

Winding Up Speech

by

YAB Datuk Patinggi (Dr) Abang Haji Abdul Rahman Zohari

bin Tun Datuk Abang Haji Openg,

Chief Minister of Sarawak,

on

14th November, 2018

at

18th Meeting of Dewan Undangan Negeri,

Kuching, Sarawak.

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Salutation

Bismillahirrahmanirahim.

Assalamualaikum Warahmatullahi Wabarakatuh dan Salam

Sejahtera

Salam Ibu Pertiwiku

**Tuan Speaker,
Honourable Members of the August House,**

Preamble

1. Dalam ucapan penggulungan saya kali ini, saya tidak akan menyentuh beberapa perkara spesifik kerana perkara tersebut sudah disentuhkan oleh Menteri-Menteri yang berkenaan.
2. Saya akan menyentuh tentang perkara-perkara yang amat penting bagi kita mempertahankan hak dan suara negeri supaya kita dapat membangun Negeri Sarawak untuk menjadi negeri yang lebih maju lagi dalam Malaysia.

Tuan Speaker

Sarawak Rights and Strategic Interests

3. I am speaking to all the Honourable Members of this August House with great pride in my heart, because the time is now, for us, as *Anak Sarawak*, to come out front

and defend our inalienable rights in determining the fate of our beloved homeland Sarawak. We must fight hard, with great courage and wisdom.

4. We have now come to know that we have enemies from among our so-called “friends” out there who have been quietly undermining our resources right under our noses and belittling us by saying that we do not know how to govern ourselves. To these so-called “friends”, I would be like to reassure them that we Sarawakians are capable of governing ourselves and we shall be happy if there will be no unnecessary obstacles to our efforts in asserting our rights to autonomy and self-government.

Tuan Speaker,

Asserting Sarawak’s Autonomy

5. The Proclamation of Independence for Sarawak, read by the first Chief Minister, Tan Sri Datuk Amar Stephen Kalong Ningkan on, Malaysia Day, the 16th September, 1963, contained the following words:

6. “Whereas one of the nine Cardinal Principles of the Rule of the English Rajahs was that the goal of **self-government** shall always be kept in mind and that the **people of Sarawak shall be entrusted in due course with the Governance of themselves:**
7. And Whereas this principle accords with the policy which Her Majesty’s Government of the United Kingdom and Northern Ireland have always pursued in the Governance of those territories of the Commonwealth for those affairs Her Majesty’s Government have been responsible:
8. And **Whereas in pursuance of this principle** Her Majesty’s Government by an agreement entered into on the 9th day of July, 1963, with the Government of the Federation of Malaya, the Government of the State of Singapore and the Governments of the Colonies of Sarawak and North Borneo it was agreed that the State of Singapore and the Colonies of Sarawak and North Borneo shall be federated with the Federation of Malaya, and that the said Federation shall be known as Malaysia.”

9. Therefore, it is a historical fact that both the Rajahs and the British Government agreed Sarawak was to be granted independence in fulfilment of one of cardinal principles laid down during the reign of the Rajahs that **the people of Sarawak shall be entrusted with the Governance of themselves.**

10. In pursuance of this cardinal principle, the British Government granted Sarawak **self-government on 22 July, 1963** when Sarawak had its own **Chief Minister and a Cabinet system of Government like any other sovereign country having a democratic form of Government.**

11. Sarawak was, therefore, already a **self governing country** before Malaysia Day on 16th September, 1963. This important fact distinguished Sarawak from the other States of the Federation of Malaya. The Malaysia Agreement, which the representatives of Sarawak signed on 9th July, 1963, reinforced this principle by according Sarawak and Sabah greater legislative and financial

autonomy and more sources of revenues, greater control of her natural resources, including those found in the Continental Shelf, than the other Malayan States, through the following measures:

- (a) As a **condition precedent** for the coming into force of provisions of MA 63, the Malayan Parliament is to pass a law to amend the Immigration Ordinance 1959 to incorporate the rights of Sarawak and Sabah to have **absolute control and authority over the entry into, and residence of persons not of Sarawak origin**, in our State, and this right was also to be embedded in the Federal Constitution and cannot be taken away without the concurrence of the State Authority;

