

UCAPAN BELANJAWAN TAHUN 2023

OLEH YANG AMAT BERHORMAT 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

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 2023 dan bagi memperuntukkan wang itu untuk perkhidmatan tahun itu” dibacakan bagi kali kedua.

Bismillahirrahmanirrahim,

2. Alhamdulillah saya ingin merafakkan rasa syukur setinggi-tingginya ke hadrat Allah S.W.T kerana dengan izinNya saya berpeluang untuk membentangkan Bajet Negeri Sarawak Tahun 2023 dalam Dewan yang mulia ini.

3. Sebelum itu, dengan rasa rendah diri, saya ingin mengambil kesempatan ini untuk merakamkan setinggi-tinggi penghargaan dan terima kasih kepada seluruh

rakyat Sarawak yang telah memberi kemenangan besar kepada GPS dalam Pilihanraya Umum yang ke-15 minggu lepas. Mandat yang amat bermakna ini merupakan satu amanah dan tanggungjawab berat yang perlu dipikul oleh semua wakil rakyat GPS dengan penuh integriti dan dedikasi. Ianya juga memberi kekuatan dan semangat kepada kita untuk terus memperjuangkan hak-hak Sarawak dan menyumbang kepada kestabilan politik negara ini.

Tan Sri Datuk Amar Speaker,

OUR PRO-ACTIVE RESPONSES TO COVID-19 PANDEMIC

4. COVID-19 pandemic over the past three (3) years has upended our lives, causing tremendous hardship for so many of us. It has also significantly changed the State Government's budgetary projection and driven up expenditures. However, by the grace of Almighty Allah, we are resilient, we acted fast, and have rallied together to overcome the adversities.

5. We face unprecedented economic challenges and fought hard to save lives and jobs. Under BKSS 1.0 to BKSS 9.0, the State Government have implemented direct and indirect assistances worth **RM6.7 billion** to support our health care system, the

vulnerable and at-risks populations, businesses, and other sectors. Our responses have been the most generous and broad-based in the country with the nine (9) major BKSS packages, among others, cash incentives for B40 group, 10 percent to 25 percent discounts on electricity and water bills, 25 percent to 30 percent discount on assessment rate, and special assistance for hawkers, petty traders, micro and SMEs. These measures have indeed lessened the adverse effects of COVID-19 pandemic in easing the financial burden of the *rakyat* as well as businesses while at the same time, helped to alleviate the cost of living.

VARIATION OF PRICE (VOP)

6. In our effort towards ensuring the delivery of State Government projects during the pandemic and easing the margin erosion faced by contractors, the State Government has also initiated the Variation of Price (VOP) mechanism to address the increase in price of construction materials for all State funded projects. The State Government is expected to spend not less than **RM700 million** to implement this measure.

7. We would not be able to support these measures without the strong backup from our sound fiscal resources that have been accumulated over the years. The fallout from the pandemic could have been much worse for us had it not been for the proactive and fast response by the State Government.

8. Throughout these tribulations, we Sarawakians have come together and supported one another. Thus, I want to express my deep appreciation to:

- (1) Our tireless, dedicated and heroic healthcare workers, security and immigration personnel, transport workers, community leaders, and many others who have been unwavering in the frontlines, keeping us safe through the pandemic;
- (2) Our civil servants and those in the State Disaster Management Committee led by my able Deputy Premier, Yang Berhormat Datuk Amar Douglas Uggah Embas, who have worked unfailingly day and night delivering various assistances to our people; and
- (3) Most of all, I thank all Sarawakians for your continuous support and complying with the COVID-19 measures and giving trust to the Government that together, we can overcome these challenges.

9. Our utmost priority now is restoring hope and confidence in our people and boosting economic recovery. Next, we need to push ahead to modernize and diversify our economy to meet new demands and deal with changing global landscapes. And finally, we must continue to strengthen our society's resilience to various shocks, be it economic, environmental, or social disruptions.

Tan Sri Datuk Amar Speaker,

ECONOMIC PERFORMANCE 2022 AND PROSPECT FOR 2023

10. Before I go into the details of the 2023 State Budget, I would like to first provide a review of the economic performance for the year 2022 and the outlook for 2023 as a backdrop to this Budget Proposal.

Global Economy

11. Global economic recovery was short-lived. After experiencing a strong recovery growth of 6.1 percent in 2021, the Russia and Ukraine war that comes on top of the lingering COVID-19 pandemic has caused great uncertainty with increasingly gloomy global economic situation throughout 2022. Inflation in most countries has soared and persistent, with escalation in food and energy prices. The International Monetary Fund (IMF) in its October 2022 report, projected global inflation to reach 7.2

percent in advanced economies and 9.9 percent in emerging market and developing economies this year.

12. Growth in the world's three largest economies, namely the United States, China and European Union is weakening, with significant adverse impacts to other countries. Growth in the United States is revised downward from 5.7 percent in 2021 to 1.6 percent in 2022. Likewise, for the Euro area, growth is projected to slow from 5.2 percent in 2021 to 3.1 percent in 2022. In the case of China, its strict zero-COVID-19 policy and lockdowns disrupted factories and dampen spending, contributing to projection of slower growth at 3.2 percent in 2022.

13. With no sign that the Russia and Ukraine war is ending soon, global economic outlook for 2023 remained dim and continue to experience recessionary pressure. Global economic growth is projected at 2.7 percent in 2023 with high inflation of 6.5 percent.

Tan Sri Datuk Amar Speaker,

Malaysia Economic Performance 2022 and Prospect for 2023

14. Malaysia economy is expected to achieve a higher than estimated growth at 6.5 percent to 7.0 percent in 2022. Following a successful vaccination drive and the full withdrawal of movement restrictions since April 2022, Malaysia economic recovery has been strong. In the third quarter of 2022, Malaysia economy registered a strong growth of 14.2 percent underpinned by continued expansion in domestic demand. Overall, Malaysia economy expanded by 9.3 percent in the first three quarters of 2022. Consumer spending picked up resulted from recovery in the labour market along with the implementation of minimum wage hike beginning 1st May 2022, and continued policy support through *Bantuan Keluarga Malaysia*. At the same time, external demand remained strong with support by sturdy demand for electrical and electronic products.

15. Nevertheless, downside risk lies with the softening of global growth, rising commodity and food prices, the United States and China tensions and China's zero-COVID-19 policy that were affecting supply chains. Against this backdrop, the Malaysian economic growth is projected to grow between 4.0 percent and 5.0 percent in 2023.

State Economic Performance in 2022 and the Prospect for 2023

16. I shall now move to the Sarawak economy. In 2022, Sarawak economy is expected to grow between 5.5 percent to 6.5 percent, supported by strong external demand and improvement in domestic economic activities, reflecting normalising economic activity as we moved towards endemicity and reopening of international borders.

17. Manufacturing and services sectors are expected to be the main drivers of growth. Business activities continued to improve, including transport and storage with growth in the passenger traffic and visitors. Over the period from January to August 2022, the number of visitors to Sarawak has increased by 10 folds to 2.01 million compared to the corresponding period in 2021. We foresee this encouraging trend will continue for the rest of the year and into 2023.

18. Evidenced by the increase in property transaction volume in the first half of 2022, the services sector is further supported by the encouraging improvement in growth of the real estate sector. As trade related activities is anticipated to remain strong for the rest of 2022, we are confident that the services sector will enjoy an increasing growth, projected at 7.0 percent in 2022.

19. The manufacturing sector is projected to grow at 6.8 percent in 2022. In the first eight months of 2022, volume of LNG exported increased by 3.8 percent compared to the corresponding period in 2021. Growth in the manufacturing sector is further supported by increasing production of electrical and electronic products especially resulting from higher global demand for semiconductor. With the expected higher output of natural gas, growth in the mining sector is projected at 2.7 percent in 2022.

20. As for the agriculture sector, growth is expected to be marginal at 1.4 percent in 2022. In the first nine months of 2022, production of crude palm oil increased by 1.3 percent compared to last year, supported by gradual increase in inflow of foreign workers. Crude palm oil price for 2022 is projected to remain strong ranging between RM4,500 per tonne to RM5,000 per tonne.

21. Meanwhile, growth in the construction sector is projected to remain favourable at 5.0 percent. During the first half of 2022, growth in construction was largely driven by development of the property sector. Although earlier, there were concerns raised by the industry players on increasing cost of construction materials, the implementation of Variation of Price (V.O.P) mechanism is expected to further boost the performance of construction sector in the second half of 2022.

Tan Sri Datuk Amar Speaker,

Demand Side

22. On the demand front, strong external demand was registered in the first eight months of 2022. The total external trade increased by 1.5 folds from RM91.1 billion in 2021 to RM141.2 billion in 2022. Both export and import increased by double digit growth of 61.1 percent and 38.6 percent, respectively. Strong commodity prices continue to drive the growth in export, particularly in oil and gas, aluminium, ferro-alloys as well as crude palm oil. Oil price is expected to remain high with an average price hovering around USD100 per barrel for 2022.

23. Meanwhile, the robust performance in import was driven by growth in intermediate imports, which supports development activities in the State and expansion in manufactured exports.

24. On the consumption side, private consumption is expected to grow at 6.8 percent in 2022, intensified by recovery in the labour market and normalisation of economic activities. Furthermore, the roll out of *Bantuan Khas Sarawakku Sayang* (BKSS) and *Bantuan Keluarga Malaysia*, have provided additional support to consumer spending. In the first seven months, import on food and beverages rose by 25.6 percent.

