amar Speaker,

TRANSFORMING SARAWAK INTO AN ECONOMIC POWERHOUSE AND GREEN HUB

Sarawak Gas Roadmap

186. Sarawak Gas Roadmap which was launched in 2019, is a 10-year roadmap aimed at harnessing our natural gas resources to drive socio-economic transformation. The roadmap focused on maximizing the domestic utilization of natural gas through gas-based infrastructure development and promoting industrial growth with value-add activities.

187. With the appointment of PETROS as Sarawak's Gas Aggregator under the Distribution of Gas Ordinance in February this year, Sarawak through PETROS will increase its domestic gas utilization from the current 6 percent to about 30 percent by 2030. As the Roadmap progresses and PETROS fully operationalises its role as Gas Aggregator, Sarawak will be able

to position itself as a key economic powerhouse both within Malaysia and the region.

Sarawak Energy Transition Policy

188. We are set to complete Sarawak Energy Transition Policy (SET-P), which aims to guide the State towards a secure, equitable, and clean energy future by 2050. This policy focuses on four key sectors: power, transportation, industry, and buildings.

189. The SET-P adopts a multi-dimensional strategy that integrates policy, regulation, technology, infrastructure, and community engagement. This transition will be driven by eight energy-related pillars: Renewable Energy (RE), Hydrogen, Energy Efficiency, Green Mobility, Synthetic Fuels, Bioenergy, Natural Gas, and Carbon Capture, Utilization, and Storage (CCUS).

190. For instance, in the power sector, the SET-P aims to achieve a generation capacity of 10 gigawatt by 2030 while at the same time maintain a grid carbon emission intensity of 0.17 tonnes of CO₂ per megawatt-hour of energy generated. This will involve maintaining a capacity mix of approximately 60 percent Renewable Energy, primarily sourced from hydroelectric dams, natural gas, solar, and bioenergy.

Sarawak Hydrogen Economy Roadmap

191. The Sarawak Hydrogen Economy Roadmap is a strategic roadmap leveraging on our wealth of renewable energy resources, abundant natural gas reserves, and significant carbon storage capacity. It will provide a comprehensive framework addressing various facets of the hydrogen industry, including the entire value chain, regulatory and legal frameworks, and economic instruments essential for fostering long-term growth in the sector.

192. Over the past five years, Sarawak has positioned itself as one of the major players in the hydrogen economy in Southeast Asia. The region has attracted substantial foreign direct investment totalling USD4.3 billion, largely from Japan and South Korea. The recent establishment of the Sarawak Hydrogen Hub in Bintulu is poised to further attract foreign investors to participate in clean hydrogen production and its downstream value chain.

Sarawak Aerospace Industry Development Roadmap

193. As Sarawak aspires to be the hub for space technology in the region, we will formulate a Sarawak Aerospace Industry Development Roadmap focusing on sustainable growth and technological advancement in the space industry. As this industry is new to Sarawak, the Roadmap will be framed with key elements among others, as follows:

- (a) regulatory and policy framework which will set the governance in place;
- (b) research, development, and innovation aspects to bring ourselves up to speed to the forefront of this industry;
- (c) development of infrastructure;
- (d) workforce development and skills training; and
- (e) collaboration and partnerships with other countries and aerospace players.

Tan Sri Datuk Amar Speaker,

SARAWAK PUBLIC FINANCIAL TRANSFORMATION PROGRAMME

194. We will continue to strengthen Sarawak's public financial management to ensure efficient utilisation of resources that will contribute directly to Sarawak's development milestones set under PCDS 2030 and beyond. We have begun this transformation journey, and presently we are embarking on two

(2) major ongoing initiatives, namely transformation of State-Owned Enterprises and Results-Based Budgeting. For 2025, **RM15.2 million** will be set aside for these two (2) initiatives.

IMPLEMENTATION OF INTEGRATED RESULTS-BASED MANAGEMENT

195. As we are vigorously implementing various initiatives under the 5-year Plan, it is important for us to formulate macroeconomic frameworks, policies, strategies, and key initiatives with measurable outcomes to monitor and evaluate the impact of these initiatives. Thus, a Whole-Of-Government performance measurement approach needs to be adopted. Towards this, an Integrated Results-Based Management (IRBM) will thus be initiated.

196. IRBM is a strategic framework focused on achieving measurable outcomes through an integrated approach to planning, results-based budgeting, monitoring, and evaluation across all levels of government. IRBM emphasizes linking

resources directly to specific, impactful results. This approach fosters accountability, promotes evidence-based decision-making, and enables the government to achieve tangible outcomes rather than merely completing specific tasks.

197. The key components of IRBM are: -

- (i) Integrated Development Planning
- (ii) Results-Based Budgeting System
- (iii) Results-Based Personnel Performance System
- (iv) Results-Based Monitoring and Evaluation System
- (v) Results-Based Management Information System

198. We have recently embarked on the implementation of Results-Based Budgeting, one of the key components of IRBM that will transform public sector governance by directly tying budget allocations to measurable outcomes.

CONSOLIDATION AND RESTRUCTURING OF SARAWAK EQUITY INVESTMENTS

199. I wish to inform this august House that we will be undertaking a study to explore the possibility of restructuring our equity investments and strategic assets to be under a new **strategic investment entity**.