- (b) The enactment of the Malaysia Act 1963 by the Malayan Parliament to:
 - (i) amend Article 1 of the Malaya Constitution whereby the new Federation of Malaysia shall

comprise the States of Malaya, the Borneo States of Sabah and Sarawak and Singapore;

- (ii) provide for special constitutional safeguards of the special interests rights and position of the States of Sabah and Sarawak;
 - (iii) providing for greater legislative authorities for Sabah and Sarawak in List IIA (State List) and List IIIA (Concurrent List) in the Ninth Schedule of the Constitution of Malaysia;
 - (iv) assigning additional sources of revenues to Sabah and Sarawak and **special grants** in the Tenth Schedule with additional borrowing and taxing powers such as the imposition of **State Sales Tax**.
- (c) the implementation of the recommendations for safeguarding the special interests and position of Sarawak and Sabah contained in the Inter-Governmental Committee Report, 1962 which have not been incorporated into the Federal Constitution by way of

executive, legislative actions to be undertaken by the Governments of the Federation of Malaya, Sabah and Sarawak.

Tuan Speaker,

12. In September this year, the Federal Government formed a Special Steering Committee chaired by the Prime Minister to review the implementation of MA 63. I, myself and members of this August House have expressed strong reservations on the composition of the Steering Committee. The membership of the Steering Committee ought to reflect or be similar to the composition of the Inter-governmental Committee (IGC) whose recommendations formed the basis of the MA 63. I trust the Federal Government would heed our strong reservations to the composition of the Steering Committee. It should be **reconstituted as an Inter-Governmental Committee comprising of representatives of the Governments of the Federation and of Sabah and Sarawak. Indeed, it was such an Inter-Governmental**

Committee that made the recommendations to provide for constitutional safeguards for the special interests and status for Sarawak and Sabah, and these recommendations underpinned the terms and spirit of the Malaysia Agreement to give birth to our Nation.

Tuan Speaker,

13. Fifty-five (55) years after the formation of Malaysia, a review of the implementation of MA 63 is timely. Over the last five and half decades, socio-economic conditions have changed, the aspirations and expectations of the people of the State the development and progress of the State have risen – they want better government delivery systems and services, better infrastructures, education and health services, more employment and business opportunities and a better future for coming generations of Sarawakians. Hence, the State Government agree that the implementation of MA 63 should be reviewed by a Committee akin to the Inter-Governmental Committee and I am pleased that this August House has on 6th

November passed a Motion which supports the State Government stand on this important issue.

Tuan Speaker,

14. Whilst supporting the review of MA 63, the State Government will ensure that those special rights for Sarawak entrenched in the Federal Constitution in accordance with the MA 63, must not be affected in anyway. These include:-

- (a) our **immigration** autonomy,
- (b) our rights to **taxation powers** like the imposition of **State Sales Tax**, port dues for State ports, royalty for minerals and timber etc,
- (c) our **rights to our natural resources** including land,
- (d) the protection of our State's boundaries which extend to the **Continental Shelf** of Sarawak, and

- (e) our right to formulate our own Development Plan and declare our own development areas under Article 95E of Federal Constitution.

These items would be **strictly non negotiable**.

Tuan Speaker,

15. I would await the views and proposals from the Consultative Committee, established by this August House, on:

- (a) What have been the **breaches or non compliance** with the terms of MA 63 and the constitutional safeguards of the special rights, interest and position of Sarawak and how these should be remedied by the Federal Government;
- (b) Whether the **performance** of the Federal Government in regard to subject matters, which under MA 63 and the IGC Report, are placed under the Federal Legislative List and over which they have **executive authority**, have satisfied the

expectations and aspirations of Sarawakians, and if not, what measures must be taken to address such **unsatisfactory performance**, including, but not limited to, the **transfer of executive authority** under Articles 80(4) and (6) and Article 95C(1)(b) of the Federal Constitution over these subject-matters to the State Government.

