

EMBARGO

SEHINGGA DISAMPAIKAN

BUDGET SPEECH 2024

By:

**YAB DATUK PATINGGI TAN SRI (DR) ABANG HAJI ABDUL
RAHMAN ZOHARI BIN TUN DATUK ABANG HAJI OPENG**

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

Introducing:

THE SUPPLY (2024) BILL, 2023

**In Dewan Undangan Negeri Sarawak
MONDAY, 20TH NOVEMBER 2023**

Theme:

**DEVELOPMENT FOR ALL: TOGETHER, BUILDING A
PROSPEROUS, SUSTAINABLE AND UNITED SARAWAK**

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 2024 dan bagi memperuntukkan wang itu untuk perkhidmatan tahun itu” dibacakan bagi kali kedua.

PREAMBLE

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 2024 dalam Dewan yang mulia ini.

Tan Sri Datuk Amar Speaker,

2. Before I delve into the **2024 State Budget**, I would like to update this august House with an overview of the economic performance and challenges in 2023, and the outlook for 2024 as the backdrop for the 2024 State Budget proposal.

ECONOMIC PERFORMANCE 2023 AND PROSPECT FOR 2024

Global Economy

3. The global economy is undergoing a gradual and uneven recovery, with economic activities generally still falling short of its pre-pandemic path, especially in emerging markets and developing economies. The prolonged effects of the COVID-19 pandemic, Russia's invasion of Ukraine, and now the conflict in the Middle East, as well as the persistent issues related to the cost of living, continue to weigh on global economic recovery.

4. The International Monetary Fund (IMF), in its October 2023 report, forecasted global growth to slow from **3.5 percent in 2022 to 3.0 percent this year** due to subdued manufacturing activities. Whilst the United States economy is anticipated to remain strong at 2.1 percent, with its resilience in consumption and investment, economic activity in Euro Area is subdued. Growth momentum has been weak, anticipated to slow from 3.3 percent in 2022 to 0.7 percent in 2023 as consumer demand suffers from high inflation.

5. Growth in emerging markets and developing economies, especially low-income countries, experienced weaker recoveries, exacerbated by higher interest rates, depreciated currencies, and tighter financing conditions. On the other hand, China economy continues its recovery path, despite slower than anticipated growth due to moderation in export demand and faltering real estate investment. Overall, China's economic growth is forecasted at 5.0 percent in 2023.

6. World trade growth is expected to **decline** from **5.1 percent in 2022** to **0.9 percent in 2023**, reflecting the weaker path of global demand and the shift towards domestic services. The fall in energy prices and to a lesser extent, food prices are expected to support the declining global inflation, which is expected at **6.9 percent in 2023** compared with **8.7 percent in 2022**. The trend is expected to continue into **2024**, registering a global inflation of **5.8 percent**.

7. In 2024, IMF expects the global economy to slow further to **2.9 percent** owing to the impact of higher interest rates, mounting geopolitical uncertainties and the fallout from the Middle East conflict, particularly oil prices.

Malaysia Economic Performance 2023 and Prospect for 2024

8. Amid global economic uncertainties, Malaysia economy is resilient and continues expanding. In the first half of 2023,

Malaysia economy grew by **4.2 percent** supported by strong domestic demand, particularly private expenditures.

9. Tourism flourishes with foreign visitors reaching nearly 13 million, tripling the numbers in 2022, rejuvenating growth of the services sector. At the same time, the nation continues to attract foreign investors, securing RM132.6 billion in approved investments for the first half of 2023.

10. The **labour market** remained strong, with an unemployment rate of **3.5 percent** in the first half of 2023, indicating the trend of the labour market is returning to the pre-pandemic level. **Inflation** declined **from 3.0 percent to 2.8 percent** in the first eight months of 2023 compared with the corresponding period in 2022.

11. In 2024, Malaysia economy is forecasted to expand between **4.0 percent and 5.0 percent**, driven by growth across all sectors and improved global trade prospects. The upcoming

implementation of the MADANI economic reforms is expected to support the growth further for 2024.

Tan Sri Datuk Amar Speaker,

Sarawak Economic Performance 2023 and Prospects for 2024

12. The Sarawak economy continues to expand despite the challenging global environment. We anticipate that Sarawak economy will grow between **4.0 percent and 5.0 percent** in 2023, supported by domestic demand.

13. The services sector is the main driver of growth, with improvement in wholesale and retail trade, restaurants, accommodation, and transportation and storage industries. Sarawak's resilient economy and our initiatives to bring in international events in Sarawak have also encouraged more visitor arrivals, doubling from 2.45 million from January to September last year to 5.12 million in 2023. Supported by

visitors spending and higher consumer spending, we foresee the services sector will remain strong, with a projected growth of **9.0 percent** in 2023.

14. Growth in the manufacturing sector is expected to moderate to 3.3 percent in 2023. Production of LNG declined in the first half of 2023 following feed gas supply interruptions, unplanned shutdowns, and sluggish external demand. The situation is expected to improve in the second half of 2023 with feed gas supply coming from Pegaga field. Manufacture of wood products also experienced a slowdown in the first half of 2023 due to weak international market demand.

15. The mining sector is expected to contract by 0.1 percent in 2023. Production of crude oil slowed in the second quarter of 2023. At the same time, production of natural gas also declined due to unplanned plant shutdowns.

16. Meanwhile, the oil palm subsector has performed favourably in the first nine months of 2023, driving growth of the agriculture sector. Production of crude palm oil and palm kernel oil increased by 5.3 percent and 4.3 percent, respectively, compared to the same period in 2022. CPO price is projected to trade lower compared to 2022 within the range of RM3,500 to RM4,000 per tonne. Overall, the agriculture sector is expected to expand by 3.0 percent in 2023.

17. The construction sector is expected to sustain its positive momentum and grow by 5.7 percent in 2023. In the first half of 2023, the construction sector has shown a significant increase in the implementation of non-residential projects. Further supporting the growth of this sector is the continuous implementation of strategic infrastructure and utilities projects approved under the 12th Malaysia Plan.

Tan Sri Datuk Amar Speaker,

Demand Side

18. On the demand front, growth is expected to be sustained by domestic demand, particularly from private sector expenditure. In 2023, private consumption is expected to grow by 5.3 percent supported by improvement in the labour market. The continuation of the monthly electricity bill discount initiative until end of the year under the **Sarawakku Sayang Special Aid** is expected to boost consumer spending.

19. Private investment is projected to register a growth of 4.2 percent in 2023. Indicators showed that from January to September 2023, a total of RM3.5 billion has been approved under the manufacturing sector. This includes investment to expand existing production of elecfoil, and electrical and electronic products. The realisation of the approved investments will have a tremendous spillover impact on the economy.

Investment in capital goods has expanded during the January to August period.

20. To stimulate the growth of the economy, the Government is also continuously investing in the development of digital and physical infrastructures. Amongst others, these investments include the construction of telco towers, implementation of *Projek Rakyat*, Digitalization of the Sarawak Water Supply System, Coastal Road Network, Second Trunk Road, Sarawak Water Grid and Rural Electrification Scheme Project. For 2023, we expect public expenditure to expand by 3.1 percent. With an allocation of **RM5.8 billion** to Sarawak for development purposes from the Federal Government as announced by YAB Prime Minister in his recent 2024 Budget Speech, this will further drive up public investment and spur Sarawak economy in 2024.

21. Meanwhile, public consumption is expected to increase by 9.0 percent in 2023, supported by continued spending on

emoluments and other operating expenditures, including the celebration of Sarawak's 60th Year of Independence.

22. As for external demand, there is an observed decline in growth for both exports and imports. For the first eight months of 2023, the total external trade declined by 11.4 percent from RM141.7 billion in 2022 to RM125.5 billion in 2023. Exports contracted by 15.7 percent, whilst imports contracted by 0.9 percent. By and large, the contracted export growth was due to lower demand for LNG and crude petroleum plus moderation in commodity prices. In addition, the value of exports for crude palm oil also contracted by 30.5 percent. The Brent crude oil price is expected to average at USD85 per barrel in 2023 compared with USD100.9 per barrel in 2022.

23. As an open economy, Sarawak is not spared from external factors, leading to a moderation in GDP for 2023. However, maintaining a resilient domestic economy helps to cushion the impact experienced by slower external demand.

With an anticipation that global trade will improve in 2024, coupled with an improvement in inflation, Sarawak economy is projected to grow between **5.0 percent and 6.0 percent in 2024.**

Inflation

24. Prolonged geopolitical uncertainties and global inflationary pressures have disrupted the flow of basic resources and supply chains globally. From January to August, Sarawak inflation rose from 2.6 percent in 2022 to 3.5 percent in 2023. This is mainly due to increased inflation for food and non-alcoholic beverages. However, there is also a sign that inflation is softening. Overall, inflation in Sarawak is expected at 3.3 percent to 3.5 percent in 2023.

Labour Market

25. Sarawak is expected to enjoy a stabilised labour market, with more jobs to be created and unemployment to remain

between 3.0 percent and 3.5 percent in 2023. In the first half of 2023, Sarawak continues to experience full employment, with unemployment registered at 3.5 percent. From January to July 2023, Sarawak recorded a total of about 119,000 registered vacancies. Out of this, 17.5 percent is for a highly skilled workforce.

Tan Sri Datuk Amar Speaker,

SARAWAK HIGH INCOME STATUS

26. Recently, the World Bank has qualified **Sarawak as a high-income State** along with Wilayah Persekutuan Kuala Lumpur, Wilayah Persekutuan Labuan and Pulau Pinang. This means our Gross National Income (GNI) per capita has **exceeded** the World Bank's high-income threshold classification of **USD13,845**. In fact, based on the World Atlas method of calculation, Sarawak's GNI per capita reached **USD18,360** in **2022**. We welcome this timely recognition as it will enhance

Sarawak's reputation globally and enable us to attract more quality investments, partnerships, collaborations and create more high-paying jobs for our people, especially in the digital and green economy. This will also attract more talent, especially among the Sarawak diaspora, for them to help in augmenting the Sarawak development agenda.

27. As outlined in Sarawak Post COVID-19 Development Strategy 2030, we are committed to improving the monthly household income of Sarawakians from RM4,544 to RM15,000 by 2030. This is more meaningful than the GNI per capita, which is broadly an indicator of a State's overall economic capacity.

28. This is the very reason why my Administration is working diligently to:

- i) accelerate infrastructure development throughout the State to facilitate inclusive socio-economic development, and ultimately improve our people's overall quality of life. Sarawakians will also be able to enjoy better access to

education, healthcare, housing, and other essential services;

- ii) invest in human capital and entrepreneurship development to ensure our people are equipped with the right skills to improve employability, and meet the needs of the growing new economy;
- iii) invest in research and development, innovation hubs and technologies, and cutting-edge solutions to enhance Sarawak's competitiveness and resilience in the global market;
- iv) diversify our economy to reduce dependency on specific industries, thus generating more jobs and business opportunities; and
- v) implement socio-economic programmes for inclusive and equitable development.