25. On the other hand, the expected lesser spending on COVID-19 related supports in 2022 is anticipated to lower public consumption by 23.1 percent.

26. Meanwhile, both public and private investments are projected to register a strong growth of 19.3 percent in 2022 mainly driven by high public investment allocated for development projects. Import of machinery and equipment as well as intermediate goods expanded by 52.5 percent in the first eight months of this year. Approved investment in manufacturing sector also shown an increase for the first nine months amounting to **RM6 billion**, particularly in the electrical and electronic industry.

Tan Sri Datuk Amar Speaker,

27. With most economic indicators showing an upward trend, Sarawak economy is on track of recovery. Whilst we anticipate the domestic economy will gradually improve and become stronger for the rest of 2022 and into 2023, we are also aware of the downside risk that global uncertainties such as Russia-Ukraine war as well as China zero-COVID-19 policy may affect our external demand. Slowing global trade activities are anticipated to prolong into 2023, and with anticipation that the oil price may trend downwards, Sarawak economy is projected to register a growth of between **5.0 percent to 6.0 percent in 2023**. Nonetheless, this positive growth shows our

economy is proven to be resilient to pandemic disruption, aided by the State Government emergency response initiatives, and a strong vaccination programme.

Inflation

28. The disruption in the global supply chain and rise in commodity and food prices have caused higher cost of production across industries. In Sarawak, inflation went up from 1.9 percent for the period of January to August 2021 to 2.6 percent for the corresponding period in 2022. This is largely due to higher inflation from the food and non-alcoholic beverages segment, contributing 1.4 percentage-point of the overall inflation in Sarawak. As a whole, inflation in Sarawak is expected at 2.5 percent to 3.0 percent in 2022.

Labour Market

29. The labour market in Sarawak continued to improve in 2022. Employment increased in the second quarter of 2022, alongside a significant increase in labour force. This has increased labour participation rate to 70.8 percent. Unemployment rate stabilised around 3.3 percent in second quarter of this year. Following the positive outlook across the various economic sectors, the overall labour market in

Sarawak for 2022 is expected to be resilient. Unemployment rate is projected to remain around 3.0 percent to 3.5 percent in 2022.

Tan Sri Datuk Amar Speaker,

FINANCIAL PERFORMANCE OF THE STATE IN 2022

30. Now, I would like to update this august House on the State financial performance for year 2022.

REVENUE, 2022

31. The State revenue for 2022 which was originally estimated at **RM10.036 billion** is now revised upward to **RM10.159 billion** mainly due to favourable prices of oil and gas as well as crude palm oil. As of **31st October 2022**, the State has collected **RM9.695 billion** or **95 percent** of the revenue projection, mainly contributed by collection from State sales tax (SST), cash compensation in lieu of oil and gas rights, and dividend income.

EXPENDITURES, 2022

Ordinary Expenditure

32. The Ordinary Expenditure for 2022 has been revised upward from **RM10.646 billion** to **RM10.706 billion**, an increase of **RM60 million** or 2.5 percent.

33. As of 31st October 2022, **RM7.862 billion or 73 percent** of the Ordinary Expenditure has been expended. The amount expended made up of Operating Expenditure of **RM2.912 billion** and the balance of **RM4.950 billion** for appropriation to the Development Fund Account. We are expected to meet our projected budget as we move towards the end of the year.

Development Expenditure

34. The State has expended **RM5.263 billion or 69 percent** out of the total development budget of **RM7.609 billion** as of October this year. With the re-opening of economy and normalisation of economic activities, expenditure is expected to increase further as development momentum continues to pick up towards the end of the year.

Tan Sri Datuk Amar Speaker,

STATE BUDGET PROPOSAL FOR 2023

35. I would now like to table the 2023 State Budget proposal with the theme **“SARAWAK FIRST: TOWARDS AN INCLUSIVE, PROSPEROUS, AND HARMONIOUS SOCIETY”**.

36. The 2023 State Budget is formulated by anchoring on the following five (5) principles:

First : We will develop a more robust, competitive, and equitable economy;

Second: We will build Sarawak as a competitive and resilient State;

Third: We will create a smart society underpinned by digital technologies, knowledge, and innovation;

Fourth: We will continue to foster a united, harmonious, and caring society where our efforts would not leave anyone behind; and

Fifth: We will continue to plan forward for fiscal sustainability to ensure future security for our children and grandchildren as well as generations that come after us.

37. The State fiscal strategy continues our balanced approach by managing debt prudently, reducing the deficits caused by COVID-19 expenditures, while rebuilding and revitalising the economy.

38. In line with the goals of Post-COVID Development Strategy 2030 (PCDS 2030), the 2023 State Budget is framed across **eleven (11) Strategic Thrusts** aimed at steering the State economy towards higher growth and accelerated development. The **eleven (11) Strategic Thrusts** are as follows:

First: Achieving Economic Prosperity

Second: Stimulating Economic Growth

Third: Promoting Investment & Enterprises Development

Fourth: Transforming Sarawak into A Competitive Economy

Fifth: Developing Human Capital

- Sixth: Accelerating Digital Adoption and Data Utilisation
- Seventh: Balancing Economic Growth with Environmental Sustainability
- Eight: Strengthening Social Welfare
- Ninth: Enhancing Culture, Sports, & Youth Development
- Tenth: Promoting Research & Development, Science & Technology, and Innovations
- Eleventh: Enhancing State Government Capacity and Service Delivery

39. Anchoring on these eleven strategic thrusts, the State economic recovery plan under the 2023 Budget will thus, focus on accelerating economic growth, strengthening the momentum of recovery, stimulating private investments, generating employment and business opportunities, and building a more competitive and income-generating economy.

Tan Sri Datuk Amar Speaker,

REVENUE ESTIMATES, 2023

40. The State is projected to collect a revenue of **RM11.035 billion** for year 2023. This is the highest ever revenue projected thus far, reflecting our relative achievement in boosting the State coffer. The revenue is derived from the following major sources:

(1) **Tax Revenue** totalling **RM5.246 billion** or **48 percent** of the total expected revenue in 2023, comprising the following:

(i) **RM4.195 billion** from State Sales Tax of which **RM3.2 billion** from crude oil, liquefied natural gas and other petroleum products; **RM850 million** from crude palm oil and crude palm kernel oil; **RM60 million** from lottery, **RM60 million** from aluminium products, **RM22 million** from coal while the remaining **RM3 million** from tyre;

(ii) **RM550 million** from raw water royalty;

(iii) **RM287 million** from forest royalty, timber premium and tariff; and

- (iv) **RM214 million** from mining royalties, land rents and others.
- (2) **Non–Tax Revenue** is estimated at **RM5.498 billion** or **50 percent**, mainly derived from the following major sources:
- (i) **RM2.335 billion** from cash compensation in lieu of oil and gas rights;
 - (ii) **RM1.864 billion** from dividend income;
 - (iii) **RM650 million** from interest income;
 - (iv) **RM400 million** from land premium;
 - (v) **RM120 million** from cash compensation in lieu of import and excise duties on petroleum products; and
 - (vi) **RM129 million** from others, including licences, service fees, permits and rentals.
- (3) **Non – Revenue Receipt**, which is expected to be **RM26 million**, mainly from unclaimed deposits, overpayment recovered, liquidated ascertained damages and penalties, forest liquidated damages, other compounds, and disposal of vehicles; and
- (4) **Federal Grants and Reimbursements** is expected to be at **RM265 million**.

Tan Sri Datuk Amar Speaker,

ORDINARY EXPENDITURE, 2023

41. Under the Ordinary Expenditure, a sum of **RM10.797 billion** is budgeted for 2023. Out of this, **RM3.997 billion** is for Operating Expenditure while a sum of **RM6.8 billion** is for appropriation to Development Fund Account to finance the implementation of various development programmes and projects.

42. The budgeted Operating Expenditure of **RM3.997 billion** in 2023 comprises the following:

- (1) **RM938 million** or 24 percent for personnel emoluments;
- (2) **RM1.508 billion** or 38 percent for supplies and services;
- (3) **RM1.343 billion** or 34 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, scholarships, including financial and welfare assistances;
- (4) **RM90 million** for procurement of assets; and

- (5) **RM118 million** for other operating expenses.

BUDGET SURPLUS, 2023

43. I am pleased to inform this august House that with the projected revenue of RM11.035 billion and total Ordinary Expenditure of RM10.797 billion, the 2023 State Budget is expected to generate a surplus of **RM238 million**. It will continue be an **expansionary Budget** that invests heavily in infrastructures and place the **wellbeing of the rakyat at its centrepiece**.

DEVELOPMENT EXPENDITURE, 2023

44. The 2023 State Budget will continue to be a **development-oriented budget** and **rural focused**. A sum of **RM7.506 billion** is proposed under the Development Expenditure Estimates for 2023 whereby **RM4.540 billion** or **60 percent** will be for development in rural areas.

45. This estimate has taken into consideration among others:

- (1) Our commitment to complete the implementation of numerous on-going projects;
- (2) Our capacity to implement projects during the year; and

- (3) Our priority to undertake catalytic, high impact and people-centric projects.

46. In this regard, we will introduce a Value Management Framework in our process of planning, evaluating, and undertaking projects of certain threshold. Under this framework, various key stakeholders shall be involved in deriving and reaching to a decision on the optimum balance of project benefits vis-a-vis project costs and risks.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUSTS AND INITIATIVES

47. This Budget is not just a fiscal plan for 2023, but it is a foundation for Sarawak's future, a financially responsible plan that seeks to make our State safer, more secure, more resilient, and more prosperous – to set our State on a better path towards achieving our 2030 vision. With this in mind, I will now highlight the various initiatives under the **eleven (11) strategic thrusts**.