Tuan Speaker,

16. I wish to assure this August House and the people of Sarawak that I and the State GPS Government will unreservedly defend, protect and reclaim the rights belonging to the State as agreed in MA 63 and the constitutional instruments annexed thereto. We will ensure that Sarawak continues to have, and be accorded the level of executive, legislative, administrative and financial autonomy that will fulfil the principle that we, the people of Sarawak would be able to govern ourselves so that Sarawak will be a strong, vibrant and progressive partner in the Federation and capable of making positive

contributions towards the economic well-being, progress, stability and unity of Malaysia.

Tuan Speaker,

Desire for Sarawak Autonomy

17. Our desire for Sarawak autonomy is not a knee-jerk reaction but a long and deep-seated emotion built over the last 55 years, as we Sarawakians begin to see the great disparity in the development of Sarawak when compared to the other side of Malaysia.
18. We realise that this disparity has been created as a result of a national policy that is Putrajaya-centric which puts Sarawak as a peripheral to mainstream Malaysian politics and economics, while tapping into our natural resources.
19. We are unhappy that the Federal Parliament can pass laws which erode the power and rights of Sarawak. We are unhappy that the Federal Government has failed us in the delivery of services to our people, particularly in basic infrastructure, education and public healthcare. It is

the infringement into our inalienable rights of our homeland Sarawak and the inadequate provision for the needs of our people that compel this Government, and I must say, even the whole of this August House, to work in concert of correcting the wrong that has been done to us Sarawakians.

20. When the Federal Government has failed to deliver satisfactorily the services that they have promised us, what can we do? We have pleaded with them, but failed. They have used all kinds of excuses to justify their poor actions. They have used all kinds of administrative tricks to delay the disbursement of funds to Sarawak and caused us to have insufficient time to complete our projects, and then used that as another excuse for giving us lower allocations.
21. Against all these forms of political and administrative sabotage, invisible but real, Sarawak has no choice but to challenge them to do the right things, and then to do what we think is fair and due to us.

22. I wish to reiterate here that in seeking autonomy, Sarawak is not seeking to leave Malaysia. Sarawak will continue to coexist and cooperate with Malaya and Sabah under the umbrella of Malaysia. We are happy to be in Malaysia. What we are not happy about is the nature of our current relationship which we feel has deviated from the original spirit of the agreement to form Malaysia as encapsulated in the Malaysia Agreement of 1963. We wish for a real positive dialogue and resolution of our discontent.
23. I am glad that with the passing of the motion in this August House on the establishment of a Consultative Committee, it will provide us the platform to present our submissions on the Malaysia Agreement 1963 to the Steering Committee formed by the Federal Government. The Consultative Committee is important because it is the think tank for the Sarawak representatives to MA 63 Steering Committee, the mouthpiece as well as champions for the people of Sarawak.

Tuan Speaker,

Policy for Sarawak Autonomy

24. The call for Sarawak autonomy is in itself a major move. But what do we mean when we call for autonomy? There are three (3) major policy calls:
25. The first policy call is the development of a Sarawak-centric economic and development policy. This means that Sarawak is no more a resource-rich state for Putrajaya to tap to develop the Peninsular, but for Sarawak to use our rich resources to build our economy that is integrated in our value chains. We will develop our hinterland, build our townships and export centres, create a modern network of transport and logistics, and work with our immediate neighbours on international trade.
26. The second policy call is the devolution of power. This means that we want to have a Sarawak-centric policy on education and public healthcare, which could even be

extended to security and law and order. These are areas which are in the Federal List of the Malaysia Constitution but which the Sarawak Government feels that more could be done and done better, in the interests of Sarawak.

27. The third policy call is to look critically at the financial aspect of the Federation. What is the advantage to Sarawak from the current arrangement of the Federal Government collecting revenue from Sarawak, and then allocating resources in areas which may not be wholly suitable for the needs of Sarawak? Is there any benefit to Sarawak from this arrangement? Are there alternative arrangements in financial matter for Sarawak to relate with the Federal Government?
28. These three (3) broad policy areas should occupy all of us as we proceed to deal with Sarawak autonomy, devolution of power and their financial implications.
29. In short, we do not want to be short changed anymore. We cannot be any longer subject to Federal policies and

decision when it comes to delivery and implementation of our projects and services to the people of Sarawak. We want full autonomy in the delivery and implementation of our projects and policies, as the old, more than half century model have not worked for Sarawak. No More. Enough is enough.