Tan Sri Datuk Amar Speaker,

FINANCIAL PERFORMANCE OF THE STATE IN 2023

29. Before I present the proposed 2024 State Budget, I would like to update this august House on the State's financial performance for 2023.

REVENUE, 2023

30. For information of this august House, as of October 2023, our revenue collection stands at **RM11,630 million, which has surpassed our original revenue estimate of RM11,035 million.** We anticipate that our revenue collection will be **better than that of 2022.** Based on our revenue performance thus far, our revenue collection for this year is projected to be **RM12,718 million, an increase by RM808 million or 7 percent** as compared to 2022 revenue

collection of **RM11,910 million**. This will be **Sarawak's record-breaking and highest ever revenue collection** in its history.

31. The actual revenue collection of **RM11,630 million** is mainly from the following major sources:

- i) State sales tax (SST) of **RM4,231 million** comprises SST from:
 - a) Petroleum products of **RM3,424 million**;
 - b) Crude palm oil and palm kernel oil of **RM630 million**;
 - c) Aluminium of **RM103 million**;
 - d) Lottery of **RM62 million**;
 - e) Timber products of **RM8 million**; and
 - f) Coal of **RM4 million**.
- ii) Cash compensation in lieu of oil and gas rights of **RM2,862 million**;
- iii) Dividend of **RM2,096 million**;
- iv) Interest and return from investment of **RM748 million**;

- v) Raw water royalty of **RM496 million**;
- vi) Land premium of **RM213 million**;
- vii) Forestry of **RM263 million**;
- viii) Cash compensation in lieu of imports and excise duties on petroleum products of **RM120 million**;
- ix) Federal grants and reimbursement of **RM270 million**; and
- x) Other sources such as mining royalties, water sales and land rents of **RM331 million**.

EXPENDITURES, 2023

32. The 2023 Ordinary Expenditure has been revised upwards from RM10,797 million to RM11,165 million, an increase of RM368 million or 3.4 percent as approved in the last Dewan Undangan Negeri Sitting. As of October 2023, **RM8,358 million or 75 percent of the Ordinary Expenditure** has been

expended, of which RM3,258 million was expended for operating purposes, while RM5,100 million was appropriated to the Statutory Funds.

33. As for Development Expenditure, **RM5,662 million** out of RM8,006 million or **71 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 2024

34. I would now like to table the 2024 State Budget proposal with the theme **Development for All: Together, Building A Prosperous, Sustainable and United Sarawak**. This theme is more than just a guiding principle; it is our unwavering commitment to the people of Sarawak. This Budget is

meticulously crafted to ensure that development touches every corner of our State and bridges gaps between urban and rural areas to propel Sarawak towards a future where prosperity is not just a dream for the few but a reality for all.

35. This Budget strikes a balance between responding to immediate challenges that we are now facing, creating more opportunities for Sarawakians, laying a strong foundation for a more resilient and secure economy, while at the same time, ensuring a long-term fiscal sustainability. The Budget will **deliver cost of living relief** in some areas to **reduce financial burden of low and middle-income groups**, make **targeted investments** and **continue to implement vital programmes and projects** for the benefits of the *rakyat*.

36. The 2024 State Budget will continue to be an **expansionary Budget** to boost government spending that will stimulate the State's economic growth. This Budget proposed to increase the operating and development expenditure from

RM11,503 million in 2023 to RM13,601 million in 2024, an increase of RM2,098 million or 18 percent.

37. In a nutshell, the 2024 Budget is framed across **twelve (12) Strategic Thrusts as follows:**

First : Accelerating Economic Growth

Second : Stimulating Regional and Rural Development

Third : Promoting Investments, Entrepreneurship and SMEs

Fourth : Transforming Sarawak into a Competitive and Resilient Economy

Fifth : Strengthening Human Capital and Talent Development

Sixth : Intensifying Digital Transformation

Seventh : Promoting Environmental Sustainability

Eighth : Strengthening Social Welfare and Safety Net

- Ninth : Promoting Sports and Youth Empowerment
- Tenth : Developing an Innovation-based and Knowledge-oriented Economy
- Eleventh : Combating Poverty and Enhance People's Wellbeing
- Twelfth : Enhancing Government Capacity and Service Delivery

REVENUE ESTIMATES, 2024

38. The Government is projected to collect a revenue of **RM12,749 million** in 2024. This is the **highest revenue ever projected**, reflecting our commitment to strengthening the State's fiscal position.

39. As crude palm oil, petroleum, and gas commodities are the main contributors to the State revenue of which their prices are dictated by global market, we chose to be prudent and take

a conservative approach in preparing the 2024 revenue estimates.

40. The State's revenue estimates is derived from the following major sources:

i) **Tax Revenue** totalling **RM5,704 million** or **45 percent** of the total expected revenue in 2024, comprising the following:

a) **RM4,572 million** from State Sales Tax, of which **RM3,534 million** from crude oil, liquefied natural gas and other petroleum products; **RM850 million** from crude palm oil and crude palm kernel oil; **RM80 million** from aluminium products, **RM70 million** from lottery, **RM33 million** from timber products, while the remaining **RM5 million** from coal;

b) **RM600 million** from raw water royalty;

- c) **RM290 million** from forest royalty, timber premium and tariff; and
- d) **RM242 million** from mining royalties, land rents and others.

ii) **Non–Tax Revenue** is estimated at **RM6,390 million** or **50 percent**, mainly derived from the following sources:

- a) **RM2,862 million** from cash compensation in lieu of oil and gas rights;
- b) **RM2,160 million** from dividend income;
- c) **RM698 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) **RM150 million** from others, including licences, service fees, permits and rentals.

iii) **Non – Revenue Receipt** is expected to be **RM28 million** mainly from unclaimed deposits, overpayment recovered, and disposal of vehicles; and

iv) **Federal Grants and Reimbursements** is expected to be at **RM627 million**. Revenue contribution for this source has been increased due to the decision by the Federal Government to increase the interim Special Grant rate for Sarawak to RM300 million from RM16 million previously.

ORDINARY EXPENDITURE, 2024

41. The 2024 State Budget proposes a total Ordinary Expenditure of **RM12,363 million**, of which **RM4,563 million** is for Operating Expenditure, while **RM7,800 million** is for appropriation to the Development Fund Account to finance various development programmes and projects.

42. The Operating Expenditure of **RM4,563 million** is allocated to finance the following expenses:

- i) **RM1,067 million** or 24 percent for personnel emoluments;
- ii) **RM1,761 million** or 39 percent for supplies and services;
- iii) **RM1,524 million** 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) **RM107 million** for procurement of assets; and
- v) **RM104 million** for other operating expenses.

43. The expenditure budget will always face demands that are greater than the available fiscal resources. Public spending is essential for stimulating the economy, providing public services, and financing investments that will provide public goods to support current and future growth. We need to ensure that spending is focused on **productive and prioritised activities**, and that programmes and projects are carried out efficiently. **Waste** must be **reduced** and much more attention will be paid to achieving value for money with the implementation of **Value Management Framework**. With this, overall accountability and transparency is strengthened.

BUDGET SURPLUS, 2024

44. I am pleased to inform this august House that with the **projected revenue of RM12,749 million** and total **Ordinary Expenditure of RM12,363 million**, the 2024 State Budget is expected to generate a **surplus of RM386 million**. This is the **largest ever Budget unveiled** by the Sarawak Government in history, a testimony to the success of our revenue reengineering efforts and prudent financial management. With this, we are adopting an **expansionary Budget** that **invests heavily in infrastructures** and **places the well-being of the *rakyat* at its centrepiece**.

DEVELOPMENT EXPENDITURE, 2024

45. The **2024 State Budget** provides an allocation of **RM9,038 million** for development purposes, of which **RM8,915 million** will be funded by State fund while **RM123 million** through Federal loan and reimbursable grant. The Budget will continue

to provide allocation to key sectors to accelerate economic development and eventually make the State economy prosperous, robust, and resilient.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUSTS AND INITIATIVES

46. I will now highlight the strategic thrusts and initiatives of the 2024 State Budget.

STRATEGIC THRUST ONE: ACCELERATING ECONOMIC GROWTH

Initiative 1: Development-Biased Budget

47. The State is committed to pursue inclusive economic growth, which is attested by a higher allocation budgeted for development purposes of **RM9,038 million** as compared to

RM4,563 million for operating purposes next year. This represents 66 percent of the total proposed expenditure for 2024.

48. I would now like to dwell on specific initiatives, programmes, and project that would have a **transformative impact** on our economy and touching the lives and livelihood of our people. Among the major projects in the 2024 Budget are as follows:

- i) RM550 million for implementation of ***Projek Rakyat***;
- ii) RM420 million for **Rural Transformation Projects** (RTP);
- iii) RM200 million for Regional Development Agencies; and
- iv) RM260 million for **Minor Rural Projects** (MRP)

49. These projects are expected to generate significant economic multipliers for the State, create additional employment prospects for the local people and revitalise the construction and service sectors. With bigger allocation from the annual budget

and other sources of funding, coupled with the continuous efforts of the Government to ensure project completion and delivery, the State is expected to achieve an **economic growth** of between **5 percent** and **6 percent** next year.

STRATEGIC THRUST TWO: STIMULATING REGIONAL AND RURAL DEVELOPMENT

Initiative 1: Ensuring Greater Urban-Rural Economic Integration

50. **Balancing urban-rural development and achieving sustainable urban-rural integration** will be the key priority to ensure balanced development, as Sarawak progresses towards becoming a developed region. The focus of rural development is to **uplift the well-being** of the **rural community** and **enhance the economic potential** of the rural areas based on their **local strengths and peculiarities**.

51. Under the 2024 Budget, emphasis will continue to be given to providing **basic infrastructure and services**, to

improve rural connectivity and **accessibility** that will drive economic growth and development in this area. More roads, bridges, ports, water and electricity supplies, and air transport will be provided, creating economic vibrancy in the surrounding areas, improving the liveability and mobility of local communities, invigorating businesses, and creating employment opportunities. Among the major projects are as follows:

I) Roads and Bridges Projects

52. Road development, including bridges, have always been given **priority** by the Sarawak Government as we strive to connect all areas in Sarawak. Under the 2024 State Budget, a sum of **RM662 million** will be provided for the implementation of various roads and bridges projects such as:

- i) Design and Construction of Inner Ring Road in Kuching;
- ii) Jalan Pakan/Ulu Kota, Pakan, Sarikei (Phase III) and Replacement of Seven Temporary Bridges Under Phase 1 to Permanent RC Bridges;

- iii) Jalan Sg. Bidut/Kpg Tutus/ Kpg Sebedil/ Kpg Bungan Kecil, Sibul;
- iv) Marudi Bridge Over Batang Baram, Miri;
- v) Sg. Limbang Bridge, Sg. Bunut No.2 Bridge and connecting roads, Limbang; and
- vi) Various roads and bridges projects under *Projek Rakyat*.

53. Under the Alternative Funding initiative, amongst the ongoing catalytic initiatives are the construction of the **Coastal Road Network and the Second Trunk Road projects**, with an estimated total cost of **RM11 billion**. Currently, the projects are at various stages of implementation.