200. Presently, we are proactively investing in various strategic sectors of the economy such as energy, banking, airline, plantations, telecommunication, mining, oil and gas, media, healthcare, information technology and hi-tech industries.

201. The proposed consolidation of this array of investments has the potential to bring about higher professionalism to Sarawak's ownership role by pooling specialised capabilities under the new entity. It will also anticipate to promote greater governance, coherence and consistency in managing the State's assets, by having a centralised control and an oversight for

accountability in its operations as well as performance monitoring. Ultimately the aim is to ensure that every investment we make will eventually give optimum returns to the State.

Tan Sri Datuk Amar Speaker,

REVENUE REENGINEERING

202. My Administration will continue to pursue the **revenue re-engineering initiative**, focusing on strategies to broaden the State's revenue base and at the same time improving the systems for more efficient revenue management and collection through digitalisation.

203. We must vigorously pursue innovation in various sectors to uncover and implement new methods for generating additional revenue. This systematic approach in revenue re-engineering is essential to enable us to meet our obligations and expenditures both the ongoing as well as the potential future commitment.

204. Therefore, I would like to urge all Controlling Officers to continue with their efforts to explore new revenue sources especially in the new economy.

FEDERAL FUNDING AND 2025 FEDERAL BUDGET

205. In the recent tabling of the **2025 National Budget**, the Federal allocation designated for development in Sarawak **rose from RM5.8 billion to RM5.9 billion**. I would like to extend my appreciation to the Federal Government for this increase, although this amount is still far from meeting our development needs to help bridge the disparities between Sarawak and Peninsular Malaysia.

206. Considering Sarawak's substantial contribution to national economic development and Federal coffers, particularly through revenues generated from oil and gas, I urge the Federal Government to consider allocating a significantly larger budget to Sarawak in its future financial plans.

CONCLUSION

Tan Sri Datuk Amar Speaker,

207. Sejak tujuh tahun yang lepas, kita telah mencapai banyak kejayaan dan kemajuan. Kita akan terus berusaha untuk meningkatkan kualiti hidup rakyat dan menyediakan landasan pembangunan yang ampuh agar Sarawak akan menjadi tempat yang lebih baik untuk anak cucu kita dan generasi yang akan datang.

208. Ini dapat kita lakukan melalui modernisasi dan transformasi perkhidmatan awam yang berterusan agar jentera Kerajaan dapat menyediakan perkhidmatan kepada rakyat dengan lebih berkesan. Saya yakin Sarawak akan terus mencapai kemajuan dan akan menjadi kuasa ekonomi baru di Malaysia jika kita terus melaksanakan dasar-dasar yang jelas dan progresif, dapat mengekalkan kestabilan politik, mengeratkan perpaduan dan kesatuan di kalangan rakyat

berbilang kaum dan agama, serta mengamalkan pentadbiran yang adil dan saksama untuk seluruh rakyat jelata. Inilah formula kejayaan Sarawak yang mesti kita pertahankan sampai bila-bila. Maka, Kerajaan GPS di bawah pimpinan saya akan terus komited dan bertekad untuk memastikan visi kita untuk membawa kemakmuran dan melonjak Sarawak ke era yang lebih gemilang menjelang 2030 dapat kita capai akhirnya.

209. Pada kesimpulannya, Belanjawan 2025 ini menunjukkan komitmen tinggi Kerajaan untuk memastikan ekonomi Sarawak terus berkembang pesat dan pada masa yang sama, membantu rakyat menangani kos sara hidup dan dapat bersama-sama menikmati limpahan pembangunan. Kita akan terus memelihara alam sekitar dan terlibat sama dalam menangani cabaran perubahan iklim agar pembangunan yang kita capai adalah mampan (*sustainable*), terangkum (*inclusive*), dan saksama (*equitable*).

210. This year's Budget is the biggest budget ever tabled in this august House and is a clear testament to the Government's strong commitment towards advancing Sarawak development agenda. We want to build a better Sarawak— not just for a few, but for all Sarawakians. We want to ensure that every Sarawakian can experience well-being and a dignified life without ever feeling marginalised. We want to build Sarawak that is vibrant and inclusive, fair and thriving, resilient, harmonious, and united.

211. Of course, the road ahead towards a better Sarawak will not be easy. There will be a lot of challenges and forces that may pull us apart. But, as long as we are all in this together, and we all have a part to play, no one will be able to divide and rule us. Let us turn our challenges into opportunities, and our constraints into strengths. We, in the GPS Government, will do more to provide opportunities and assurances at every stage of life, and everyone in our society should contribute towards our

shared goals and aspirations in our own way - ***MENGIKUT
ACUAN KITA SENDIRI, NITIH CUAN KITAI EMPU.***

212. Dengan kesempatan ini, saya juga ingin mengucapkan setinggi penghargaan dan terima kasih kepada rakan-rakan saya dalam Kabinet, para Pegawai Pengawal di Kementerian dan Jabatan dan semua pegawai yang terlibat yang telah bekerja keras dalam proses membantu dan melicinkan proses penyediaan Belanjawan 2025 ini. Semangat kerja berpasukan, komitmen dan profesionalisme yang tinggi yang telah mereka tunjukkan dapat memastikan kita merangka Belanjawan yang berhemah dan *robust*.

213. Dengan ini saya memohon mencadangkan Rang Undang-Undang ini dibaca bagi kali yang kedua.