Tuan Speaker,

Anak Sarawak

30. In Sarawak, we have Malays, Dayaks, Chinese, Indians as well as at least 26 different ethnic groups among our indigenous people. We are all *Anak Sarawak*. Although we are only 2.8 million people in number, our small population has the beauty of creating among ourselves a warm-hearted in the way we treat each other, such that we are all like members of the same family, regardless of our race and religion and region.

31. Sarawak has our own unique brand of humanity which only those who are born in Sarawak can truly

understand. It is as if there is a common Sarawakian spirit pervading all of us, and among all of us, who are born in Sarawak. We know that there are also many true friends of Sarawak who were not born in Sarawak but who have embraced Sarawak as a home for them. To them, we as Sarawakians welcome you with all our hearts, because they stay here to contribute to our small but vibrant Sarawak society and culture in a positive and encouraging way.

32. There are unfortunately those among us Sarawakians who, in pursuit of their ambition for power, discard their loyalty to Sarawak and open a back door for our enemies from among our so-called “friends” to enter into Sarawak politics.

100% Sarawak-based Parties

33. In this regard, it may be urgent and important that we encourage the formation of new opposition parties that are truly Sarawak-based and who are not affiliated in any way to non-Sarawakian or foreign political parties to

participate in Sarawak politics. For us, GPS, we are truly Sarawak based party and helmed for only Sarawakian.

34. We need to garner more educated and clever young men and women to be involved in politics so that our political future may be strengthened against incursions by foreign interests. Today, we have no 100% Sarawak-based opposition parties. Pakatan Harapan Sarawak is only the Sarawak chapter of the national Pakatan Harapan which is based in the Peninsula Malaysia and with leaders from Persekutuan Tanah Melayu. PH Sarawak has very little say over national policy on behalf of Sarawak. We have learnt from our history the danger of Sarawak parties being too closely aligned with Peninsula party such as to be subservient to the national politics. This is one loop-hole in such national party concept. Sarawak do not want Sarawak chapters of national parties to take up positions of political power in Sarawak. Neither do they want non-Sarawakians to influence Sarawak behind the scenes. In this context of PBB, we have all along objected to UMNO

spreading its wing to Sarawak and this will remain our policy.

35. I am therefore not wrong when I bar these non-Sarawakians from entering Sarawak when I know that they could be here to stir up sentiments and emotions that will destroy the harmony and split the unity of the Sarawak people. The risk of disruptive elements to our peace and harmony is one good reason why I will not relinquish the right of Sarawak to control our immigration policy.

36. As I have said, we shall debate on ideas and policies, but we shall not question the right of each of our communities their unique identity, culture and way of life because they define their own intrinsic values which are rich and precise to the Sarawakian identity.

Increasing Sarawakian Population

37. It is therefore in no small regard that I have proposed the encouragement of Sarawakians to have more Sarawak

babies, whether at home or abroad, so that we have many more strong and clever *Anak Sarawak* to defend our homeland. It is our strategic national interest that we encourage the growth of the population of Sarawakians in Sarawak. I have also announced the RM1,000 endowment fund for every Sarawakian born, regardless of ethnicity, religion and social status, as of the first day of next year in be invested in a fund and the amount can only be taken on their 18th birthday firstly for their education and ultimately we hope will encourage the increase the birth rate of Sarawak.

Autonomy and Finance

38. When we talk about autonomy, we are talking about devolution of power and its financial implications. We are not foolish to accept political and economic autonomy without properly looking into the finance aspects. Autonomy means access to our financial resources and spending them according to our goals.

39. The original financial plan for Malaysia is that Federal takes the income and other tax revenue from Sarawak and spends on Sarawak on matters of national interests such as law and order, security, education and public health. Along the way, Federal has also taken away our rights over our oil and gas as well as deep-sea marine fishery resources. As a result, much of Sarawak is under-developed and we have to rely on the exploitation of our land-based resources for our own development, leading to unwanted environmental issues.
40. On such serious matters, Pakatan Harapan Sarawak had the audacity of making a pre-election offer of 20% oil royalty and 50% of all taxes collected in Sarawak be given for the Sarawak Government to spend on education and healthcare. The 20% oil royalty was and is our demand, and not a gift from them. Furthermore, they do not even know how to define the oil royalty properly. On income and other tax revenue, in fact we would insist on 100% of the revenue from Sarawak be returned to Sarawak for our government spending, not just 50%.