II) Water and Electricity Supplies Programmes

Water Supply

54. The Sarawak Government has set a high priority on expanding the coverage of safe and treated water supply throughout the State. The initiatives to provide reliable, efficient,

resilient, safe, and sustainable water supply will continue to be intensified to achieve this objective.

55. A sum of **RM156 million** will be allocated in 2024 for the implementation of continuation and new water supply projects under the Mid-Term Review of 12th Malaysia Plan such as:

- i) *Pembinaan Loji Salim Fasa III, Sibul;*
- ii) Serian Regional Water Supply Phase II;
- iii) Construction of 1.35 ML Storage Pond, Intake Weir and Sump at Suai Water Treatment Plant;
- iv) Long Lama Water Supply – Phase III;
- v) Construction of Sludge Treatment for Batu Kitang Plant, Kuching; and
- vi) Gerigat Water Supply, Kabong.

56. In addition, a total sum of **RM552 million** will be provided under the Alternative Funding Initiative in 2024 to continue the implementation of water supply projects, including the following:

- (i) Transmission Main Across Batang Sadong Bridge to Simunjan: Pipeline Replacement, Relocation, and Extension at Sebangau and Sebuyau;
- (ii) Upgrading of Lubau Water Treatment Plant;
- (iii) Upgrading of Bayong Water Treatment Plant;
- (iv) Kapit Water Treatment Plant Augmentation and Improvement Works;
- (v) Belaga Water Supply – Jalan Belaga / Menjawah, Kapit;
- (vi) Miri Water Supply Source Development – Phase 2;
- (vii) Trusan Regional Water Treatment Plant;
- (viii) Tinjar Water Supply; and
- (ix) Sarawak Alternative Water Supply (SAWAS) Phase 2.

Electricity Supply

57. To achieve the Sarawak Government's objective of having a **well-developed power infrastructure** by 2030, we will continue to ensure full coverage of electricity supply and reduce electricity interruption. These electricity supply

initiatives will also serve as an enabler to unlock the potential for localised economic development, especially in rural areas.

58. An allocation of **RM24 million** will be allocated in 2024 for the following new projects:

- i) Connect Stand-alone Sarawak Alternative Rural Electrification Scheme (SARES) to Sarawak Electricity Grid;
- ii) Connection of off-grid SARES and solar hybrid scheme to existing electricity grid for villages that have road accessibility and near to the grid;
- iii) Battery Replacement and Key Component for Stand-Alone Solar System;
- iv) SARES battery replacements to ensure remote inaccessible communities continue to benefit with 24-hour electricity; and

- v) 33 kilovolt Medium Voltage Covered Conductor (MVCC) from Nanga Gaat to Tunoh.

59. Additionally, **RM298 million** will be provided in 2024 for the continuation projects under the Rural Electrification Scheme, and another **RM1,600 million** is required in 2024 under Alternative Funding for projects including:

- i) Rural Power Supply Scheme for High Voltage substations;
- ii) Medium Voltage Covered Conductor (MVCC) overhead lines;
- iii) The Rural Electrification Scheme (RES) for Last Mile Connections;
- iv) Stand-alone off-grid Sarawak Alternative Electrification Supply (SARES) for remote rural communities; and

- v) ALAF for newly completed premises in rural areas after rural electricity infrastructures were completed.

Ports, Navigational Safety and Riverine

60. Under the 2024 Budget, a total sum of about **RM83 million** will be allocated for port development, navigational safety, and other ongoing riverine projects. These include:

- i) Proposed Vehicles Yard and Associated Facilities at Senari Port, Kuching;
- ii) Port development and maintenance dredging grants to State Port Authorities;
- iii) Proposed Construction and Completion of Tanjung Embang Terminal Phase 1, Kuching Port;
- iv) Master Plan Study for Ports; and
- v) Construction of wharves, jetties, river wall and waterfront.

61. Ports are catalysts for economic development as they enable trade and support supply chains. The Sarawak Government is committed to supporting port development for better and more efficient port services. The installation and commissioning of new quay cranes for Kuching Port Authority, costing approximately **RM72 million** will increase cargo handling productivity and spur growth in cargo volume.

62. To achieve robust economic growth and boost trading activities, the State ports will continue to work with port users to improve the profitability, productivity, and overall efficiency of the logistic supply chain. Our long-term aim is for Sarawak to become a maritime transit hub, given its strategic location along the Southeast Asia regional trading route.

IV) **Seamless Transportation**

63. The linkage between rural and urban areas will be strengthened by improving connectivity and mobility to foster greater economic integration.

64. In order to **modernise and transform urban transport**, we have embarked on the implementation of **Kuching Urban Transportation System (KUTS) Project**, in which the implementation of Phase 1 includes the development of three (3) Autonomous Rapid Transit (ART) Lines. The operation of KUTS Phase 1 will be supported by **Hydrogen Feeder Bus** service to provide passengers with first and last-mile connectivity.

65. I am pleased to update this august House that we have achieved a **historical milestone** when the **Prototype ART Hydrogen Vehicle Engineering Run** exercise was implemented in September 2023 at Isthmus Kuching, followed by the Proof of Concept (POC) exercise in Samarahan. The

purpose of this exercise is to obtain the prototype vehicle's performance data and to showcase the ART's capabilities to the public. The cost of implementing this initiative is financed by Alternative Funding, and for next year, a sum of **RM900 million** will be set aside for the project.

66. In addition, in our effort to improve and upgrade the public transport system, a sum of **RM5 million** will be provided in 2024 for the implementation of **smart buses** for Miri City to provide better connectivity and increase mobility for the people.

Initiative 2: Accelerating Rural Development

I) Rural Focused Budget

67. We will continue to focus on developing rural areas so that our people will not be left behind. This effort is being reinforced by establishing **nine (9) Regional Development Agencies**, which is playing a pivotal role in empowering local

communities through our **bottom-up approach** to initiate development projects.

68. Thus, to expand economic opportunities for the rural areas, the 2024 State Budget will continue to be **rural-biased**, whereby out of **RM9,038 million** proposed for Development Expenditure Estimates, **RM5,695 million** or **63 percent** will be for development in rural areas.

II) Native Land and Rural Development

69. The continuous development of rural areas is crucial in ensuring a thriving rural society. The Government will continue to pursue the development of native land to sustain the income of NCR landowners.

70. Hence, this Budget provides a sum of **RM35 million** for SALCRA in the form of Federal loan for replanting oil palm in existing estates involving 10,500 hectares and for new planting

of 6,400 hectares. The Government will also continue to assist oil palm smallholders in complying with The European Union (EU)'s European Deforestation-free Regulation (EUDR) policy by implementing various strategies to promote sustainable agro-commodity production such as Malaysian Sustainable Palm Oil (MSPO) certification, which covers all stages of the production chain in the sector.

III) Lot Title Survey Programme under Section 18

71. A sum of **RM10 million** was approved under 12th Malaysia Plan to continue issuing land titles to the scheme participants. To date, 50,823 hectares involving 28,849 lots of NCR land have been involved with SALCRA's oil palm development programme. The total number of participants' land issued with Section 18 stood at 18,392 lots or 63.8 percent, involving 33,890 hectares, while another 4,577 lots have been surveyed and are pending issuance of land title. To accelerate the issuance of Section 18 land title, this Budget allocates a sum of **RM2 million** for the programme.

IV) Rural ICT, Digital and Human Training Programme

72. To accelerate the adoption of smart agriculture and enhance the level of ICT literacy among our rural population, the Government will continue to strengthen its capacity-building programmes among the farmers, agro-entrepreneurs, and the targeted rural community groups. A sum of **RM1 million** will be allocated in 2024 to further implement these programmes.

Initiative 3: Boosting Tourism Sector

73. As the tourism sector is one of the major contributors to the State economy, we will vigorously strive to transform Sarawak as a leading destination for eco-tourism and business events, driven by empowered communities to conserve heritage, culture and biodiversity. A total sum of **RM52 million** will be allocated under this Budget to Sarawak Tourism Board and Business Events Sarawak for their operations, marketing, and promotion.

74. Overall, the 2024 Budget provides **RM200 million** for the implementation of various tourism programmes and projects, which include the following:

- i) The development of new tourism attractions and upgrade the existing facilities, among others as follows:
 - a) Sarawak Museum Campus and Heritage Trails;
 - b) Santubong Archaeological Park and Wallace Centre;
 - c) Improvement and Upgrading Works to Sarawak Museum Old Building and Ancillary Historical Building; and
 - d) Upgrading and Development of New Museums in Miri and Kuching Divisions.

- ii) Strategic partnerships with government agencies and tourism stakeholders to advocate and promote responsible tourism based on Sustainable Development Goals principles;
- iii) Explore niche markets and penetrate second-tier destinations such as France, Italy, Spain, Finland, Kaohsiung and Taichung in Taiwan, and Xiamen and Chengdu in China, culminating in a dynamic alignment with Tourism Malaysia's forthcoming initiative – Visit Malaysia Year 2026; and
- iv) Enhance air connectivity and accessibility with other cities in the ASEAN Region, such as Indonesia, Brunei and the Philippines.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST THREE: PROMOTING INVESTMENTS, ENTREPRENEURSHIP AND SMEs

Initiative 1: Facilitating Domestic Investment and making Sarawak a preferred investment destination for foreign investors (FDI)

75. Sarawak has been one of Malaysia's **most preferred investment destinations** for the manufacturing sector in past years due to our **business-friendly policies, political stability,** and **comparative advantages.**

76. My Administration is committed to creating a conducive climate for investment through enhancing our investment policies and programmes to accelerate economic growth. The setting up of **Invest Sarawak** as a **one-stop agency** for investment will further improve the ease of doing business and facilitate both Domestic Direct Investments (DDIs) and Foreign Direct Investments (FDIs). This Budget will allocate **RM7 million** to

Invest Sarawak for the operation and implementation of its activities next year.

77. To make Sarawak as an attractive investment destination and compete with our regional peers, we will be formulating a comprehensive State Investment Policy. We have set aside RM3 million for this study, of which an amount of **RM1 million** will be provided for next year.

Initiative 2: Facilitating Business and SMEs

78. Small and medium enterprises (SMEs) is the backbone of Malaysia's economy, including Sarawak, which contribute significantly to economic growth, exports, and employment. Therefore, it is crucial that we continue to support and nurture the growth of our SMEs so that their contributions can be further enhanced.

79. The 2024 Budget will continue to provide allocation for the implementation of various programmes to assist the SMEs to revitalise and grow their businesses, including capacity building, product development, financial assistance, eCommerce, promotion, and marketing. These programmes will also upskill our local SMEs to be more competitive and thrive in a new business landscape by embracing digitalisation in their business operations. Among the major programmes are as follows: -

i) **Skim Kredit Mikro Sarawak and Skim Pinjaman Industri Kecil dan Sederhana (SPIKS)** with an allocation of **RM6 million**. For information of this august House, **RM13.9 million** has been disbursed in 2023 under these initiatives and has benefitted **315** SMEs.

ii) **Special Relief Fund, Targeted Relief & Recovery Facility (TRRF)** and **PENJANA Tourism Fund (PTF)** that provides interest subsidy **for 3.5 years** to those eligible SMEs.