STRATEGIC THRUST ONE: ACHIEVING ECONOMIC PROSPERITY

Initiative 1: Creating Employment and Business Opportunities

48. The 2023 State Budget will prioritise efforts to accelerate development, ensure more balanced regional growth, as well as address socio-economic needs and challenges face by our people. Our huge investment in infrastructure development will also ensure the *rakyat* have greater access to employment and business opportunities to improve their standard of living. Thus in 2023, the implementation of various **people-centric projects** will be intensified which include the followings:

- (1) **Rural Transformation Programmes** with an allocation of **RM420 million**;
- (2) **Projek Rakyat** with an allocation of **RM500 million**; and
- (3) **Special Projects**, formally known as Minor Rural Projects with an allocation of **RM237 million**.

Initiative 2: Investing in Affordable Housing

49. In our efforts to ensure the *rakyat* live in decent and quality house, the State Government is committed to build more affordable housing. Towards this end, **RM316 million** had been set aside under the 12th Malaysia Plan, of which about **RM52 million** will be provided in 2023 for the implementation of 21 affordable housing projects in Kuching, Serian, Betong, Sibu, Mukah and Miri by Housing Development Corporation.

Initiative 3: Intensifying Urban Renewal Programme

50. The State Government is also focusing on sustainable urban renewal programme where affordable housing will be provided, equipped with basic infrastructure, utilities, places of worship, and integrated with other type of development such as commercial and recreational facilities.

51. The various urban renewal projects being implemented, among others are:

- (1) Darul Hana Redevelopment;
- (2) Sungai Bedaun Housing Project;
- (3) Kampung Tabuan Melayu Redevelopment;
- (4) Kampung Datu Sibu Redevelopment;
- (5) Kemuyang, Sibu Affordable Housing Development;
- (6) Kampung Baru Kapit Redevelopment;
- (7) Jepak Jaya Development,
- (8) Semariang Pinggir Redevelopment;
- (9) Kampung Wireless Miri Redevelopment;
- (10) Bandar Baru Nangka Sibu; and
- (11) Padang Kerbau/Lopeng Miri Development.

52. All these projects are currently on-going and at various stages of implementation. In 2023, a total of **RM42.5 million** will be provided to intensify the implementation of these urban renewal projects.

Initiative 4: Increasing Opportunity for Home Ownership

53. We will continue to deliver transformative change through our integrated approach of making home ownership more attainable for the low and middle-income groups. These efforts are being manifested by our various initiatives which I will now highlight one by one.

(1) Longhouse Loan Scheme

54. Sarawak has introduced the Longhouse Loan Scheme which is an **interest free loan** to help those residing in rural areas to have a comfortable home to live in. The scheme offers interest free loan up to RM30,000 per door in the form of building materials for the long house communities to build or repair their units. Since 2020, a total of **RM142 million** allocated for the scheme had been disbursed which has benefited **218 longhouses** throughout Sarawak involving **4,747 doors or units**. The State Government will make available an allocation of **RM50 million** for this scheme in 2023.

(2) Housing Deposit and Repayment Assistance Scheme (HDRAS)

55. This scheme was initially introduced in 2021 as Housing Deposit Assistance Scheme (HDAS) that provided deposit assistance of 10 percent of purchase price or up to RM10,000 to first time home buyers under B40 and M40 groups to purchase affordable houses sanctioned by the State Government. This year, this scheme has been enhanced and renamed as Housing Deposit and Repayment Assistance Scheme (HDRAS) whereby it also provides repayment subsidy to the home buyers at a sum of RM200 per month up to 48 months.

56. For this purpose, a further sum of **RM40 million** will be made available under this scheme to benefit 4,000 home buyers. To date, 318 applicants have been approved under the scheme.

(3) End-Financing for Home Buyer

57. One of the factors that makes housing remains out of reach for many Sarawakians is the difficulty for them to obtain bank financing. To address this issue, we have stepped forward to provide end-financing for B40 and M40 home buyers at

an interest rate of only **1 percent**. To date, a sum of **RM107 million** has been disbursed by the State Government to Mutiara Mortgage and Credit Sdn. Bhd. for this purpose. Presently, a total of 1,337 applications have been approved involving a financial allocation of **RM80 million**, of which a total of RM48 million has been disbursed to 976 applicants.

Initiative 5: Providing Assistance for House Rental and Repair

58. The State Government has also introduced measures to assist the *rakyat* in payment of house rental as well as repair of their houses through the following initiatives:

(1) Sarawak Rental Assistance Scheme (SRAS)

59. Sarawak Rental Assistance Scheme (SRAS) was introduced in 2021 to provide monthly rental assistance of RM200 for a period of up to 36 months to eligible low-income household. An allocation of **RM48 million** has been approved under this initiative which will benefit about 20,000 eligible households. To date, 1,335 households have been assisted under this scheme.

(2) Programme Penambahbaikan Rumah Rakyat Miskin Sarawak (MRP-PPRMS)

60. This initiative will continue to be implemented in 2023 with an allocation of **RM80 million** to assist the B40 group to repair their dilapidated houses to improve their living conditions.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST TWO: STIMULATING ECONOMIC GROWTH

Initiative 1: Intensifying Infrastructure Development and Ensuring Greater Urban-Rural Economic Integration

61. In steering Sarawak to become a high income and inclusive economy, the State Government is committed to accelerate its economic growth with greater emphasis on infrastructure development. The 2023 Budget will allocate **RM1.12 billion** to intensify infrastructure development such as roads and bridges, ports, and riverine infrastructure particularly in the rural areas. Among the major projects are: -

- (1) Design and Construction of Inner Ring Road, Kuching;
- (2) Construction of Road from Sibu Jaya to Kong Yit Khim Road, Sibu;
- (3) Jalan Pakan/Ulu Kota, Pakan, Sarikei (Phase 3) and Replacement of Seven (7) Temporary Bridges Under Phase 1 to Permanent Bridges;

- (4) Upgrading of Jalan Oya, Sibul;
- (5) Emergency Works for Damaged Public Infrastructure;
- (6) Sg. Limbang Bridge, Sg. Bunut No. 2 and Connecting Roads, Limbang;
- (7) Rural Bridges Transformation Programme; and
- (8) Vehicle Yard and Associated Facilities at Senari Port.

62. In addition, the construction of several major infrastructure projects costing billion of ringgits are being implemented and funded under the Alternative Funding initiatives such as Coastal Road Network, Second Trunk Road, Bukit Mambong Airport, and Kuching Urban Transportation System.

63. In accelerating the State's transformation agenda, the State Government would ensure that development will reach every nook and corner of the State, capitalizing on its local economic potentials. Thus, three (3) new regional development agencies have recently been created namely Greater Kuching Coordinated Development Agency (GKCDA), Betong Division Development Agency (BDDA), and Rajang Delta Development Agency (RADDA), apart from other five regional development agencies which had been established earlier. This is also in line with our bottom-up approach; empowering and decentralizing our development efforts across all regions for better coordination and more effective projects implementation.

Initiative 2: Expanding Electricity and Water Supplies Coverage

64. The State Government aspires to achieve 100 percent coverage for water and electricity supplies by 2030. Hence, utilities would be provided equitably to our people in a quality, affordable, reliable, safe, and sustainable manner. A sum of **RM26 million** will be allocated for electricity supply projects in 2023 as follows:

- (1) **RM12 million** for Replacement of Battery and key components for stand-alone solar system;
- (2) **RM8 million** for Supply of Electricity to Schools Yet to be Connected from Public Grids;
- (3) **RM4 million** for Additional Late Applicant Funds (ALAF); and
- (4) **RM2 million** for SARES to Sarawak electricity grid.

65. On top of this, there are on-going electricity supply projects taken up by Sarawak Energy Berhad (SEB) on behalf of the State Government funded under Alternative Funding.

66. As for water supplies, a sum of **RM125 million** will be allocated in 2023 for the implementation of water supply projects, among others as follows:

- (1) Serian Regional Water Supply Phase II;
- (2) Raw Water Supply Betong;
- (3) Construction of Sludge Treatment for Batu Kitang Plant;
- (4) Construction of Salim Plant Phase III, Sibui;

- (5) Construction of Plant No. 5 at Landeh and Storage Tank at Bukit Sipaya, Kuching;
- (6) Rehabilitation of Plant No. 1 at Batu Kitang, Kuching;
- (7) Construction of Storage Water Tank Bukit Pancur, Serian;
- (8) Pipeline Extension from Old Ulu Oya to Sibu West; and
- (9) Construction of Sibu West Storage Tank.

67. Apart from these projects, the Sarawak Water Supply Grid Programme for Stressed Areas funded via Alternative Funding initiative will continue to be intensified. A sum of **RM900 million** will be made available in 2023 to implement, among others the following projects:

- (1) 100 million Litres Mid-level and 9 million Litres Upper-level Reservoirs at Matang Water Treatment Plant;
- (2) Transmission Main Across Btg Sadong Bridge to Simunjan, Pipeline Replacement, Relocation, and Extension at Sebang and Sebuyau, and Associated Works;
- (3) Upgrading of Bayong Water Treatment Plant;
- (4) Water Supply to Pulau Brait;
- (5) Kapit Water Treatment Plant Augmentation and Improvement Works;
- (6) Kanowit Water Supply Phase II;
- (7) Tinjar Water Supply; and

(8) SAWAS Phase 2.