Economics Of Oil And Gas From Sarawak Perspective

Tuan Speaker,

41. On the imposition of State Sales Tax on petroleum products, I would like to thank the Federal leaders on their views. I respect their views and concerns. However, as I have mentioned several times, the imposition of sales tax is the State legitimate power as enshrined under the Federal Constitution. Therefore, this decision ought to be respected.

a) Revenue Contribution From Oil And Gas To Federal Government

42. Now let me elaborate on the economics of oil and gas from Sarawak perspective.

43. It cannot be denied that the Federal government, since the enforcement of Petroleum Development Act, 1974, has gained tremendous financial benefits from the production of oil and gas from Sarawak. These benefits are derived from the receipts of:-

- (i) Tax from Petroleum Income;
- (ii) Tax from Corporate Income;
- (iii) Dividend from Petronas and associate companies;
and
- (iv) Royalty

44. The combined financial benefits made up to more than half of the share of revenue from oil and gas. One can easily compute, the huge financial benefits gained by the Federal government as well as Petronas over the past 42 years and contributing to the prosperity of Malaysia.

b) Revenue Contribution From Oil And Gas To State Government Of Sarawak

45. In the case of the State of Sarawak, the only revenue contribution from oil and gas is a mere 5 percent royalty and dividend from our investments in MLNG. Over the past 42 years, revenue from the 5 percent royalty to the State amounts to only RM33.5 billion. This quantum of

revenue from oil and gas is rather insignificant as compared to the financial benefits received by the Federal government. As such, we have not been able to enjoy fully the benefits from oil and gas resources extracted from our land.

At this juncture, it has to be noted that last week it was reported that Petronas will give a one-off dividend of RM30 billion from its reserves to the Federal Government. It takes Sarawak 42 years to accumulate RM33.5 billion financial benefits from its oil and gas. What an irony!

c) Imposition Of State Sales Tax

46. The State government's decision to impose 5 percent sales tax on petroleum products is conferred by the Federal Constitution as in Schedule 10, Part V, Section 7. Hence, it is constitutionally legitimate for the State to impose State Sales Tax.

47. The State Sales Tax Ordinance 1998 allows the State to impose sales tax on goods and services and is applied on sale value.
48. Under the broad category of taxable petroleum products, the first, being crude petroleum is predominantly exported from the State. For the information of this august House, the crude oil extracted from Sarawak is of premium grade i.e. light and sweet crude which are for export and fetch premium price.
49. The second major category of the taxable goods is natural gas which is predominantly sold to LNG plants for processing. As for the other categories, namely liquefied natural gas, chemical based fertilisers and gas to liquid products such as kerosene, naphtha, and wax are also mainly for export.
50. I wish to make a clear and well understood by everyone that any of these petroleum products that are consumed locally are not significant in volume. **Furthermore, these**

petroleum products that are to be sold locally shall be exempted from the sales tax.

Tuan Speaker,

51. The imposition of sales tax on petroleum products is upon careful study and thorough analysis and I would like to give assurance that it will not burden our people as it will have no impact on the cost of living. To the business community, the imposition of sales tax on petroleum products will have no impact on the cost of doing business in Sarawak contrary to the ignorant opinion of some of the Members from Pakatan Harapan.
52. Let me quote an example, when the sales tax was imposed on crude palm oil and crude palm kernel oil, it did not lead to the increase in the price of cooking oil.

d) Industry Players In Oil And Gas

53. For the industry players in the oil and gas related business, the imposition of sales tax is the right of Sarawak that ought to be recognized.

54. In respect of the concern that the imposition of 5 percent sales tax will impact Petronas financially, the Federal government has the power to review the rate of Petroleum Income Tax on income of Petronas and other players in the industry.