This initiative has benefitted **3,320** recipients with a total subsidy of **RM77 million**.

iii) **Go Digital Programme**, with an allocation of **RM4.5 million**, has been set aside for next year to encourage SMEs to go onboard digital entrepreneurship. In 2023, **500** SMEs has benefited from this initiative with a total assistance of **RM5 million**.

iv) **Small and Medium Entrepreneurs Development Programme and Program Pembangunan Latihan Keusahawanan**, with an allocation of **RM2.5 million** to assist entrepreneurs with technical skills to start and expand their businesses.

80. The State is also undertaking a study to establish a master plan to enhance the competitiveness and resilience of SMEs in Sarawak, of which **RM3 million** is provided under this Budget.

Initiative 3: Increasing Bumiputera Contractors' participation in Government Projects

81. To increase the participation of Bumiputera contractors in government projects, my Administration will implement the **Competitive Contractors Development Programme**. Under this programme, **at least 30 percent** of projects with a value between **RM200 thousand** to **RM2.5 million** will be allocated to Bumiputera contractors to be undertaken through **selective tender** to ensure competitive bidding. A sum of **RM1 million** will be allocated in this Budget for the programme to enhance the participants' technical skills and competencies.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST FOUR: TRANSFORMING SARAWAK INTO A COMPETITIVE AND RESILIENT ECONOMY

Initiative 1: Advancing Industrialisation Agenda

82. As part of the strategies to transform Sarawak into a competitive and resilient economy, the Government will pursue its **industrialisation agenda** to develop the **high-value-added industry**, particularly the **petrochemical industry**, as one of the main drivers of growth for its manufacturing sector.

83. The establishment of the **State-owned methanol plant** under Sarawak Petchem Sdn Bhd in Bintulu, and later on, the **ammonia plant**, as well as the development of **onshore Gas Plants** which forms part of **Sarawak Integrated Sour Gas Evacuation System (SISGES)** will be a catalyst to advance the State's industrialisation through downstream activities of the petrochemical industry. This will transform the economic

landscape of Sarawak, as well as creating employment opportunities for our people.

84. Under the 2024 Budget, the Government will continue its efforts to **diversify** the industrial sector through **deepening** and **strengthening the value chains** in oil and gas, energy-intensive, high-tech, food, and shipbuilding, alongside the traditional timber-based, oil palm-based, and other manufacturing activities. Industrial facilities will be further enhanced to able to meet the growing needs of the industries. Towards this, **RM60 million** will be provided to develop **industrial parks** and **business premises**. Among the projects are:

- i) Expansion of Demak Laut Industrial Park;
- ii) Samalaju SME Cluster;
- iii) Kuching High-Tech Park;
- iv) Various Industrial Estates such as in Sibu, Sematan, Bau and Marudi; and

- v) Various Anjung Usahawan projects such as in Kuala Lawas, Gedong, Limbang.

Initiative 2: Developing Mining Sector

85. Sarawak has various mineral resources that are very valuable and important for use in the energy and manufacturing industry. The value of mineral resources in Sarawak is estimated to be approximately RM1.252 trillion, and we expect this value to increase further once the entire area of Sarawak is completed with mineral exploration and geological mapping. A total of **RM26 million** for undertaking a Geological Mapping of our mineral resources has been approved under the 12th Malaysia Plan, of which **RM5.5 million** will be allocated in 2024.

Initiative 3: Industrialising Agrofood Sector

I) Agriculture Commercialisation Initiatives

86. The Government has taken and will continue to undertake numerous initiatives to attract private firms, either locally or from abroad, to venture into commercial agriculture in Sarawak. To facilitate the investment for greater private sector participation in the agriculture sector, key initiatives include, expanding food production areas by providing essential infrastructure in these production areas.

II) Development of Agro Parks

87. A sum of **RM23 million** will be allocated in 2024 to complete **Package 3** of **Sungai Baji Agropark, Sarikei** which is expected to commence operation by early 2024. The **other agroparks** includes **Asajaya** and **Parit Bugis** which will be allocated a sum of **RM2.5 million**. Another **RM4 million** will be

allocated for the **Development of Essential Infrastructure at Bebuling Agropark, Betong.**

88. Recently, the Government has also approved the development of new areas for agroparks, namely **Gedong-Semalatong Agropark, Simanggang Agropark, and Dalat Agropark**, of which **RM200 thousand each** will be allocated for preliminary works. In addition, a sum of **RM53.6 million** has been set aside for the development of **Lubok Tamang Agropark** in **Betong Division**, of which **RM18 million** will be required in 2024.

III) Aquaculture Park

89. A sum of **RM5 million** will be allocated to develop and upgrade **Loba Stoh Aquaculture Park** in **Rambungan** to boost the production of shrimp products. In addition, to enhance the development of inland fisheries, a sum of **RM500 thousand** will

be set aside in 2024 for the development of **Aquaculture Park** at **Samariang Batu, Kuching**.

IV) Precision Farming Park

90. To accelerate the development of modern farming in Sarawak, the Government has approved a sum of **RM60 million** to implement **Precision Farming Park** at **Sg. Sebiew in Bintulu** and in **Kabuloh, Miri**. The development of these modern agriculture parks is expected to commence in 2024 with an allocation of **RM14 million**. These parks are expected to attract greater involvement of youth and agropreneurs.

V) Smart Agriculture

91. To enhance the competitiveness and sustainability of the Sarawak agriculture sector, the Government is actively pursuing the adoption of modern technology along the agriculture supply chain. This is in line with the Government's aspiration to develop Sarawak as a technology-driven agriculture sector that will

ensure food security and safety, create wealth for the agro-based and rural community, and establish Sarawak as a net food exporter by 2030. In this regard, a sum of about **RM500 thousand** will be allocated in 2024 for the implementation of the Internet of Things (IoT) for agriculture. Similarly, a sum of **RM2.5 million** will be provided in 2024 to **intensify the mechanisation and automation programme in Oil Palm Estates** to boost productivity in operation and reduce the reliance on foreign labour.

VI) Development of Sarawak Agrotechnology Park (SARTECH)

92. The development of Semenggok and Tarat SARTECH is expected to attract more global technology-based agricultural firms towards transforming Sarawak agriculture into a technology-driven sector.

93. These projects will be allocated **RM3 million** and **RM12.5 million** respectively in 2024. To date, Tarat SARTECH

has approved its first tenant, which is a joint venture project between the State Farmers' Organization and a local investor to produce shallot.

VII) Assistance to Smallholders, Agropreneurs and Farmers' Institutions

94. The Government will continue to support the development of farmers and smallholders in Sarawak towards raising and sustaining their income. For 2024, a sum of **RM20 million** will be allocated to implement various crop development programmes and projects, while another **RM5 million** will be provided for inland fisheries and aquaculture development programmes and projects.

95. The Government, through the respective Ministry and Department, will continue building the knowledge and skill capacity of farmers through agricultural training, extension, mechanisation and automation. A sum of **RM23 million** is set aside for this purpose. Meanwhile, a total sum of **RM27 million**

will also be allocated in this Budget to carry out livestock and veterinary programmes.

VIII) Enhance Food Security

96. Sarawak relies heavily on the import of rice to meet local demand. In 2022, Sarawak imported 164,621 metric tonnes of rice valued at **RM362 million**.

97. Thus, Sarawak Government is making concerted efforts to step up its measures to ensure food security, which includes the following initiatives:

i) To increase food production, a sum of **RM1.15 million** will be allocated in 2024 to continue the rehabilitation and upgrading of the drainage and irrigation infrastructures at Tanjung Purun Irrigation Scheme, Lundu. Another **RM1.5 million** has been approved for Kampung Mujat, Serian while **RM3 million** will be allocated to continue the development

of drainage and irrigation infrastructure at Lubok Punggor, Gedong. In addition, a sum of **RM2 million** will be allocated in 2024 to develop drainage and irrigation infrastructure at Selepong Panggil, Sri Aman Division for paddy cultivation.

ii) Sarawak is targeting to produce 240,000 tonnes of rice a year with the use of hybrid rice seeds from Vietnam. This promising hybrid will be planted in **Lubok Punggor in Gedong, Tanjung Bijat in Sri Aman, Spaoh in Betong, and Tanjung Purun in Lundu**. Using the hybrid seeds would encourage paddy farmers to shift their method of cultivation, not only it can increase the input intensity but also its growth productivity rate. Our farmers will be able to produce rice in **three seasons per year** by using this hybrid seeds. We, therefore, would like to request the Federal Government to **provide greater allocation for the construction and upgrading of drainage and irrigation infrastructures in these paddy planting areas**.

iii) The Government is also actively **increasing** the **production of cattle and buffalo** to address the **low self-sufficiency level (SSL)** of **beef in Sarawak** through the implementation of cattle breeding programme. To achieve this, the Government will allocate **RM15 million** in 2024 to acquire quality cattle breeder stock. Meanwhile, under the Mid-Term Review of 12th Malaysia Plan, a sum of **RM2 million** has been proposed to develop **Ruminant Biotechnology Centre** at **Sungai Pinang, Simunjan**. This initiative is expected to contribute to achieving **Sarawak beef Self-Sufficiency Level (SSL)** target of **25 percent by 2030**.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST FIVE: STRENGTHENING HUMAN CAPITAL AND TALENT DEVELOPMENT

Initiative 1: Enhancing Quality of Education

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

98. Sarawak is the **only State** that has fully implemented the **teaching of Science and Mathematics in English** under the **Dual Language Programme Sarawak**. We will continue to improve the standard of English while providing a strong foundation in Science, Technology, Engineering, and Mathematics (STEM) education for our students. In 2024, a sum of **RM1.2 million** is allocated to continue this programme.

II) **State-owned International Schools**

99. The **first Stated-owned International School** in Sarawak has entered its 2nd year of operation at Petra Jaya, Kuching with **178 students**. The second international school located at Mile 12, Kuching-Serian Road, is scheduled to be completed at the end of this year for full operation thereafter. Under the 2024 Budget, a sum of **RM16 million** will be provided to cover operation costs of these schools.

III) **Upgrade and Repairs of Dilapidated Schools**

100. Our effort to ensure safe and conducive teaching and learning environment continues with the **redevelopment** of **SK Sageng** and **SMK Gedong in Simunjan**. The Government will set aside an allocation of **RM100 million** towards the upgrading of these two schools, of which **RM28 million** will be allocated next year. Construction is scheduled to begin in 2024 with expected completion within 2 years.

IV) Continuous Professional Development

101. The efforts to upskill and reskill teachers and school leaders continue in Sarawak to ensure that they are equipped with the latest educational content and technologies in teaching. This Budget provides approximately **RM1 million** for the **upskilling** and **reskilling** non-option teachers in English, Mathematics, and Science. In addition, **RM1.3 million** will be allocated towards upskilling teachers on ICT know-how to achieve the Advanced Level of using Raspberry Pi devices in their schools.