Initiative 3: Developing Industrial Estates and Business Premises

68. The manufacturing sector is among the six major economic sectors identified to be the anchor for Sarawak to attain a high-income economy by 2030. More will be done to diversify and expand industries where Sarawak holds comparative advantage such as in oil and gas, energy-intensive, high-tech, food processing, shipbuilding, alongside the traditional timber-based and oil palm-based sector.

69. Therefore, we will allocate a sum of **RM65 million** in 2023 for the development of industrial parks in Kuching, Sibul, Sri Aman, Miri, and Limbang; and Anjung Usahawan Projects in Samarahan, Betong, Sri Aman, Sarikei, Mukah, Kapit, Miri and Limbang.

Initiative 4: Growing the Mining Sector

70. We foresee the huge potential of Sarawak mining sector that could be further developed to increase State revenue and accelerate economic growth. Efforts will be intensified to explore mining reserves and potential Public Private Partnership (PPP) to attract private sector investment. In 2023, the State Government has approved the implementation of the following measures:

- (1) Formulation of State Mining Policy and Blueprint with an allocation of **RM3.0 million**; and
- (2) Developing Geological Mapping with an allocation of **RM3.0 million**.

Initiative 5: Boosting Tourism Sector

71. Sarawak aspires to be a leading destination for eco-tourism and business events, driven by empowered communities to conserve heritage, culture and biodiversity. The recently completed Third Sarawak Tourism Masterplan 2021-2035 will serve as the roadmap to transform Sarawak into a preferred tourism destination through sustainable approaches, including providing economic opportunities for the rural communities. In 2023, the State Government will aggressively promote tourism through various initiatives as follows:

(1) Enhancing Air Connectivity

72. The State Government through Sarawak Tourism Board will make Kuching as a gateway and hub for Umrah. In 2023, a sum of **RM11 million** will be set aside as financial incentives and support for this initiative. This is expected to generate an

estimated RM16 million economic benefits in terms of local tours and tourism receipts.

73. Efforts are being made to increase flight connectivity. International connectivity with Singapore and Brunei has been re-established, while active negotiations are being pursued with the Indonesian authorities to resume direct flights between Kuching and Pontianak before the end of the year.

74. Given air connectivity is vital for tourism growth, the State Government is embarking on establishing its own boutique airline to serve point to point destinations and bring in more visitors to Sarawak. We hope to be given an Air Service License (ASL) that allows the new airline to conduct scheduled passenger services.

(2) Development and Upgrading of Tourism Products and Facilities

75. We will continue to develop our tourism attractions and facilities as well as preserve existing tourism spots to further enhance Sarawak's visibility and branding worldwide. Towards this, a sum of **RM87 million** will be allocated in 2023 to continue with the implementation of tourism-related projects such as:

- (1) Transformation of Brooke Dockyard into Maritime Museum;

- (2) Santubong Archeological Park and Wallace Centre;
- (3) Construction of Jetty and other facilities at Santubong for Kuching Wetland National Park;
- (4) Sadong Jaya Mangrove Tourism;
- (5) Exhibition Content Development for Fort Hose, Marudi; Fort Lily, Betong; Fort Emma, Kanowit; and Fort Brooke, Julau;
- (6) Conservation and Upgrading of Fort Sylvia, Kapit;
- (7) Rejuvenation of Kuching Waterfront;
- (8) Tourists Support Centre for Lundu and Sematan;
- (9) Upgrading of Tourism Facilities at Melasak Waterfall, Lawas, and
- (10) Heritage Gallery and Resource Centre at Long Terawan.

(3) Attracting Events and Festivals

76. The State Government will continue to support the organization of significant events and festivals such as Spartan Race, Rainforest World Music Festivals, Borneo Jazz, Borneo Cultural Festivals, Borneo Musical Festivals, Sarawak International Dragon Boat Race, Sarawak Regatta, International Xiang Qi Competition and Conferences and many more. An allocation of **RM35 million** will be provided in 2023 to implement these programmes.

77. We will continue to market Sarawak globally with an allocation of **RM12.5**

million under Business Events Sarawak in 2023 to fund international business events.

(4) Rebranding and Promoting Handicrafts

78. In ensuring that our local producers are highly skilled in the production and management of handicrafts products, we will establish Sarawak Handicraft Centre, costing **RM65 million** to be built in Kuching. The centre will provide space to the industry to promote and sell handicraft products. In 2023, a sum of **RM500 thousand** will be allocated to kick start the project.

79. The State Government will also allocate a sum of **RM1.5 million** to the Sarawak Craft Council in 2023 to enhance marketing and promotion of Sarawak's handicraft products.

(5) Developing Sarawak Tourism Investment Zones

80. The State Government has identified five (5) major areas and proposed to be further developed as tourism investment zones namely Sarawak Delta Geopark, Santubong Peninsula, Hydro-lake Development Areas, Lundu-Sematan and Miri-Sibuti-Niah. These dedicated zones will become a catalyst to spur the growth of the tourism sector and attract private sector investments in resorts, wellness, and new tourism products.

(6) Intensifying Tourism Promotion

81. To ensure tourism industry gets back on its feet, and to support tourism related auxiliary sectors, we will allocate **RM32 million** in 2023 to Sarawak Tourism Board for its operation, tourism marketing and promotion.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST THREE: PROMOTING INVESTMENT & ENTERPRISES DEVELOPMENT

Initiative 1: Facilitating Domestic Investment and Making Sarawak a Preferred Investment Destination

82. It is vital that growth gravitates to the business sector. Thus, we will continue to boost investment that will drive productivity, create jobs, and generate income for our people.

83. Sarawak has been one of the most preferred investment destinations in Malaysia. This is due to a business-friendly State Government that is ever ready to facilitate investors. We offer many competitive edges such as ready industrial land, competitive electricity price, and educated workforce.

84. The State Government remains committed to create an ideal climate for investment through attractive policies and initiatives to shore up the confidence of both local and foreign investors. In this respect, we have established **InvestSarawak** to promote Sarawak globally towards attracting foreign direct investment. A sum of **RM7 million** will be allocated to InvestSarawak in 2023.

Initiative 2: Facilitating Businesses and SMEs

85. Entrepreneurship is critical to fostering innovation, create jobs, stimulate economic growth, and improve quality of life. The State Government will continue to provide our young entrepreneurs with the platforms to become tomorrow successful business leaders.

86. With the resumption of economic activities, the State Government is focusing on assisting our businesses to recover. Various initiatives will continue to be implemented under the 2023 Budget that ensure business continuity, among others, provision of soft loan, interest subsidy, financial assistance for start-up, product development, capacity building, e-Commerce, and promotion and marketing. Among them are:

- (1) Special Relief Fund, Targeted Relief & Recovery Facility (TRRF) and PENJANA Tourism Fund (PTF) with an allocation of **RM18 million;**

- (2) Skim Kredit Mikro Sarawak and Skim Pinjaman Industri Kecil dan Sederhana (SPIKS) with an allocation of **RM14 million**;
- (3) Graduan ke Arah Keusahawanan (GERAK), Usahawan Teknikal & Vokasional (USTEV) and Transformasi Usahawan Desa Sarawak, with an allocation of **RM7 million** to assist graduates, school leavers, and rural entrepreneurs with technical skills to start and expand their businesses; and
- (4) Go Digital Programme with an allocation of **RM5 million** to develop digital savvy SMEs and assist them to market their products and services through e-commerce.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST FOUR: TRANSFORMING SARAWAK INTO A COMPETITIVE ECONOMY

87. Sarawak has many of the essential building blocks it needs to be a competitive economy as well as an economic powerhouse in Malaysia. We have a strong base of commodities and minerals that are in demand globally, abundant sources of renewable energy, a growing population, and an open economy with talented workforce.

Initiative 1: Venturing into Commercial Agriculture

88. Agriculture sector remains as one of the pillars of our economy. New jobs and business opportunities will be created in this sector by focusing on commercialization, mechanization, consolidation of our idle land, digitalization of agriculture activities through smart farming, and private sector participation.

89. Numerous initiatives to attract private firms either locally or from abroad to venture into commercial agriculture in Sarawak have been and continue to be intensified. These include the privatisation of the existing agriculture, fisheries, and livestock stations in order to optimise State Government assets for commercial production of agricultural produces.

90. Sarawak Farmers Organisation (PPNS) as well as Area Farmers Organisation (PPK) are actively collaborating with the private sector to strengthen the marketing of farmers' produces. These include joint-venture involving Rambungan Aquaculture Project, Meragang Livestock Station and Batang Ai Aquaculture Project.

Initiative 2: Establishment of Foreign Trade and Tourism Offices

91. At the international level, the State Government also endeavours to attract foreign investment and tourists through the establishment of Foreign Trade and Tourism Offices. In this regards, **RM10 million** will be provided in 2023 for Trade and Tourism Office in Singapore namely STATOS, as well as setting up of another two in Negara Brunei Darussalam and Pontianak, Indonesia.

Initiative 3: Enhancing Food Security

92. The State Government will also strengthen its effort in advancing a more resilient agriculture eco-system to address the issue of food security and safety, and to create wealth for the agro-based community. This is in line with our aspiration to be a net food exporter by 2030.

