



## **UCAPAN**

**YANG AMAT BERTHORMAT DATUK PATINGGI  
TAN SRI (DR) ABANG HAJI ABDUL RAHMAN ZOHARI  
BIN TUN DATUK ABANG HAJI OPENG  
PREMIER SARAWAK**

## **SEMPENA**

**SESI LIBAT URUS BERSAMA KERAJAAN SARAWAK  
MENGENAI PELAKSANAAN INISIATIF  
PEMERANGKAPAN, PENGGUNAAN DAN  
PENYIMPANAN KARBON (CCUS) DI MALAYSIA**

**30 OKTOBER 2024 (RABU)**

**9.30 PAGI**

**Bismillahirrahmanirrahim**

**Assalamualaikum Warahmatullahi Wabarakatuh**

**Salam Sejahtera, Salam Sarawak Maju Makmur, Salam Segulai Sejalai, Salam Malaysia Madani**

1. Terlebih dahulu, saya mengucapkan selamat datang kepada Yang Berhormat Rafizi Ramli, Menteri Ekonomi serta delegasi daripada Kementerian Ekonomi.
2. Saya juga ingin mengucapkan terima kasih kepada semua yang hadir pada Sesi Libat Urus Kementerian Ekonomi dengan Kerajaan Sarawak mengenai Pelaksanaan Inisiatif Pemerangkapan, Penggunaan dan Penyimpanan Karbon (CCUS) di Malaysia.

### **Introduction**

3. Carbon Capture, Utilization and Storage (CCUS) is a key technology in global efforts to reduce CO<sub>2</sub> emissions and combat climate change. Sarawak, with its vast geological formations and storage capacity, is poised to play a leading role in Malaysia's CCUS initiatives. Sarawak's efforts align with Malaysia's National Energy Transition Roadmap to reduce carbon intensity by 45% by 2030.

4. Sarawak exercises legislative authority over land and environmental matters, including CCUS. For environment, Article 77 of Malaysia's Federal Constitution, grants the state residual legislative powers. Hence, amendments were made to two major Ordinance pertaining to Sarawak's resources which are the Sarawak Land Code and the Forest Ordinance, 2015 (Cap.71) to regulate carbon storage (CCUS) and forest carbon activities during the November DUN Sitting in 2022 which came into force on the 1st of December 2022.
5. In line with the amendments, the rules regarding carbon storage and forest carbon activities were enacted, specifically, the Land (Carbon Storage) Rules, 2022 (Swk.L.N. 349/2022) and the Forests (Forest Carbon Activity) Rules, 2022 (Swk.L.N. 350/2022). Both of which came into force on the 1st of January 2023.
6. Therefore, Sarawak, through its own laws, already regulates carbon storage, enabling it to issue licenses for onshore and offshore carbon storage activities. Sarawak's carbon storage regulatory framework entails the use of State land whether onshore or offshore of Sarawak within the boundaries of the Sarawak as extended before Malaysia Day by the **Sarawak (Alteration of Boundaries) Order in Council, 1954**, for the permanent storage of CO<sub>2</sub>. This includes the area of the **Continental Shelf** comprising the seabed and subsoil beneath the high seas contiguous to the territorial waters which constitute part of the territory of Sarawak.

7. It should be noted that Sarawak also regulates the transportation of CO<sub>2</sub> through the Natural Resources and Environment (Control of Conveyance of Scheduled Gases) Rules, 2024 (Swk. L.N. 265/2024), made pursuant to the Natural Resources and Environment Ordinance, 1958 to control transboundary transportation of CO<sub>2</sub> for storage. This framework positions Sarawak to enter bilateral agreements, similar to the Flemish Region's collaboration with Denmark, allowing regional control while maintaining federal cooperation.
8. Sarawak's constitutional position with regards to the rights to regulate carbon storage on land within the state had been submitted to the Federal Government through the Ministry of Natural Resources and Environmental Sustainability (NRES) on February 6 last year and that position was reiterated during the Malaysia Climate Change Action Council (MyCAC) meeting on October 31 that same year which was presided by YAB Prime Minister Dato' Seri Anwar Ibrahim.
9. In view of this, the CCUS Bill proposed by the Ministry of Economy MUST NOT encroach upon the constitutional authority of Sarawak over land and land use including the use of land for the development of carbon storage sites and land used for permanent storage of CO<sub>2</sub>, and all matters incidental or related thereto.

## Federal CCUS Bill And Its Implications

10. We were made to understand that the proposed Federal CCUS Bill is intended to regulate the entire CCUS value chain, including capture, transportation, utilization and permanent storage of greenhouse gases, primarily CO<sub>2</sub> throughout Malaysia.
11. As mentioned earlier, Sarawak's position on the proposed Bill (without the benefit of sighting the full draft Bill), has been made clear through various engagements with the Federal Government. In short, Sarawak maintains its position that the application of the above Bill **SHOULD** exclude Sarawak in view of the constitutional position on the rights to regulate carbon storage on land in Sarawak.
12. However, while Sarawak has extensive autonomy, Sarawak's feedback on the Consultation Paper for the CCUS Bill highlights that compliance with international agreements would require coordination with the Federal Government. For instance, while Sarawak can regulate internal carbon storage and transportation, the Federal Government may need to facilitate or endorse bilateral agreements to ensure Malaysia meets its international obligations, particularly under global environmental treaties.

13. Under Sarawak's current legal framework, it can independently engage in such agreements, provided they align with federal international obligations. However, the nature and scope of these agreements may emulate other international models, such as the bilateral agreement between the Flemish Region, Belgium, and Denmark, which provides valuable insights into how regional and national authorities can cooperate on environmental projects such as CCUS.

## **Conclusion**

14. Sarawak's strategic position in CCUS presents vast economic and environmental opportunities. While the existing legal framework provides Sarawak with strong control over the whole CCUS value chain, the success of the CCUS projects in Malaysia depends on strong cooperation and collaboration between both Sarawak and Federal Government.
15. Collaborative efforts between Sarawak and the Federal Government would align Sarawak's initiatives with Malaysia's international commitments, balancing autonomy and cooperative benefits.
16. Sarawak Government is willing to collaborate closely with Ministry of Economy or any federal agency in the promotion and development of CCUS infrastructure and business in Sarawak based on State laws governing the establishment of storage sites and related facilities.

17. Finally, Sarawak Government will discuss with Ministry of Economy on the harmonization of Federal and State laws relating to CCUS.

**Thank you.**