Initiative 2: Promoting Employability of Workforce

I) Sarawak Career and Training Fair (SCaT Fair)

102. The Sarawak Career and Training Fair (SCaT Fair), which was put on hold due to COVID-19, will be revived as it seeks to provide information on education and career

opportunities to the public, as well as to empower youth to make more informed decisions that would enhance the employability of graduates and youth. A sum of **RM400 thousand** will be allocated to for this programme next year.

Initiative 3: Strengthening Skilled Workforce

103. Sarawak is committed to developing a **digital talent pool** to produce local digital talents that align with the industry's needs and produce a **digitally skilled workforce**, laying a foundation to cater to the needs of **high-growth, high-value industries**.

104. A sum of **RM40 million** operating grant will be provided in 2024 to Centre of Technology Excellence Sarawak (CENTEXS) for them to **provide industry-based competency training programmes**, with the majority being internationally certified by leading industry players in technology areas. These programmes include the following:

- i) **Digital and green energy programmes.** Presently, CENTEXS is partnering with leading companies, including Huawei, Solarvest, EON Reality, Keysight, Bosch Rexroth, Digital Marketing Institute, and KNX.
- ii) **Advanced robotics and automation** towards supporting Electric Vehicles (EV), green energy technology, and medical robotics;
- iii) **Electrical and Electronics** comprises Semiconductors and Chargeman, and Energy Transition training programmes;
- iv) 5G, Starlink Satellite, Hyperscale Data Centre; and
- v) Nipah extraction and production test bed facilities.

Initiative 4: Providing Educational Assistance Programmes

105. My Administration will continue to provide substantial allocation for various educational assistance programmes as this

is a crucial investment for the future of our children. These include the following: -

- i) **RM30 million** as assistance for the **repayment of PTPTN loan** for Sarawakian graduates who have repaid 30 percent and above of their PTPTN loan, through the provision of a **30 percent loan repayment discount** as incentive for settlement of the outstanding loan balance. To date, this incentive has benefited **22,900** Sarawakian graduates;
- ii) **RM35 million** operating grant for University Technology Sarawak;
- iii) **RM5 million** operating grant for Kolej Laila Taib; and
- iv) **RM6 million** for *Biasiswa Tunku Abdul Rahman*.

Tan Sri Datuk Amar Speaker,

106. We also recognise the need for us 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. As a caring and responsible Government, I am pleased to unveil **two key initiatives** in this Budget:

First: Book Voucher of RM500 per person for IPTA and IPTS Sarawakian's students for household with per capita income of RM1,500 per month and below. This assistance is expected to benefit **35,000 university and college students**. A sum of **RM17.5 million** will be allocated for this purpose next year, which will be managed by Yayasan Sarawak.

Second: Free laptop to be given to Sarawakian students who have successfully enrolled into IPTA and IPTS

for household with per capita income of RM1,500 per month and below. This assistance is expected to benefit **5,000 students** with an allocation of **RM15 million** in this Budget. This initiative promises to empower our students with the essential technology they need to excel in their academic pursuits.

107. On top of that, the Government will also provide funding for **three** other existing **student assistance schemes** under Yayasan Sarawak as follows:

First: Additional grant of **RM5 million** for the **Free Tuition Programme**. With this additional sum, the Free Tuition Programme will receive an **increase** in allocation **from RM10 million to RM15 million**. The target group will be **extended to cover Form 3 to Form 5**, thus expanding the number of students entitled to receive such assistance. An estimated

58,520 students especially from the B40 households are expected to benefit from this initiative in 2024. The augmented programme will feature complementary initiatives, including motivational activities, smart learning component, fostering a comprehensive approach to academic enrichment and excellence.

Second: Additional grant of **RM2 million** for the **School Uniform Assistance Programme**, aims at benefiting an **additional 10,000 students**, bringing the total number of assisted students in 2024 to **30,000**. This allocation helps to further **mitigate the financial burden on families, enabling a broader spectrum of students to access essential school attire and supplies**. This increase brings the total allocation for the School Uniform Assistance Programme to **RM6 million** in 2024.

Third: Special grant of **RM6 million** to Yayasan Sarawak to top-up the existing allocation of **RM3 million** to enhance the **Local Scholarship** programme by **doubling** the existing assistance amount per student **from RM400 to RM800**. This allocation aims at addressing the **rising pressures of daily expenses**, ensuring that the assistance to our **needy students covers essential needs** such as food, stationeries, footwear and more. Anticipated to benefit a total of **11,250 students**, this progressive step again underscores the Government's commitment to **easing the financial strains** on Sarawakians families especially those from the low-income segment.

108. I am very hopeful that through these initiatives, 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.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST SIX: INTENSIFYING DIGITAL TRANSFORMATION

109. Sarawak has embarked on a digital economy in 2018 to shift its dependence on a non-renewable resources' economy. The first Digital Economy Strategy (2018-2022) was introduced in December 2017. The strategy comprised 47 strategic actions in eight economic sectors and seven enablers.

110. Since the commencement of the digital economy agenda in 2018, Sarawak has successfully enhanced the Sarawak's economic development through a transformation in several sectors including agriculture, oil palm industry, e-commerce, finance and fintech, digital government, smart city, tourism, manufacturing, and services industry.

111. A number of high impact projects have shown significant results such as SPay Global (formerly known as Sarawak Pay),

Talent Development and Entrepreneurship programmes, Digital Infrastructure and end-to-end online government agencies services.

112. The **key initiatives** implemented under the digital economy agenda include the following: -

Initiative 1: Sarawak Linking Urban, Rural and Nation (SALURAN)

113. In continuing the efforts to widen the internet coverage to the whole of Sarawak, the Government is exploring diverse approaches tailored to our unique topography challenges. This aims at ensuring every Sarawakian has **access to stable and reliable connectivity**. A total of **RM1.89 billion** has been allocated to support the SALURAN initiative through various projects by my Administration and complemented by the Federal Government.

114. Additionally, the Federal Government, through Digital National Berhad (DNB), has allocated RM1 billion for the development of 5G in Sarawak until the year 2030. Sarawak is proud to be an early adopter of 5G, with plans for 589 operational sites by 2024, covering about 60 percent of populated areas in Sarawak.

Initiative 2: Sarawak as a Hub for Data Centres

115. Experts have forecasted the global demand for data centre services to increase three times from USD 187 billion in 2020 to USD 517 billion in 2030. Sarawak, likewise, is expected to experience the same intensity in demand. This demand will come from the implementation of the PCDS 2030, the Sarawak Digital Economy Blueprint 2030, the growth of new technologies such as artificial intelligence, the Internet of Things (IoT), immersive technologies, and the adoption of hybrid remote working in the post-pandemic era.

116. Therefore, the Government will vigorously promote the development of data centres in Sarawak, given the availability of our renewable energy. This will help to create a digital platform for us to transition towards an advanced economy.

Initiative 3: Delivering Better Services Through Digitalisation

117. The development of digital government services will ease and further simplify interactions between citizens and the government through delivering secured and trusted seamless services. Thus, a total of **RM26 million** will be allocated in 2024 for the implementation of numerous key digital projects, which include the following: -

- i) License Management System for Sarawak Carbon Capture & Storage;
- ii) Integrated Social Management System;
- iii) State Online Foreign Workers Transformation Approach Development System; and

- iv) *Unit Keselamatan dan Penguatkuasaan Sarawak*
Advanced Security Enforcement System.

118. All digital government services shall be accessible through a **single sign-on using SarawakID**. Currently, more than **957,000 users** are registered to access government services. Moving forward, SarawakID Corporate is available for corporate entities to sign-on and access government online services. **All government online services** related to business sectors are to be **enabled with SarawakID Corporate by 2024**.

119. The Government is also introducing **SarawakPass**, which will enable every Sarawakian to have access to "**digital passports**", allowing them to carry their credentials wherever they go and share them with any entity, be it in the private or government sectors.

Initiative 4: Implementation of Digital Economy Blueprint 2030

120. The Government has formulated the **Sarawak Digital Economy Blueprint 2030** to transform Sarawak from a conventional resource-based economy to a technology-driven economy and society. Under the Blueprint, we will continue to accelerate the digital transformation of our economic sectors to strengthen Sarawak's competitiveness, create job opportunities, produce new digital industries, as well as develop a vibrant tech sector.

Initiative 5: Cybersecurity

121. **Cybersecurity** stands as one of the most critical components in the digital era. As our world becomes increasingly interconnected and reliant on digital technologies, protecting sensitive information, digital assets, and critical infrastructure cannot be overstated.

122. Moving forward, the Government is **establishing a comprehensive cybersecurity team** capable of providing cyber security services to both the government and private sectors. A **Cybersecurity Unit** will be established to spearhead the development and implementation of the Cybersecurity framework and policy.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST SEVEN: PROMOTING ENVIRONMENTAL SUSTAINABILITY

Initiative 1: Promoting Environmental Sustainability

123. Sarawak aspires to be globally recognised for sustainable management of tropical forests and biodiversity conservation, while enhancing the growth of the timber industry by 2030. This would help Sarawak to achieve the following outcomes:

- i) Sustainable forest management and biodiversity conservation;
- ii) World recognition;
- iii) Revenue enhancement, export earnings and rural transformation; and
- iv) Environmental sustainability.

124. A total of **39 projects** in the forestry sector have been identified under the PCDS 2030. Of this, 21 projects have been approved under the 12th Malaysia Plan with a total ceiling of approximately **RM130 million**. For 2024, a sum of **RM48 million** will be allocated to implement forestry projects, among others, as follows:-

I) Forest Landscape Restoration (FLR) Programme

125. The **FLR programme** plays a significant role in Sarawak's environmental sustainability goal, which **aims** to **restore ecological integrity** and **improve the productivity** and

economic value of degraded forest landscapes through programmes such as replanting of trees. Sarawak is targeting to plant **35 million trees** under the 12th Malaysia Plan. As of August 2023, a total of about **28 million trees** have been planted. For next year, a sum of **RM5 million** will be allocated for this project.

II) Totally Protected Area and Wildlife Protection and Management

126. Sarawak has targeted to designate **one million hectares** of Sarawak landmass as a **Totally Protected Area by 2025**. As of the second quarter of this year, **2.1 million hectares** have been gazetted as TPA. These forest lands are managed to generate sustainable benefits for society through the following measures:

- i) Conservation and protection of wildlife and their habitat;
- ii) Preservation of specific natural geological or physiographical features, landscapes, of special interest for archaeological, recreational, educational or conservation purposes; and

- iii) Facilitating study and research on the biodiversity of the State.

127. Under the 12th Malaysia Plan, **RM16.5 million** has been approved, of which **RM3 million** is set aside in 2024 to **develop and upgrade facilities at selected TPA**, and **RM1 million** for **effective management and protection of TPA**.

III) UNESCO World Heritage Site and UNESCO Global Geopark

128. We have nominated Niah National Park as a UNESCO World Heritage Site, and the assessment has recently been carried out by the International Council on Monuments and Sites (ICOMOS).