Tuan Speaker,

55. In summary, the imposition of sales tax on petroleum products is on the same basis as that of the Federal government exercising its right on the imposition of Sales and Services Tax (SST) pursuant to Federal Constitution. Our effort to levy on sales tax is also in the same spirit of the Federal government to strengthen financial capacity. This is more so that Sarawak needs more revenue to enhance its financial capacity to fund all the much long awaited and needed basic infrastructure and amenities for the well-being of our people. We have been deprived

from enjoying better quality of life for more than half a century despite the fact that the State of Sarawak is the biggest oil producing State in Malaysia. What an irony! Therefore, it is time for us to take control of our own destiny and boldly move on with our development agenda.

Tuan Speaker,

Federal Development Spending in Sarawak

56. For the record, in the 53 years since the First Malaysia Plan in 1966 to 2018, the total cumulative Federal development allocation for Sarawak was about RM79 billion or a meagre 7.3% of the total cumulative allocation of RM1.1 trillion for the whole of Malaysia. During that same period, the Sarawak Government allocated RM80 billion for development spending within Sarawak.

57. The Malaysian Budget 2019 on 2nd November announced two weeks ago an allocation for Sarawak to RM4.35 billion for 2019, which was marginally larger than for preceding years.

58. This is a major disappointment after the big pre-Budget announcement by Pakatan Harapan Sarawak, a week before, that the allocation for Sabah and Sarawak would increase from 25% to 30% of total allocation in the Malaysian Budget. In fact, the allocation to Sarawak is only 7.9% for 2019. This is a shameless lie by Pakatan Harapan Sarawak to falsify and misled Sarawakians. It has also defended the cancellation of many projects for Sarawak on account of not being budgeted for, while the Malaysian Budget was being prepared. It is clear that Pakatan Harapan Sarawak lies and they have no say in the Federal Government.

59. This is why I have resolved that we shall trust only ourselves to undertake Sarawak-centric policies which are good for Sarawak. We must be prepared to chart our

own future for the sake of our children and grandchildren. We in Sarawak have to decide our own fate. Only Sarawakians can take care of Sarawak.

60. It is for this reason that I announced a record Development Budget of RM9.1 billion for 2019 for Sarawak out of our own resources on the first day of DUN. It is time that we seriously begin to develop the infrastructure of our economy for future growth based upon our own and foreign investment, hard work and ingenuity of our people.

Tuan Speaker,

Sarawak-centric Economic Policy

61. We have to develop Sarawak-centric economic policy. This means that we must have a strategy to develop our hinterland and our natural resources, as well as to develop an efficient network of transport and logistics. Sarawak has always been an international trading nation

and we shall develop our economy for efficiency and international trade.

62. We have in the past developed our transport and logistics for the exports of unprocessed natural resources, particularly, oil and gas, timber and palm oil. We must now build a new network of transport and logistics for the production and export of agriculture food production, agricultural processing, and services for international trade including finance.

Tuan Speaker,

Rural Development in Sarawak

63. Rural development in Sarawak is probably one of the most challenging areas to properly develop. The greatest challenge is the creation of economic value out of the rural resources. Most of the rural resources have been used by our indigenous communities to sustain their traditional ways of life. Modern education has attracted rural youth to migrate to urban centres in search of

advancement and the modern way of life, thereby eroding the demography of the rural population. There appears to have some kind of stable of symbiosis between the rural and urban population, whereby the youth makes money in town and send some to their parents in the kampong and longhouses, while they carry on maintaining their traditions. That is why we want to focus on rural development so that our rural areas can be modernise and become new towns when the youth can return to work.

64. In recent decades, globalisation of the world has entered into the rural interiors such that the previously isolated rural communities are now in touch with the latest public issues around the world, including the rights of indigenous peoples and the struggle for the protection of the natural wild environment.
65. This provides an avenue for the opposition political parties to enter the heartland and bring disquiet to the hearts of our indigenous people. I think these are the

signs of the times and I am not going to stop that. Instead, if the rural people want change, I shall help you to bring about the change that you want. I am always, first and foremost, an *Anak Sarawak* who is the Chief Minister of all Sarawakians.