93. It is important that we continue to promote the consolidation of smallholdings and idle land. This requires participation of the private sector that will bring in capital, technology, expertise, and market. This is the way forward if we want to tap the huge regional market for agriculture produce just at our doorstep. These are being undertaken through the following initiatives:

(1) Developing Agropark

94. The State Government is actively pursuing the development of agropark. To date, three (3) agropark projects namely Sg. Baji Sarikei, Asajaya, Samarahan and Parit Bugis, Sarikei are under various stages of implementation. In 2023, an allocation of **RM14.8 million** will be provided to complete the farming facilities at Sg. Baji Agropark and for Parit Bugis Agropark preliminary works.

95. Five (5) other areas have also been identified for agropark that include Bebuling and Lubok Tamang in Betong Division, Lubok Ipoi – Lubok Trenggas and Gedong – Semelatong in Samarahan Division, and Simanggang Agropark in Sri Aman Division, which is mainly for paddy cultivation.

(2) Establishing Permanent Food Production Zone (Taman Kekal Pengeluaran Makanan) (TKPM)

96. Under the 12th Malaysia Plan, a sum of **RM5 million** has been approved to improve and maintain the existing seven (7) TKPM to ensure continuous food production to meet domestic demand. In addition, three (3) new TKPM at Kubong, Sg Sebiew, and Tunoh have also been approved and will be implemented in 2023, with a provision of **RM1.5 million**.

(3) Rehabilitation and Development of DID Schemes

97. In our efforts to increase food production, developing proper drainage and irrigation systems are essential and will continue to be put in place. In 2023, an

allocation of **RM900 thousand** will be allocated for the rehabilitation and upgrading works of DID Schemes in Tanjung Purun and Pueh in Kuching Division and **RM1 million** for the development of controlled drainage scheme project in Kg. Mujat in Serian Division. Another **RM25 million** will also be provided in 2023 under *Projek Rakyat* for the rehabilitation of eight (8) DID schemes in Samarahan Division and in the Food Basket region of Betong and Mukah.

98. On the other hand, the State Government has approved the following projects funded under Alternative Funding, among others:

- (1) **RM229 million** under Integrated Regional Samarahan Development Agency (IRSDA) for irrigation and drainage projects which include rehabilitation and construction of coastal bund and drainage system;
- (2) **RM130 million** for the development of drainage and irrigation infrastructure at Selepong Panggil, Sri Aman, an area with huge potential to be the new rice bowl of Sarawak; and
- (3) **RM52 million** for the development and upgrading of infrastructure and facilities at Loba Stoh Aquaculture Park, Rambungan to boost the production of fisheries.

(4) Developing Food Terminal

99. To enhance the marketing efficiency for agriculture produces and products, the State Government has approved a total sum of **RM60 million** under Alternative Funding to build a regional food terminal at Semenggok. In 2023, a sum of **RM3.5 million** will be allocated for this project.

Initiative 4: Promoting Smart Agriculture

100. The State Government is actively pursuing the adoption of modern technology across the agro-based sector and along the agriculture supply chain to enhance the competitiveness and sustainability of Sarawak agriculture sector. In this regards, key initiatives that are currently being implemented by the State Government include:

(1) Development of Sarawak Agro-technology Park (SARTECH)

101. The proposed development of Semenggok SARTECH under 12th Malaysia Plan is expected to commence in 2023 with an allocation of **RM1 million**, while Tarat SARTECH will be funded under Alternative Funding with a sum of **RM4 million** in 2023.

102. The development of SARTECH in these two areas is expected to attract global technology-based agricultural related firms towards transforming Sarawak agriculture into a technology-driven sector.

(2) Rural ICT and Digital Training Programme

103. In our efforts to accelerate the adoption of smart agriculture in Sarawak, the State Government continues its capacity building programmes among the farmers and agropreneurs. Towards this, a sum of **RM975 thousand** is allocated for various ICT and Smart Farming Programme in 2023.

(3) Development of Precision Farming Park

104. The development of precision farming park in Rampangi, Kuching; Sg. Sebiew, Bintulu and Kabuloh, Miri, will include modern agriculture facilities such as automated machines, sensors, and Internet of Things (IoT). It focuses on the production of high value food crops with private sector participation. In 2023, a sum of **RM21 million** will be provided for this development under Alternative Funding.

Initiative 5: Raising income of Farmers and Smallholders

105. The State Government will continue to implement measures to raise the income level of our farmers and fishermen. Under 12th Malaysia Plan, the Department of Agriculture Sarawak has been allocated a sum of **RM44 million** to implement various programmes to support the smallholders in the crops, inland fisheries, and for the processing and marketing of agriculture produces and products. The Department

of Veterinary Services Sarawak will be allocated a sum of **RM26 million** to support the development of livestock farmers and carry out the department's various activities in 2023.

(1) Sarawak Agro Fund

106. The State Government had approved an allocation of **RM50 million** for Sarawak Agro Fund to benefit commercial farmers and industry players in aquaculture, poultry, ruminant and food crops, as well as food processing industry. A sum of RM25 million has been provided this year and another **RM25 million** will be allocated in 2023. To date, a total of 27 commercial farmers and agropreneurs have benefited from this fund.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST FIVE: DEVELOPING HUMAN CAPITAL

Initiative 1: Enhancing Quality of Education

107. Education is critical as it helps our children reach their full potential. We need to develop a pool of world class talent that will become a foundation of Sarawak's future. Thus, we will continue to invest heavily in our children's education through the implementation of various initiatives, among others: -

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

108. Sarawak is the only State that fully implements the teaching of Science and Mathematics in English (DLP Sarawak). We have taken this bold step to improve the standard of English and provide strong foundation in Science, Technology, Engineering and Mathematics (STEM) education for our students to enable them to compete in the global arena. Since 2019, the State Government has spent more than RM13 million to ensure the success of this programme. In 2023, a sum of **RM1 million** will be provided for this programme.

(2) Establishment Of Learning Institutions and Resource Centres

109. In 2023, a sum of **RM28 million** will be set aside for the implementation of the following projects: -

- (1) Establishment of SeDidik new preschools throughout the State mainly to cater for children from low-income families with an allocation of **RM20 million**;
- (2) Advanced Automotive Training Centre with an allocation of **RM7 million**; and
- (3) Establishment of village libraries in small towns in Sarawak with an allocation of **RM1 million**.

110. I am pleased to inform that in April this year we have opened our first State-owned International School in Kuching. In 2023, a sum of **RM8 million** will be provided to cover the operating expenses of this School. The second international school located at Mile 12, Kuching-Serian Road costing about **RM58 million** funded under Alternative Funding is nearing completion, where it is expected to start operation by 2024. The other three (3) international schools located in Sibul, Miri and Bintulu will follow suit from 2025 onwards.

Initiative 2: Enhancing Talent Development

(1) Continuous Professional Development

111. We will continue the upskilling and reskilling of teachers and school leaders in order to update them with the latest education contents and technologies in

teaching. In 2023, through the Ministry of Education, Innovation and Talent Development, approximately **RM3 million** is allocated for this purpose. An additional sum of **RM1.3 million** will be provided in 2023 to cultivate ICT know-how among teachers and students.

Initiative 3: Providing Educational Assistance Programmes

112. In 2023, the State Government will also continue to provide allocation for various educational assistance programmes, among others as follows: -

- (1) **RM40 million** operating grant to Centre of Technology Excellence Sarawak (CENTEXS),

- (2) **RM30 million** as assistance for repayment of PTPTN loan for Sarawakian graduates who have repaid 30 percent and above of their PTPTN loan, through the provision of 30 percent loan repayment discount as incentive for settlement of outstanding loan balance. To date, this incentive has benefited 11,095 Sarawakian graduates;

- (3) **RM20 million** for Early Childhood Care and Education (ECCE) for operations of SeDIDIK which now has 98 TADIKA and TASKA;

- (4) **RM15 million** annual grant to 3,000 Early Childhood Care Institutions which will benefit more than 80,000 children in Sarawak;
- (5) **RM13.7 million** for Scholarship and Loan for students;
- (6) **RM10 million** for Free Tuition Programme; and
- (7) **RM1.95 million** for One-Stop Early Intervention Centre (OSEIC) Sarawak to ensure children with disabilities are given equal right to education.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST SIX: ACCELERATING DIGITAL ADOPTION AND DATA UTILISATION

113. We will also continue to focus on transitioning to a digital economy, improving on how we deliver public services that are seamless and people friendly.

Key initiatives in 2023 Budget include the followings: -

Initiative 1: Enhancing Digital Connectivity

114. In our efforts to widen the internet coverage and connectivity especially to rural communities, 7,000 towers are required to be built to achieve 99.9 percent

internet penetration throughout Sarawak. Presently, 3,471 towers have been completed, 1,043 towers will be built in stages by end of 2023 and the remaining will be constructed and completed before 2030.

115. In spearheading the digital connectivity for greater urban-rural economic integration, under the Sarawak Linking Urban, Rural and Nation (SALURAN) initiative, the following measures are being implemented: -

- (1) Construction of SMART 600 towers project;
- (2) Provision of broadband facilities under the WIFI SALURAN via Very Small Aperture Terminal (VSAT) Technology throughout 250 sites in rural areas. This is an interim solution to provide internet access to the underserved community which have benefited 86,562 users;
- (3) Expansion of Sarawaknet services through Digital Socio Economy Programme to 60 sites throughout Sarawak;
- (4) Expansion of 130 km fibre optic at Sebauh, Bintulu through Sebauh Rural High-Speed Open Broadband Network Pilot Project to connect 49 longhouses, 6 schools, 2 higher education institutions, and 3 State Government offices in Sebauh District;

- (5) Installation of Point of Interconnect (PoI) to provide Internet Services for 9 National Parks; and
- (6) Implementation of wireless broadband services via Sarawak Rural Broadband Network (**MySRBN**).