129. Sarawak also aspires for **Sarawak Delta** to be a **UNESCO Global Geopark by 2026**. To achieve this aspiration, **RM4 million** has been approved to implement programmes and activities in the Sarawak Delta Geopark area, such as public

awareness and community engagement, infrastructure development and management plan.

IV) Development of Integrated Watershed Spatial Master Plans

130. We will also ensure that all land use and development are planned and implemented at the watershed level, using the watershed's natural hydrological boundaries. This is to enable integrated water resources management to be incorporated into Government decision-making processes.

131. The **Watershed Spatial Master Plans** will guide coordination and integrate land use planning and management for development, water resources and environmental protection. The plans will specify the areas to be set aside for protection (For example, flood risk zones, riparian buffers, and others prior to other land use planning).

132. Thus, two (2) Watershed Spatial Master Plans will be developed for the watersheds of **Balui** and **Baleh**, with a 12th

Malaysia Plan ceiling of RM3 million, of which **RM1.2 million** will be allocated in 2024.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST EIGHT: STRENGTHENING SOCIAL WELFARE AND SAFETY NET

Initiative 1: Enhancing Social Protection and Services

133. My Administration is committed to continuing the social inclusivity agenda by providing targeted **“cradle-to-grave” assistances and services**, from the needs of children, our future human capital, to the elderly, the vulnerable, and other disadvantaged groups. Under the 2024 Budget, various initiatives to enhance social protection and services will be continued, among others: -

- i) **One-Stop Early Intervention Centre (OSEIC) Sarawak** with an allocation of **RM3 million** for the continuation of the programme at OSEIC Metrocity and Kompleks Kebajikan Dalat

and for the establishment of OSEIC Miri. OSEIC emphasises high quality early intervention services focusing on special needs children;

ii) **Early Childhood Institution Fee Subsidy of RM2.5 million** to be provided next year to ease the burden of parents in paying the institution fee, which will benefit **2,500 children**;

iii) **Post Natal Care Assistance [Bantuan Ibu Bersalin (BIB)]** with a sum of **RM16 million** to be made available in 2024, which will benefit about **36,000 mothers**. The scheme provides **RM450 to every mother who gives birth** to help them with their nutritional and personal care needs during confinement;

iv) **Endowment Fund Sarawak (EFS)** of **RM15 million** to be made available in 2024 that will benefit **15,000 children**;

v) **Enhancing Early Childhood Education** with an allocation of **RM20 million** in 2024 to cover the operating costs of SeDidik early childhood institutions. Currently, SeDidik runs

100 TADIKA and TASKA throughout the State;

vi) **Geran Tahunan Khas (GTK) Institusi Pendidikan Awal Kanak-Kanak (IPAKK)**, with an allocation of **RM14 million** next year for **3,000 early childhood institutions**, which will benefit more than **80,000 children** in Sarawak;

vii) **Death Compassionate Assistance for Kenyalang Gold Card (KGC) Holders** of **RM15 million** will be made available next year for eligible KGC card holders to help ease the burden of the family to bear the cost of the funeral;

viii) **Haemodialysis Assistance for Kidney Patients** of **RM4.7 million** will be allocated next year to assist **260 patients** to undergo treatment; and

ix) **i-SURI Voluntary Incentive** with an allocation of **RM4.2 million** in 2024 to assist eligible *Isteri Ketua Isi Rumah* (IKIR) or *Ketua Isi Rumah Wanita* (KIRW) in Sarawak to contribute to EPF Voluntary Contribution scheme.

134. On top of that, the **integrated social intervention programme** and **community support** will continue to be implemented by the Government to provide access to temporary shelter for homeless and displaced persons as follows:

- i) **RM500 thousand** for the set-up of a **Temporary Shelter for a Low-Income Recovery Community** in Kuching;
- ii) **RM500 thousand** for the continuation of **Tempat Transit Gelandangan**;
- iii) **RM2 million** for the setting up of **Special Needs Community Centre (SNCC)**; and
- iv) **RM2 million** for the setting up of the **Community Social Support Centre (CSSC)** at Sri Aman, Sibul, Bintulu, Lawas and Mukah.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST NINE: PROMOTING SPORTS AND YOUTH EMPOWERMENT

Initiative 1: Youth Entrepreneur Development

135. Our youth are the backbone of our nation's future. One of the programmes that have been and continue to be implemented is the **Youth Entrepreneur Setup (YES)** where the programme acts as an initial exposure to the youth in the field of entrepreneurship by sharing business information from relevant government agencies. The programme also focuses on **producing competent youth entrepreneurs, growing their businesses, and strengthening support systems and networks** that can propel them forward.

136. For this, we are allocating an amount of **RM2 million** in the 2024 Budget to support the youth, sports, and entrepreneur development programme. This Budget reflects our commitment

to nurturing talent, fostering innovation, and creating an environment conducive to entrepreneurial success.

Initiative 2: High Performance Sports Development

137. I am pleased that Sarawak was selected and entrusted by the Malaysia Games Supreme Committee (MGSC) **to host the 21st SUKMA 2024**. The biennial sports event will be held throughout the **nine (9) Divisions in Sarawak**. The State hosted the event in 1990 and 2016, where Sarawak bagged the title of champion and second place.

138. **Aiming** to become the **21st SUKMA 2024 Champion** again, a sum of **RM69.35 million** is allocated to the Sarawak State Sports Council (MSNS) to equip our athletes with the finest sporting equipment together with physical and mental endurance by exposing them to the latest and current sporting, competitions, and training trends.

139. As for operational facets such as developing sports talents, sports development activities and manning sports infrastructures, a sum of **RM50 million** will be allocated in 2024 to Sarawak Sports Corporation (SSC).

140. With our vision to become the **Nation's Sports Powerhouse** and commitment to developing and managing sports professionally in producing world-class athletes, the Government, through SSC, is consistently advancing our sports landscape from the grassroots level through collaboration with schools and other sports agencies.

Initiative 3: Sports Facilities Development

141. The Government will also allocate **RM75 million** for new development and refurbishment of existing sports facilities in this Budget.

142. Among the sports projects that have been approved are the **High-Performance Centre, upgrading of Stadium Sarawak football field and refurbishment of existing sports facilities** to meet the international standards from bodies such as The International Federation of Association Football (FIFA) and the World Athletic Federation.

143. The **Sarawak Sports Village (SSV)** and **Cricket and Rugby Ground Petra Jaya** and **Wushu Centre** are expected to be completed next year. The completion of these three projects will create more opportunities and allow the State to bid and host major international events such as Borneo International Games (BIG), SEA Games, Commonwealth Games and other tournaments at the newly completed facilities.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST TEN: DEVELOPING AN INNOVATION-BASED AND KNOWLEDGE-ORIENTED ECONOMY

Initiative 1: Promoting Research & Development (R&D) and Innovation in Science and Technology

144. R&D can lead to breakthrough innovations and discoveries, which can spur economic activities or even open-up new economic opportunities. We will continue to intensify our effort to promote R&D and innovation as one of the key enablers in achieving our 2030 vision.

I) Research and Innovation Activities

145. To further stimulate the R&D and Innovation ecosystem in Sarawak, the Government will continue to provide research grants through the Sarawak Research and Development Council (SRDC). This will enable further development of highly impactful, vibrant science and technology-based research and innovation

with the potential prospect of commercialisation. These grants **target four research areas: Bioindustry & Biomedical Health Sciences; Biodiversity & Environment; Food & Agriculture; and Engineering Science & Technology.** A total of **RM15.4 million** in research grants will be made available in 2024.

II) Sarawak Infectious Disease Centre R&D Activities

146. The Sarawak Infectious Disease Centre (SIDC) has been established to focus on research involving emerging and re-emerging infectious diseases. For 2024, **RM10.7 million** is allocated for its development and operation.

147. Next year, SIDC plans to launch a **real-time Disease Surveillance programme**, encompassing a collaboration with local and global partners, including the US National Institute for Allergy and Infectious Disease. The programme's objectives include the establishment of the **Disease Surveillance**

Consortium (DiSC), the development of a disease surveillance framework, the implementation of mobile laboratory setups, and surveillance of a range of diseases such as simian malaria, rabies, tuberculosis, and others.

III) Sarawak Science Centre

148. The Sarawak Science Centre is being established as an educational space, promoting general science and STEM (Science, Technology, Engineering, and Mathematics) subjects among our younger generation. The centre also aims at enhancing scientific literacy and public awareness of global issues, encouraging students to pursue STEM-related careers. The construction of the Centre is expected to be completed by December 2025. For its development and future activities, the Government will allocate about **RM33 million** in 2024.

IV) Talent Development in the Semiconductor Industry

149. We have set up SMD Semiconductor, a wholly-owned Government company specialising in designing analogue and mixed-signal integrated circuits or chips. It will render chip design services to world-class foundry partners such as X-FAB in chip development and develop highly skilled talents for Sarawak in the industry. This is the future industry, and we need to prepare our young people for it. The global semiconductor industry is projected to exceed USD1 trillion by 2030, growing at an annual rate of 7 percent. Hence, for 2024, a total of **RM12 million** will be allocated for SMD's operations and talent development programme.

V) Biodiversity Research and Development

150. In our efforts to promote research and development in applications from our rich biodiversity, an **Algae Research and Production Facility** to demonstrate the feasibility of algae

cultivation at the community level will soon be **trial-tested in Gedong**. To implement this, RM5 million has been approved under the 12th Malaysia Plan, of which **RM500 thousand** will be channelled to the **Sarawak Biodiversity Centre** in 2024.

151. Overall, a total of **RM19 million** will be allocated to the Sarawak Biodiversity Centre in 2024 for its operations and various R&D projects.

VI) Sago Research

152. To support our ongoing R&D in developing technologies and applications in relation to sago and sago biomass, an allocation of **RM23 million** will be provided for **CRAUN Research** in 2024 for its operations and R&D projects.

VII) Research in Tropical Peatland

153. In continuing our effort to undertake research to manage tropical peatland in Sarawak in an environmentally sound and sustainable manner, an allocation of **RM6.5 million** will be allocated to **Sarawak Tropical Peat Research Institute** in 2024 for its operations and seven research projects.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST ELEVEN: COMBATING POVERTY AND ENHANCE PEOPLE'S WELLBEING

154. Under the PCDS 2030, we aim to ensure all poor households will be alleviated from poverty by improving their household income and quality of life. This will be achieved through deliberate and conscious intervention by the Government. Various ministries and agencies are currently undertaking catalytic initiatives using multidimensional

approaches focusing on developing productive and resourceful human capital, capacity building, and active involvement of low-income households in various economic activities.

155. In order to ensure that the poverty issue is being tackled holistically, and taking into consideration Sarawak's own peculiarities, the Government recently commissioned the **Study on Poverty Alleviation in Sarawak**. The objectives are to do a baseline study on the incidence of poverty in Sarawak, review the effectiveness of current poverty alleviation initiatives, and proposes comprehensive plan to alleviate poverty in Sarawak by 2030. A sum of **RM3 million** will be allocated next year for the study.

156. My Administration will continuously prioritise and intensify efforts to **elevate the rakyat's economic stature** through the implementation of various programmes and projects, which include the following:

Initiative 1: Establishment of Sarawak Social Innovation Fund

157. To improve the well-being of individuals and communities based on outcome-driven programme design, products, and services, I am pleased to announce that the State will allocate **RM10 million** for the establishment of the **Sarawak Social Innovation Fund (SSIF)**.

158. This Fund is to enable **NGOs, higher learning institutions, and private companies** to undertake promising **community-based and private sector driven solutions** that have evidence of results or outcomes in **six priority** areas as follows:

- i) Economic and job opportunities;
- ii) Healthy futures and people's wellbeing;
- iii) Youth empowerment and development;
- iv) Green and sustainable development;
- v) Emerging technology adoption; and
- vi) Digital inclusivity.

159. The Fund, which is part of a **Whole-of-Government approach** in affecting change in our society, also aims at **promoting public and private sector participation** in **solving socio-economic problems** on sustainable, effective, and efficient manner.

Initiative 2: Empowering Low-Income Group in Small Businesses

160. Efforts will continue to be intensified to ensure the focus group, especially the B40 group, is provided with the opportunity to generate and increase their income. The Government is implementing **micro capital assistance** to kick off small business which includes:

i) **Low-Income Household Empowering (LIFE) programme** with an allocation of **RM3.8 million** next year to assist **2,500** recipients. This programme assists the vulnerable, risky and affected group to uplift their income through small business ventures; and

ii) *Bantuan Ketua Isi Rumah Wanita Sarawak (KIRWaS)* with an allocation of **RM300 thousand** next year that provides cash assistance of RM500 to empower 600 Sarawak women entrepreneurs.

Initiative 3: Providing Welfare Aids

161. The Government will continue to provide cash assistance targeting the hardcore poor households, elderly and the vulnerable, children and the disabled. Under this Budget, a sum of **RM53 million** will be allocated for various assistances, including Bantuan Am, Bantuan Bencana, and Bantuan Orang Kelainan Upaya.

Initiative 4: Providing Affordable Housing

162. In our strenuous effort to provide a decent home for the *rakyat*, especially for the low-income group, this Budget allocates **RM105 million** for the implementation of **17 affordable housing**

projects in **Kuching, Limbang, Miri, Betong, Mukah and Sarikei** involving **1,481 units**. The industrialised building system (IBS) method will be used to expedite the delivery of these houses.

Initiative 5: Enhancing Home Ownership & Affordability

163. Besides providing affordable houses, the Government also provides **end-financing facilities** and other assistance to ensure the *rakyat*, especially the poor households and B40 to own a house. Among the assistances are as follows:

I) End-financing for Affordable Housing

164. The Government has allocated **RM122 million** for Mutiara Mortgage and Credit Sdn. Bhd (MUTIARA), a wholly-owned subsidiary of HDC to address the end-financing problem affecting low-income group (B40) and middle-income group (M40) home buyers. As of August 2023, a total of about **RM84**

million involving **1,455 accounts** have been approved, and out of this, **RM54 million** has been disbursed to **1,052 successful applicants**.

II) Housing and Repayment Assistance Scheme

165. Housing and Repayment Assistance Scheme (HDRAS) provides **financial assistance of RM10,000** to eligible home buyers under **B40 and M40 groups** to purchase affordable houses for housing projects sanctioned by the Government. HDRAS also provides **repayment assistance of RM200 per month for up to 48 months**. Home buyers approved with 100 percent loan financing from any financial institution are also eligible for repayment assistance.

166. Under this initiative, **RM40 million** has been set aside for this scheme, targeted to benefit 4,000 home buyers. As of September 2023, **854 applications** has approved involving a sum of **RM7.5 million**.

III) Longhouse Loan Scheme

167. For 2023, the Sarawak Government has allocated **RM50 million** to implement the **Longhouse Loan Scheme**. As of July 2023, all allocations have been disbursed, which benefited **78 longhouses** consisting of **1,698 doors**.

168. The Government will make available another **RM50 million** for the scheme in 2024.

IV) Resettlement Scheme (SPS) and Village Extension Scheme (SPK)

169. The implementation of the **Resettlement Scheme (SPS) and Village Extension Scheme (SPK)** reflects the priority and concern of my Administration towards low-income individuals who require land to build their own houses.

170. As of August 2023, a total of **319 schemes** have been provided, with a provision for **41,651 residential lots**. Under the

12th Malaysia Plan and *Projek Rakyat* allocation, a total of **65 new SPS and SPK projects** have been approved, which will provide **7,035 residential lots** with an estimated cost of **RM1,134 million**. Out of these 65 projects, 12 have been fully completed, and the remaining 53 will continue until the end of 2025. This Budget will allocate a sum of **RM166 million** for this purpose.

171. The Government has also set a **land premium fee** not exceeding **RM2,500 for each residential lot** within the SPS and SPK, even though the cost of providing each lot falls within the range of **RM120,000 to RM150,000**. This demonstrates the Government's commitment to helping the *rakyat* who are in need.

V) Urban Renewal Project

172. The main objective of the Urban Renewal Project is to improve the standard and quality of life of the people by providing affordable housing, well planned settlements with basic

infrastructure, recreational facilities, places of worship and business premises.

173. To achieve this objective, a total of **16 Urban Renewal projects** have been approved under the 12th Malaysia Plan with a ceiling of **RM601 million**, out of which **RM122 million** will be allocated in 2024 to implement various projects as follows:

- i) Sand filling and infrastructure works at Kemuyang, Sibul of RM60 million;
- ii) Sungai Bedaun Housing Project of RM40 million;
- iii) Jepak Redevelopment Project of RM13.5 million; and
- iv) Tabuan Melayu and Tabuan Foochow Redevelopment Project of RM6 million.

174. Among the projects currently being implemented and completed is Darul Hana Redevelopment Project Phase I. Another two new Urban Renewal projects, namely Bukit Assek Development Project and Kampung Seberang Kedai Lawas

Redevelopment Project, have been approved under the Mid-Term Review of 12th Malaysia Plan.

175. As of August 2023, a total of 1,099 affordable housing units have been completed under the programme. Meanwhile, **1,829 units** will be built in 2024, expected to be completed by early 2026.

Initiative 6: House Rental and Repair

176. We will also continue to provide house rental assistance and repair of houses to improve the well-being of the *rakyat* through the following programmes:

I) Sarawak Rental Assistance Scheme

177. To assist the low-income group in reducing living costs and mitigating urban poverty, the Sarawak Government has introduced a **rental subsidy initiative** through the **Sarawak**

Rental Assistance Scheme (SRAS) with an allocation of **RM48 million**. Under the scheme, eligible applicants will receive rental assistance of **RM200 a month** for **up to 36 months**. For **2024, 6,000 households** are targeted to benefit from this initiative, which involves a sum of **RM12 million**.

II) Program Penambahbaikan Rumah Rakyat Miskin Sarawak (MRP – PPRMS)

178. A sum of **RM60 million** will be provided in the 2024 Budget to continue with the programme to repair dilapidated houses targeting the B40 group. The allocation is for repair works with a maximum of **RM15,000.00 per house**. Since its introduction in 2018, a total of **45,666 beneficiaries** have benefitted from this programme, with an expenditure amounting to **RM254.3 million**.

Tan Sri Datuk Amar Speaker,

**STRATEGIC THRUST TWELVE: ENHANCING
GOVERNMENT CAPACITY AND SERVICE DELIVERY**

179. **Reform efforts** are being undertaken to build more responsive and effective public civil service so that it is able to deal with the current and future challenges. The objectives of this reform initiative are:

- i) increase capacity of government strategic human resource management and workforce planning;
- ii) strengthen the recruitment system;
- iii) strengthen the performance-oriented policies and performance management system; and
- iv) enhance the well-being of State Civil Service

Initiative 1: PCDS 2030 Monitoring and Performance Management

180. Given the importance of tracking the implementation of PCDS 2030 to achieve our aspirations, a sector has been established in the Economic Planning Unit (EPU) Sarawak to monitor the implementation of PCDS 2030, namely the **Performance Management and Delivery Sector (PMD)**. The **Performance Dashboards** for each PCDS 2030 sector tracks the **yearly Key Performance Indicators (KPIs)** based on the PCDS 2030 objectives for each of the sector. We will publish the **first PCDS 2030 Annual Report for 2023**, showcasing the key highlights and progress across the six economic sectors and seven enablers.

Initiative 2: Capacity Building of State Civil Service

I) Restructuring Of State Civil Service

181. Sarawak Civil Service's (SCS) workforce plays a pivotal role in ensuring the smooth functioning of government agencies. Their function in providing efficient and quality government services would create trust and confidence among the *rakyat* towards the Government.

182. Recognising the vital role of SCS as the pulse of the Government, we are embarking on a transformation journey in response to rapid development and changing circumstances. The Government is currently conducting a **comprehensive study on SCS's functions and structures to restructure and transform SCS**. The study is expected to be completed soon, and its recommendations are to be implemented in 2024.

II) Enhancing Performance Management System

183. The **performance management system** will also be enhanced based on **improved evaluation criteria** in line with the organisation's performance. For this purpose, a sum of **RM1.5 million** will be allocated in 2024 under the **SCS Talent Management System**.

III) Capacity Building of Sarawak Civil Service

184. Capacity building goes hand-in-hand with cultivating a high-performance culture. This synergy ensures that our SCS is knowledgeable, highly effective, responsive, and proactive.

185. In this regard, we are embarking on various capacity-building programmes in the SCS. This include ***Hadiah Latihan Dalam Perkhidmatan*** or **HLDP** which allows officers to continually seek knowledge and embrace a high-performance ethos. In 2023, we have sent State officers to attend **training**

programmes at renowned higher learning institutions such as Harvard University, Lee Kuan Yew School of Public Policy, Oxford Centre of Islamic Studies, and Melbourne Business School.

186. We will continue to develop the talent of our SCS to its fullest potential. Hence, for 2024, a sum of about **RM20 million** will be allocated for capacity building of the SCS.

IV) SCS Employee Well-being Initiatives: Enhancing Job Performance and Boosting Productivity

187. We recognise the dedication and contribution of the SCS and pensioners in driving the State's development. Therefore, ensuring their well-being and welfare, is a priority and a responsibility we hold dear. I am pleased to inform this august House that we have approved several well-being initiatives this year. Among them are **Medical Incentives at Private Hospitals or Clinics**, enhancements to the ***Skim Kemudahan Pinjaman Kerajaan*** and ***Kemudahan Perubatan Untuk Ibu Bapa***, which is specifically for the parents of retired SCS personnel.

188. In addition, we are rolling out awareness programmes to equip our SCS with up-to-date information and techniques to maintain their financial, physical, and mental well-being.