Initiative 2: Delivering Better Services Through Digitalization

116. The State Government recognizes the opportunities provided by digital economy to act as a new driver for economic growth. The roll out of the State Digital Economy initiatives have enhanced the State's digital transformation in key economic sectors including agriculture, manufacturing, tourism, e-commerce, services, and digital Government. Among the key initiatives being implemented are: -

- (1) **Smart City projects** in Kuching and Miri which include the installation of security cameras in strategic locations, installing smart traffic lights, upgrading transportation system, and promoting the concept of green buildings (GBI). Sarawak Integrated Operation Centre (SIOC), the brain of the smart city is also being implemented as a centralised monitoring and control centre. In 2023, an allocation of about **RM48 million** will be made available under Alternative Funding for these initiatives;

- (2) **IoT adoption** which is expected to boost productivity and yield, increase efficiency, reduce cost and dependencies on manual labour especially in agriculture and manufacturing sectors; and
- (3) **Digital State Government Services** with an allocation of **RM25 million** in 2023 for the implementation of numerous digital projects which include, among others, the followings: -
 - (i) Integrated Service Management System;
 - (ii) ICT Development and Enhancement Project for Lands and Surveys;
 - (iii) Digitalization of Water Supply - JBALB Water Billing System; and
 - (iv) State e-Procurement System.

117. Over the last five (5) years, Sarawak has produced number of successful outcomes in its digital transformation, which include among others the followings:

- (1) SPayGlobal, which has become the main platform for businesses, State Government and private sector transactions;
- (2) SMART300 telecommunication towers that provide high-speed internet connectivity in rural Sarawak; and

- (3) Digital Village and eleven (11) Innovation Hubs throughout the State that have benefited 108 local start-up companies.

118. Moving forward, we will be implementing the new Sarawak Digital Economy 2030 Blueprint to quantum leap our digital economy. This Blueprint will further enhance our public service delivery, create new business opportunities, provide access to global market, generate jobs, and improve social wellbeing.

Initiative 3: Developing Digital Talent

119. Investment in digital talent is critical to meet the need of new industries. The State Government, through the establishment of Digital Economy Testbeds for several key economic sectors such as Centre of Excellence (CoE) 5G & Smart City Open Lab and IR4.0 Prototyping Lab & Testbed, will accelerate the adoption of digital technologies by various industries. These are being carried out through technology showcases, research and development, innovation, and commercialization platform, as well as workforce transformation programs.

120. Besides that, Digital Community Centres (DCC) have been set up to enhance digital skills and talent capacity of the local community. DCC is equipped with broadband internet services, laptops and tablets, digital video conferencing, 3D printers, and digital information. To date, **45 DCC** have been in operation since the

year 2020 with **2,963 programs** that have benefited **79,955 participants**.

121. In addition, the State Government is setting up a new entity to spearhead semiconductor chips design in Sarawak in partnership with international players. The new entity will play a crucial role in completing the semiconductor eco-system in Sarawak and moving the industry to a higher value chain, thereby creating highly skilled jobs for our local talents. Initially, **RM3 million** will be allocated for the setting up of this outfit.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST SEVEN: BALANCING ECONOMIC GROWTH WITH ENVIRONMENTAL SUSTAINABILITY

122. Sarawak aspires to be globally recognized in sustainable management of tropical forest and biodiversity conservation while promoting its timber industry.

Initiative 1: Promoting Environmental Sustainability

123. The Forest Landscape Restoration (FLR) Programme plays a major role in Sarawak environmental sustainability goal. It aims to restore ecological integrity and improve the productivity and economic value of degraded forest landscapes through

programme such as replanting of trees. A sum of **RM19 million** was approved under 12th Malaysia Plan to implement this project, with 35 million trees targeted to be planted within the next 3 years. In 2023, **RM2.3 million** will be budgeted for the continuation of this initiative. As of August 2022, more than 14.45 million trees have been planted.

124. The State Government has also implemented Forest Management Certification (FMC) policy. This policy provides mandatory requirements for all long-term licensees in Sarawak which cover an area of approximately 3.9 million hectares to obtain FMC. This certificate aims to ensure that sustainable forest management standards in Sarawak are in line with international standards while enhancing Sarawak's reputation in the global market. To date, areas covering about 1.35 million hectares have successfully obtained FMC.

(1) Totally Protected Area and Wildlife Protection & Management

125. In 2023, a sum of **RM6.5 million** will be assigned for conservation and protection of wildlife and Totally Protected Areas (TPAs). Sarawak has targeted to designate 1 million hectares of Sarawak landmass as TPA by 2025. As of second quarter of this year, total gazetted TPA is at 872,386 hectares.

126. To enhance the management of TPAs and wildlife, the following projects have also been approved for implementation under *Projek Rakyat*;

- (1) Development of One-Stop Centre at Bukit Lima Nature Reserve with a total cost of **RM5 million**;
- (2) Establishment of Nature Discovery Centre at Piasau Nature Reserve with a total cost of **RM30 million**; and
- (3) Publicity Programmes for Inscription of Niah National Park as UNESCO World Heritage Site with a total cost of **RM1.14 million**.

Initiative 2: Developing Hydrogen Economy

127. Recently, the Hydrogen Council estimated that worldwide there are approximately 520 on-going hydrogen projects. Globally, USD160 billion of direct private investments have been recorded, and more than USD400 billion additional private investment in hydrogen plants have been taken up by various governments worldwide. Hydrogen will indeed be the energy source of the future.

128. Thus, Sarawak is aiming to become a leader in hydrogen economy in Malaysia, with plan to begin large-scale commercial production and export of

hydrogen by year 2027. The collaboration between South Korean companies like Samsung Engineering, POSCO and Lotte Chemical, together with Sarawak Economic Development Corporation (SEDC) to develop hydrogen and green ammonia plant in Bintulu, shall be an integral part of our hydrogen economy development.

129. On top of this, Sarawak is presently embarking on enhancing its public transport system via the development of the Automated Rapid Transit (ART) which is to be integrated with digital solutions to create seamless experience using hydrogen fuel cell. We expect this eco-friendly integrated public transportation system will reduce carbon footprint in Kuching City **by 15 percent by year 2030.**

Initiative 3: Greening Our Economy

130. As we grow our economy, we are mindful of our social responsibility to safeguard our environment, maintain its quality, and strengthen our resilience against impact of climate change. Sarawak's reputation and image around the world are tied back to our action or inaction towards environmental issues, particularly on climate change. It is undeniable climate change is a global threat, and that our country is not spared. Therefore, Sarawak having the largest forested area in Malaysia, with immense carbon sequestration opportunities, must play its part for the country to achieve its net zero target emission by 2050.

131. In this regard, we will be undertaking a comprehensive study on the Sarawak Climate Change Policy and Low Carbon Society Blueprint in Cities and Towns in Sarawak and Formulation of Sarawak Green Economy Policy and Action Plans. In 2023, a sum of **RM3 million** will be provided for these purposes.

132. To further step up these efforts, I have established a new Ministry known as Ministry of Energy and Environmental Sustainability.

Initiative 4: Promoting Carbon Capture Utilisation and Storage (CCUS)

133. Sarawak has been identified as one of the potential regions in the world for Carbon Capture, Utilisation and Storage (CCUS). CCUS can fast track the path to net-zero emissions. CCUS goes beyond fossil fuel applications and contributes to emissions reductions in the power and industrial assets, while underpinning new economic opportunities associated with the production of low-carbon hydrogen and ammonia.

134. In Sarawak, we have recently passed the Land Code (Amendment) Bill, 2022, which give us better position to develop CCUS as a powerful mitigation technology towards low-carbon economy.

Initiative 5: Developing Blue Economy

135. Under the Sarawak Reef Ball Project Phase 1, a total of 16,800 reef balls have been deployed in Sarawak's coastal areas from Tanjung Datu to Lawas, to protect the marine eco-system and resources in the State coastal water as well as to safeguard fishing grounds from illegal fishing trawlers activities. The reef balls deployment work has contributed to the improvement of our local communities' livelihood, marine biodiversity conservation, environmental protection, and fishery resources enhancement. In view of the success of Phase 1 of the project, the State Government will be implementing Phase 2 with a total cost of **RM30 million**.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST EIGHTH: STRENGTHENING SOCIAL WELFARE

Initiative 1: Strengthening Social Services and Enhancing Social Protection

136. We will continue to enhance the protection of women, children, senior citizens, and the unfortunate with our development model which is people-centric, where we will reach out to all levels of the society to ensure inclusivity and dignified existence for all. In 2023, we will continue to implement various safety net programmes to allow these citizens deal with adversities of life. These programmes include the followings: -

- (1) **RM52 million** for various welfare aids such as *Bantuan Am* and *Bantuan Bencana*;
- (2) **RM21 million** for Free Water Programme;
- (3) **RM15 million** for Post-Natal Care Assistance;
- (4) **RM12 million** for Kenyalang Gold Card (KGC) as Death Compassionate Assistance for 4,000 beneficiaries of the elderly aged 60 and above;
- (5) **RM10 million** for Endowment Fund Sarawak;
- (6) **RM10 million** for financial assistance on Electricity Connection Charges;
- (7) **RM4.2 million** as Special Grant for *Kasih Suri Keluarga Malaysia* that will benefit widows and single women registered under the National Poverty Database (eKasih) System. Presently, a total of 127,412 women in Sarawak have benefited, the highest in the nation;
- (8) **RM3.75 million** for Low Income Household Empowering Programs (e-Life) to assist 750 recipients towards uplifting their income through small business venture by providing them with starter kits and entrepreneurship skills;
- (9) **RM3.5 million** for awareness and intervention programs for community wellbeing programme; and

- (10) **RM2 million** for *Bantuan Pesakit Buah Pinggang (BPBP)* to assist kidney patients to undergo treatment as well to purchase more haemodialysis machines.