189. The Government is also embarking on an initiative to provide a conducive working environment for SCS. Proper facilities would enable the State machinery to function more efficiently. Thus, a sum of **RM28 million** will be set aside for the maintenance of State Government buildings, including offices and quarters, and an additional sum of **RM360 million** for the upgrading of existing Government buildings and new construction.

Initiative 3: Strengthening Good Governance

190. My Administration will ensure the **culture of integrity** is always practised at all levels of the administration. All State Departments and Agencies have been tasked to establish an Integrity Unit, and make reports and improvements on their

administration and governance. More SCS Officers will be **trained and accredited as Certified Integrity Officers (CelOs)**. To date, **164 CelOs** have been placed in various Departments and Agencies to assist the Head of Departments in cultivating integrity and good governance.

191. The tabling of the **Ombudsman Bill** in this DUN Sitting is also another **clear testament** of my Administration's commitment to **strengthen governance** and ensure **efficient delivery of services** to the *rakyat*.

Tan Sri Datuk Amar Speaker,

BUILDING A SUSTAINABLE AND GREEN ECONOMY

I) Energy Transition Policy (ETP)

192. We have initiated the drafting of **Energy Transition Policy for Sarawak**. The policy aims to ensuring the State and

its people have safe, clean, affordable, and efficient energy that is secure and reliable.

193. Clean energy is a critical component of the Energy Transition Policy. Sarawak has abundant renewable energy resources, such as hydropower, solar, and possibly wind. These resources can be used to generate clean and affordable electricity, which can help to reduce Sarawak's reliance on fossil fuels and mitigate climate change. Thus, I have requested Sarawak Energy Berhad to come up with a **Renewable Energy Plan**, and expedite the implementation of renewable energy projects.

II) Net Zero Strategy and Carbon Plan for Sarawak

194. Sarawak is also committed to **reducing emissions** and delivering its **net zero targets** in a pro-business and pro-growth way, in line with Malaysia's Commitment towards carbon neutrality as early as 2050.

195. In doing so, the Sarawak Government will allocate **RM2 million** next year for the formulation of the **Sarawak Net Zero Strategy and Carbon Plan** to develop a roadmap for us to achieve a **net zero target by 2050**. This includes policies for the carbon market and trading that are internationally recognised.

196. In addition to renewable energy, the **Just Energy Transition Policy** will promote the development of green hydrogen, bioenergy, and CCUS. These technologies can help **to decarbonise Sarawak's energy sector** and to achieve the State long-term climate goals.

III) Forest Carbon Activity

197. Malaysia is a signatory to the United Nations Framework Convention on Climate Change (UNFCCC). In 2022, the Sarawak Government amended the Forests Ordinance, 2015, to provide provision for licensing of Forest Carbon Activity. Forest carbon activity is one of the strategies to remove carbon dioxide

from the atmosphere through carbon sequestration and storing it within the forests. This key initiative will also create new sources of revenue for us.

198. The Forest Department Sarawak will undertake a **detailed forest carbon assessment** to determine the current status of carbon stock in forested areas. Thus, **RM1.4 million** will be allocated next year to **quantify forest carbon stock** in Sarawak. Currently, one carbon study permit and one carbon storage licence have been issued.

IV) Study on the Sarawak Climate Change Policy and Low Carbon Society Blueprints in Cities and Towns

199. The Government is undertaking a Study on the **Sarawak Climate Change Policy and Low Carbon Society Blueprints** covering Kuching, Miri, Sibuan and Bintulu, with an allocation of **RM1.5 million**. Under the Study, **mitigation and adaptation measures will be formulated to reduce greenhouse gas (GHG) emissions and enhance climate resilience**. To

strengthen this effort, we will be embarking on **Sarawak Green Economy Policy and Action Plans Study**, with an allocation of **RM3 million** in 2024.

V) The Sarawak Blue Economy Policy and Roadmap (2023 - 2030)

200. The livelihood of our coastal communities is very much dependent on marine resources; with more than 1000km of shoreline and rich marine resources within Sarawak's continental shelf, it is believed that the coastal and marine ecosystems of Sarawak provide enormous economic potentials.

201. Recognising the significance of these marine resources, we will develop a **Sarawak Blue Economy Policy and Roadmap (SBEP)** for the sustainable development of coastal and marine ecosystems. The SBEP promotes a holistic and participatory approach to the conservation of coastal and marine ecosystems and sustainable use and management of associated

resources such as fisheries, coastal tourism, renewable energy, and marine biotechnology.

Tan Sri Datuk Amar Speaker,

OPERATIONALISATION OF SARAWAK SOVEREIGN WEALTH FUTURE FUND

202. The GPS Government has made a momentous and forward-looking step to safeguard the economic prosperity of Sarawak with the establishment of the Sarawak Sovereign Wealth Future Fund (SSWFF), which is scheduled to commence operations early next year.

203. The initial appropriation to the Fund in 2024 will be at **RM8 billion**, which is to be approved in this Dewan Undangan Negeri sitting. With this appropriation, the Fund is expected to **grow sustainably** with **no withdrawals** except in the case of **critical events** which might arise within this 20-year period or when the Fund performs better than targeted.

204. The Board of Guardians comprising experts in finance, investment, and legal affairs have been appointed, and has conducted their first Board meeting recently.

REVENUE REENGINEERING

205. My Administration will continue to implement **revenue reengineering initiative**, focusing on measures to **broaden the State's revenue base**, as well as **strengthening revenue monitoring and collection mechanism**, leveraging on digitalisation. For the information of this august House, we have introduced **SST on timber products** with effect from 1st June this year and to date, we have collected **RM8 million** revenue from this source.

206. In our efforts to diversify our revenue base, we will also be introducing a Bill entitled **Environment (Reduction of Green House Gases Emission) Bill, 2023** in this Dewan Undangan Negeri Sitting. This Bill allows the imposition of levy on carbon trading and the emission of carbon or other greenhouse gases

from activities and processes by the economic sectors in the State.

207. We need to be continually innovative to find new ways of raising additional revenue to fund the cost of State's administration, meeting the high expectations for development by the *rakyat* and ultimately, to ensure long-term financial sustainability of the State.

FEDERAL FUNDING

208. During the tabling of the recent 2024 Federal Budget, the Federal allocation to Sarawak for development purposes increased from RM5.6 billion to RM5.8 billion. I would like to thank the Federal Government for this increase. However, this allocation represents only **6.4 percent** of the **total Federal Development Budget of RM90 billion** for 2024. It is obviously **far from enough** to meet our development needs and address

the **imbalances** between Sarawak and Peninsular Malaysia, and our Federal counterpart knows this very well.

209. Given Sarawak significant contribution to the national economic growth, as well as the Federal coffer, especially revenue from oil and gas, I **call upon the Federal Government to provide much more allocation to us in its future Budget.**

CONCLUSION

210. In a nutshell, this Budget helps making things a little easier for many parents, older Sarawakians, students, and children by mitigating some of the costs they currently face.

211. Our sustained investments since the last three years have **transformed our economy** and **strengthened our resilience**. With the continuing growth momentum, it has given our people much optimism in looking forward to the future.

212. We are also proud of our socio-economic achievements. Considering the envisaged development agenda under PCDS 2030, and the constrained fiscal space, we have **carefully balanced** the difficult choices in resource allocation in order to finance the highest priority that will propel Sarawak to a **greater height of prosperity**. I am **confident** that we have made the **right choice** moving forward.

213. By planning prudently, and focusing our investments on priority areas that matter to our people, we have made considerable progress on our path to another **surplus budget**. Because of our thoughtful and well-crafted plan, we can do this while still delivering our plan to support families, workers, and businesses across Sarawak.

214. We will continue to transform Sarawak that **our people can be proud of**, not only today, but in the future as well:

- i) **A Sarawak that continues to have a robust and strong economy.**
- ii) **A Sarawak that has well-developed infrastructure for greater mobility and connectivity.**
- iii) **A Sarawak that has highly trained and competent workforce for the jobs of today and tomorrow.**
- iv) **A Sarawak that protects you and your family from adversities of life.**
- v) **A Sarawak that is going to be a regional hub for green energy, investments, and trade.**
- vi) **A Sarawak that has a bright future ahead for our children and grandchildren.**
- vii) **A Sarawak that is united, harmonious, caring, and progressive.**

215. This should be our **collective vision**, a **common endeavour**, which I believe we can achieve, if we put our minds together and focus on executing the plan that we have laid out. Hence, I urge all our civil servants to continue **working together** with the Government, and to be **committed** in implementing the various plans and policies. At the same time, I also call upon our business community and civil society to continue giving their support to the GPS Government in **building a stronger and united Sarawak**.

216. We should set aside our differences beyond party politics and stand united for Sarawak. **SEGULAI SEJALAI, SEJIWA SENADA**. We have the responsibility to protect the uniqueness of Sarawak, with its special multi-ethnic characters. **INTU SARAWAK, PROTECT SARAWAK**, our GPS motto is apt in this respect. This Government is committed not only to bring more development and welfare to everyone, but to **safeguard our rights and protect our interests** as well.

217. Maka, Belanjawan ini merupakan laluan kita untuk menuju masa depan yang **lebih cerah, lebih makmur, lebih mapan**. Bagaimanapun, jalan ini tidaklah semudah yang kita jangka. Kita akan berdepan dengan ketidaktentuan ekonomi, baik di peringkat nasional mahu pun global. Oleh itu, adalah penting semua lapisan masyarakat termasuk sektor swasta, memainkan peranan mereka masing-masing untuk sama-sama **melonjakkan ekonomi** kita ke mercu yang **lebih tinggi lagi**.

218. Keupayaan dan kejayaan kita bersama dalam menangani cabaran getir wabak Covid-19 tiga tahun lepas, menunjukkan kita boleh mengatasi segala halangan walau sebesar manapun. Inilah semangat juang anak-anak Sarawak.
AGI IDUP AGI NGELABAN.

219. Semangat juang ini harus kita kekalkan dalam mana kita terus berusaha untuk mempertahankan hak-hak dan kepentingan Sarawak dalam Persekutuan Malaysia. Oleh itu, Kerajaan GPS akan terus komited untuk berjuang bagi

mendapatkan kembali hak-hak Sarawak yang telah terhakis di bawah Perjanjian Malaysia 1963.

220. Ini telah terbukti dengan beberapa kejayaan kita hasil rundingan dengan Kerajaan Persekutuan sejak zaman Allahyarham Tok Nan lagi. Yang terbaharu adalah persetujuan Kerajaan Persekutuan untuk **menyerah balik Lembaga Pelabuhan Bintulu kepada Sarawak.** Usaha ini akan kita teruskan termasuklah mendapatkan kuasa autonomi dalam bidang pendidikan, kesihatan dan alam sekitar.

221. Saya menyeru agar Kerajaan Persekutuan mendengar dan memahami aspirasi rakyat Sarawak ini agar masa depan Persekutuan Malaysia akan sentiasa aman dan terjamin sepanjang zaman. Saya yakin dan percaya hubungan baik dan rapat antara Kerajaan GPS dengan Kerajaan Persekutuan sekarang akan memberi penyelesaian muktamad yang kita harapkan.

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