137. Apart from these financial assistances, the State Government will also provide allocation to establish centres for the disadvantaged and special needs community as follows:

- (1) **RM500 thousand** for the setting up of Safe Haven for Homeless and Displaced Communities Centre in Bintulu and Miri, a transit shelter to provide assistance and protection among the individuals and families who are involved in social problems.
- (2) **RM500 thousand** for the initial works to set up Special Needs Community Centre (SNCC) – a functional well-integrated and one-stop community centre for special needs community. The concept moulded for this SNCC will be the **first** in Malaysia.
- (3) **RM2.2 million** for setting up Community Social Support Centre (CSSC) that functions as a one-stop centre for social issues, problems, and interventions for the disadvantaged, vulnerable and marginalized families, and individuals like those having problems of addiction, homelessness, divorce, marriage, personal identification, etc.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST NINTH: ENHANCING CULTURE, SPORTS, AND YOUTH DEVELOPMENT

Initiative 1: Intensifying Youth and Culture Development Programmes

138. Sports, arts, and culture is vital as it reflects our self-identity, unite us as one people, produce avenue for self-expression and creativity. In Sarawak, youth represent 1.2 million or 43 percent of Sarawak population. They are future leaders who will inherit our place. In 2023, a sum of **RM6.1 million** will be allocated towards youth development and mass sport programmes which among others, include International Youth Mental Health Conference, International e-Sports Games, National Extreme Sports Challenge, International and State Youth Volunteer Day, Youth Environmental Programme, Youth Entrepreneur Setup (YES) and many more.

139. We will continue to emphasize on the promotion and preservation of our culture and arts as part of our rich heritage. Our initiatives to develop youth talents in arts and culture particularly in music, film, theatre, and innovation programmes will be intensified through the setting up of Sarawak Youth Creative Industry Fund. The

Fund, with an allocation of **RM9 million** has enabled our youth to participate in international programmes such as World Championship of Performing Arts, as well as venturing into digital creative contents.

140. We will continue to mobilize our youth as a productive force in our society. We will develop them as entrepreneurs by providing training and financial assistance. In 2023, a sum of **RM2 million** will be allocated for the implementation of various activities under Youth Entrepreneur Development.

Initiative 2: Developing and Upgrading Sport Facilities

141. Through sports, we can develop a culture of self-discipline among our youths and maintain physical and mental fitness. Sarawak has proven that our mission to produce world-class-athletes is not just an expression. This is manifested by the achievement of our Sarawakian athletes representing Malaysia at the Tokyo Olympics Games and Paralympics Games 2021. In line with our aspiration to make **Sarawak a Nation's Sports Powerhouse**, presently we already have three (3) Olympians, and by year 2030, we target to produce eight (8) Sarawakian Olympians.

142. This Budget will provide a sum of **RM41 million** to Sarawak Sports Corporation and **RM17 million** to Sarawak State Sports Council to fund their operations as well as to implement various sports development programmes.

143. On top of this, a sum of **RM47 million** will be provided in 2023 for implementing various sport facilities projects including upgrading and refurbishing the existing sport facilities, which include the followings:

- (1) Sports Facilities at Petra Jaya;
- (2) Wushu Training and Competition Centre, Petra Jaya;
- (3) Sebauh Sport Complex, Bintulu;
- (4) Selangau Mini Sports Complex; and
- (5) Upgrading of Stadium Balingian.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST TENTH: PROMOTING RESEARCH & DEVELOPMENT, SCIENCE & TECHNOLOGY, AND INNOVATION

Initiative 1: Developing an Innovation Eco-System

144. Innovation is a key driver of long-term economic growth. Thus, we will continue to foster research and development (R&D), initial commercialization, and

diffusion of innovative ideas and technologies. In promoting science and technology, the State Government is embarking on the following projects: -

(1) Establishing Sarawak Science Centre

145. The State Government is setting up a Science Centre to increase STEM literacy among school students, youth, and community at large, as well as to promote innovation culture. A sum of **RM20 million** will be set aside to kick start the Science Centre construction works in 2023.

(2) Establishing Sarawak Bio-Industrial Park

146. In promoting R&D and commercialization of bio-based products, the State Government will provide a sum of **RM2 million** for the establishment of Sarawak Bio-Industrial Park in 2023. This project will create an ecosystem for innovation and commercialization. This initiative would also enable Sarawak to tap into global biotechnology wealth and capitalize on our rich biodiversity.

(3) Setting Up Sarawak Infectious Disease Centre

147. The COVID-19 pandemic, as well as the outbreak of rabies in Sarawak have taught us that there is an urgent need for Sarawak to address the gaps in our preparedness for pandemics and future outbreaks. Towards this, we will be establishing the Sarawak Infectious Disease Centre to spur the development of bio-medical and bio-technology industries and drive human capital development in bio-medical sciences. A sum of RM191 million has been committed for the entire project, of which **RM20 million** is expected to be spent in 2023. In addition, we will allocate a sum of **RM8 million** to Sarawak Research and Development Council to support its R&D and innovation activities in 2023.

(4) Promoting R&D in Biodiversity

148. We will continue with our initiatives to conserve, protect, and manage our resources sustainably and also committed to keep 60 percent of our landmass as forest cover. Effort to conserve and promote biodiversity as a natural capital will pave the way for more investment inflow into Sarawak. This will co-create solutions, generate more green jobs, and business opportunities to drive our economy in a sustainable manner. In 2023, a sum of **RM21 million** will be set aside for Sarawak Biodiversity Centre to promote R&D in biodiversity.

Tan Sri Datuk Amar Speaker,

STRATEGIC THRUST ELEVENTH: ENHANCING STATE GOVERNMENT CAPACITY AND SERVICE DELIVERY

149. While our focus is to accelerate our economy, we will continue to manage our expenditures growth prudently and secure the best value for every ringgit we spend. We will ensure expansion of our civil service does not put a strain on our financial resources, and only being done where necessary.

150. The past three (3) years presented many unprecedented challenges, but these challenges were also a catalyst for us to continue transforming the work and culture of our public service.

Initiative 1: Capacity Building of Sarawak Civil Service

151. There is more to be done. The pandemic has highlighted we need to continue strengthening public services that people rely on. The robust implementation of numerous initiatives, programmes and projects under 12th Malaysia Plan require competent and dedicated Sarawak Civil Service workforce. A sum of **RM27 million** will be allocated for capacity building of Sarawak Civil Service workforce to facilitate them as enabler for change and transformation.

152. Under the 2023 Budget, greater emphasis will be given towards:

- (1) Making State Government services more accessible and digital-friendly;
- (2) Managing talent through the implementation of numerous Training, Education and Development (TED) programmes to help cultivate the leadership and help civil servants harness the skills to deliver world-class services. These programmes include sending senior officers abroad to attend courses and programmes organized by renowned higher learning institutions such as Harvard University; and European Institute of Business Administration (INSEAD) Singapore;
- (3) Improving the recruitment system that enables us to attract the right and highly qualified candidates;
- (4) Enhancing the performance management system; and
- (5) Introducing SCS Employee Wellbeing initiatives to improve job performance and increase productivity in SCS Workforce.

Initiative 2: Restructuring of State Civil Service

153. With higher responsibility and projects complexity, it is imperative for us to restructure our public sector for service delivery excellence. This initiative would include restructuring of public sector employment to address the gaps in SCS structure as well as to cater for expansion of public services.

154. Upgrading and creation of posts will provide civil service the required capacity to adjust and respond effectively and efficiently to the changing circumstances and align itself to meet the goals of PCDS 2030.

Initiative 3: Enhancing Wellbeing of State Civil Service

155. The State Government is also committed to provide conducive working environment for the wellbeing of the SCS. In 2023, a sum of **RM28 million** will be set aside for the maintenance of State Government building including offices and quarters, specifically those in the rural areas, and an additional sum of **RM167 million** for the upgrading of the existing building and new construction.

Initiative 4 : Strengthening Good Governance

156. Strengthening integrity among civil service and even civil society, will continue to be our top priority. When I took over the Administration, I have embarked on strengthening integrity and good governance with the implementation of

numerous initiatives and programmes under **Anti-Corruption Plan** such as Corruption Risk Management (CRM), Organizational Anti-Corruption Plan (OACP) and Anti Bribery Management System (ABMS) MS ISO 37001:2016.

157. Another key initiative is embarking on special integrity course for SCS. To-date we have 90 Certified Integrity Officers (CeIOs) and another 74 who have undergone three (3) months training. Apart from that, Integrity Unit has also been set up in all State agencies to implement integrity related activities.

Initiative 5: Strengthening Border Security

158. The GPS Government is taking various measures aimed at strengthening our border security and safeguarding our sovereignty. We have requested the Federal Government to improve Sarawak-Kalimantan border control efforts by increasing more PDRM General Operation Force and army personnel, especially in several 'hotspot' areas where movement of illegal immigrants is quite rampant.

159. Our security initiatives include equipping Sarawak border enforcement agencies, GOF and Army with All-Terrain Vehicles (ATV), Drones and Telecommunication equipment to facilitate the security forces in guarding our border.

Initiative 6: Establishment of Sarawak Coastguard (SCG) and Immune Belt Enforcement Team (IBET)

160. To protect our coastal territory and continental shelf, we have established our own Sarawak Coastguard to address the encroachment of foreign and local fishing vessels and protecting our marine resources. Under the 12th Malaysia Plan, a total scheme value of **RM388 million** has been approved for construction of 15 unit of assets and Sarawak Security and Enforcement Unit office complexes in Sejingkat, Tanjung Manis, Bintulu, and Lawas. In 2023, a sum of **RM23 million** will be set aside for this purpose.

161. We had also established the Sarawak Immune Belt Enforcement Team (IBET) to guard the State's borders towards addressing the issues of rabid dogs' movement across the Sarawak-Kalimantan border.

Tan Sri Datuk Amar Speaker,

ENHANCING FINANCIAL MANAGEMENT

REVENUE REENGINEERING

(1) Dividend Policy

162. My Administration will continue to undertake revenue reengineering to increase our coffer to meet ever-increasing development needs. One of the latest initiatives is the introduction of a standard dividend policy which requires State GLCs to declare an annual dividend of at least ten (10) percent of its Profit After Tax (PAT). The implementation of this dividend policy would also inculcate financial discipline, promote performance-driven culture, and create a greater sense of accountability among all GLCs.

(2) Carbon Trading

163. The role of forests in climate change mitigation and carbon sequestration has provided opportunities for us to explore the potential of new sources of income through carbon trading and Payment for Ecosystem Services (PES). Through forest carbon activities, the State is expected to tap into a new source of revenues. Presently, the State Government is in the process of preparing mechanisms and regulations related to carbon trading in Sarawak.

Tan Sri Datuk Amar Speaker,

SAVING FOR THE FUTURE

164. In this DUN Sitting, I will be tabling a Bill on the establishment of the **Sarawak Sovereign Wealth Future Fund**. Whilst we are continuously managing and dealing with the current development issues, we are also thinking about tomorrow, about the long-term interests and welfare of all Sarawakians. We must ensure that we have a steady stream of income from our reserves so that our future generations will not lose out, instead they will also prosper like their forefathers. This is in fact a prerequisite for improving inter-generational wellbeing of our people. That is the basis for the establishment of **Sarawak Sovereign Wealth Future Fund**.

165. This Fund will not only enable us to maximize our capital but also prepare us in mitigating the impact of our depletable natural resources especially oil and gas. I will dwell in more details on this Fund when tabling the motion later.

FEDERAL FUNDING

166. During the tabling of the recent 2023 Federal Budget, **RM5.4 billion** has been announced for Development Budget to Sarawak. This amount represents only **5.7 percent** of the total Federal Development Budget of **RM95 billion** for 2023 and, is

obviously far from enough to meet the development needs and address the imbalances between Sarawak and Peninsular Malaysia.

167. Given our significant contribution to the national economic growth as well as Federal Government coffer in terms of collection of taxes and other sources of revenue, especially from oil and gas, I call upon the new Federal Government to allocate at least 10 percent of the total annual Development Budget to Sarawak. I would also urge that this allocation be directly disbursed to the State Trust Account to expedite the implementation of Federal funded projects in the State.

REVIEW OF SPECIAL GRANTS TO SARAWAK

168. As we all know, the negotiations for Sarawak's Special Grant entitlement under Article 112D of the Federal Constitution has been pursued through a Joint Consultative Committee Meeting under the *Mesyuarat Majlis Khas Mengenai Perjanjian Malaysia 1963*.

169. I wish to inform this august House that we have submitted to the Federal Government our formula to review the Special Grants for Sarawak. Thus, I implore the Federal Government to give due and serious consideration to our proposal that is fair and equitable to the State.

SARAWAK REPRESENTATION IN INLAND REVENUE BOARD

170. I am pleased to announce to this august House that the Federal Cabinet has agreed with the State's proposal to have representatives from Sarawak and Sabah in the Inland Revenue Board of Directors in line with the spirits of the Malaysia Agreement 1963. This is a big achievement for our State, as we have fought for our rights on this matter several times through the *Mesyuarat Majlis Khas Mengenai Perjanjian Malaysia 1963*.

171. The representation is necessary and critical to ensure Sarawak receives its rightful share in tax revenue returned to the State. Therefore, we urge the new Federal Government to expedite the tabling of the amendment to the Inland Revenue Board of Malaysia Act 1995 (Act 533) in the Parliament, to enable the representatives from Sarawak and Sabah to be included in the Board of Directors.

Tan Sri Datuk Amar Speaker,

CONCLUSION

172. Tahun hadapan merupakan 60 tahun kita mencapai kemerdekaan dalam Persekutuan Malaysia. Walaupun kita telah mencapai banyak kejayaan dalam tempoh tersebut, namun perjuangan kita untuk memastikan kita duduk sama rendah dan berdiri sama tinggi sebagai equal partners dengan rakan sekutu kita di Semenanjung belum lagi selesai. Dengan itu, Kerajaan GPS tidak akan berhenti berjuang selagi hak-hak Sarawak yang telah terhakis tidak dikembalikan.

173. Sewaktu perundingan Perjanjian Malaysia, generasi pengasas kita telah berusaha sedaya upaya untuk memastikan hak-hak Sarawak sebagai sebuah wilayah dalam Malaysia tidak dicantas dan terhakis, malah dipertahankan sampai bila-bila masa. Hak-hak dan perkara-perkara asas yang perlu dilindungi tersebut telah termaktub dalam Perjanjian Malaysia 1963 dan Laporan Inter-Governmental Committee (IGC). Salah satu tunjang perjuangan GPS adalah untuk terus mempertahankan dan melindungi hak-hak yang termaktub ini dan menuntut balik mana-mana hak yang telah terhakis.

174. We will not stop and waver in this quest, until Sarawak is given the rights that are due to her. Federalism comes with certain inherent obligations and responsibilities of each party that are embedded within the system. It is not a unitary

system, neither it is a one-sided affair. Its future lies with the fulfilment of these obligations by the signatory States towards one another.

175. Thus, for the sake of national unity and the future of this Federation, I urge the new Federal Government to listen to the loud and clear voices of Sarawakians who have given a resounding mandate to the GPS Government. For us to maintain cohesion, harmony, and building a better future for all our citizens, it is crucial that the Federal system be strengthened, not through more centralization, but towards greater decentralization and autonomy to be accorded to Sarawak in line with the letter and spirits of MA63.

Tan Sri Datuk Amar Speaker,

176. Kemajuan yang telah kita capai adalah hasil daripada kesatuan dan sokongan padu rakyat, serta pelaksanaan dasar-dasar Kerajaan yang progresif dan berorientasikan pembangunan. Inilah yang perlu kita pertahankan. Tidak ada orang lain yang dapat menjaga Negeri kita lebih baik selain diri kita sendiri. Inilah keistimewaan rakyat Sarawak. Oleh itu, saya menyeru semua rakyat Sarawak tanpa mengira fahaman politik, agama dan bangsa agar terus memberi sokongan padu terhadap usaha memajukan dan memakmurkan Negeri kita. *Intu Sarawak. Utamakan Sarawak.*

177. Therefore, it is my goal that this Budget will be a Plan to get our people working, doing business, to make life better, and the pledge to boldly and unflinchingly stand up for the rights and interests of Sarawak. Sarawakians have overwhelmingly endorsed and supported our commitment by giving us the strong mandate in both the State and the just concluded General Election.

178. Our economic recovery has been achieved as result of our proactive policies and measures to stimulate domestic economic activities. These achievements will come to a naught if we have an unstable political environment. That is why the GPS Government will continue to play its critical role in building a coalition that will ensure political stability and prosperity for all Malaysians, while also for us getting a fair deal for Sarawak.

179. It is important that when the *rakyat* and the State Government are united, then our society becomes cohesive, our State emerges stronger. We have strategically charted our course towards a high-income economy by 2030 through the PCDS 2030. This can only be achieved through great teamwork, collaboration, and partnership among all strata of society. This includes the support from Members of my Cabinet, Leaders of Component Parties, and the civil society as a whole. I thank you all for your continuous support and contribution.

Tan Sri Datuk Amar Speaker,

180. We must treat our openness to diversity and multi-culturalism as the source of our strength. We must promote spirit of tolerance and convergence of new ideas among our people, especially in the young generation. Sarawak's future depends on this social foundation. Let us turn our social and natural capital into an advantage. That is why investments that we are putting in under 2023 State Budget as well as the current Budget are tailored to align with this vision of making Sarawak an economic powerhouse that will drive the whole country forward.

181. A special thank you to all the Permanent Secretaries and Heads of Department and their staff who have given their full support and input in preparing the 2023 State Budget. I look forward to their continued dedication and enthusiasm as we work together to execute the plans announced in this Budget. A Whole-of-Government approach is what need to be done, where all must come together, not working in silo, for us to achieve our goals.

182. In a nutshell, Budget 2023 is a strategic, comprehensive, and integrated roadmap to position Sarawak for the future. While the way forward may not be easy, but I am confident we can overcome them, using our wisdom, and relying on the solidarity and tenacity of our people.

183. So, let us build a better Sarawak for everyone, giving hope to our people. With these indomitable spirits and vigour, I believe Sarawak will surmount whatever challenges coming our way.

Tan Sri Datuk Amar Speaker,

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