66. Let us not be taken advantage of by non-Sarawak political parties in Sarawak politics. How can Peninsular political parties help the indigenous people of Sarawak when they cannot help the Orang Asli to enter the mainstream?
67. I would not be the one to prejudge what our indigenous communities really want. Instead, I choose to listen to your leaders and I response to their requests accordingly. This is why I have approved allocations amounting to RM6 billion in this Budget for all the requested basic infrastructure and amenities across the whole of our interior and hinterland from Lundu, Serian, Betong, and Kapit to Baram and Limbang and Lawas.

68. When water, electricity, road and IT connectivity is developed, the costs of doing business will fall and they will open greater economic opportunities in the rural areas from which local communities can organise among themselves and their community leaders concerning production, harvesting, processing, marketing and sales and exports. In other words, they will open up activities across all economic sectors including agriculture, manufacturing, finance and services.

Tuan Speaker,

NCR Perimeter Survey

69. The perimeter survey of the NCR land is an important milestone for the indigenous communities of Sarawak. It is very difficult for individuals to accurately demarcate the boundary of their individual lots, but not impossible to be able ascertain with some satisfaction on all sides

the overall boundary for each respective whole community.

70. The rights to NCR land are implicit in the perimeter survey of the NCR land. Without recognising those rights, there would have been no perimeter survey. Since the Federal Government has refused to continue with the perimeter survey, the Sarawak Government will pay to get this survey job done quickly.
71. The rights to land are an area which is flawed with intricate difficulties. However, the value of a piece of land is derived from the value that can be derived from output of that piece of land. In the middle of the jungle, that piece of land may have little economic value. Worse still is a piece of land that has been carved out from the general market whereby the number of buyers is severely restricted. In that smaller market, the value of the restricted land is sharply reduced. To derive great economic value from land, there must be economic activities to drive economic value and an open market

where the enlarged demand will fetch the higher market price.

72. It is for this reason that I have as much emphasis on building basic infrastructure in the rural areas so that the increase in economic activities will drive higher income for the rural people.

Tuan Speaker,

Businesses and Youth Entrepreneurship in Sarawak

73. I believe that when the government spends, the benefits will spread not only to the project sites intended but also to all the urban centres where most of the talents are. There will be a need for professional services of all kinds including engineering consultancy services, transport and logistics for the import of building materials, hotels and beverages including IT services.
74. I know that there is a problem with getting enough qualified professionals who are familiar with the peculiarity of the Sarawak natural terrain, when we are

implementing project which may be several times our normal implementation capacity. Our qualified professionals with local knowledge will therefore have to work doubly or triply and if need be with outside professionals so that the efficiency of implementation of projects in Sarawak will provide for our people a platform for them to leverage and expand their businesses.

Tuan Speaker,

Technology and Research to spur State Economy

75. It is important that if we want to create good jobs for our young talent, we must be prepared to be engaged in technology and research to spur our economy which we are trying to modernise autonomously.

76. On 1st September 2018, I announced the postponement of the proposed Kuching light rapid transit (LRT) project in order to prioritise the development of basic amenities for our rural communities in Sarawak.
77. In recent weeks, however, I have received numerous requests from city councillors and members of the public to reconsider reinstating the LRT project as traffic congestions on some streets and roads are very heavy. As a result, it is proposed that we consider exploring the development of certain needed segments of the LRT system.
78. The Kota Samarahan-Kuching route may require urgent consideration. There are complaints that the Kota Samarahan-Kuching roads are congested everyday especially during peak hours and as early as 5 o'clock in the morning.
79. I have been given the assurance that the proposed Kuching LRT system will be based on the latest elevated rail technology which has a much lower capital cost when

compared with elsewhere in Malaysia. Furthermore, part of the capital cost can be offset by gains from real estate appreciation around the proposed routes and transit-oriented development (TOD) which can also provide affordable housing and modern urban development within an 800-metre radius of a transit stop, or about 10 minutes' walk.

Tuan Speaker,

80. I fully acknowledge the concerns of a number of Ahli-Ahli Yang Berhormat on the issue of connectivity which indicates that the demand for digital technology is even more pressing now.
81. Under the Sarawak Digital Economy Strategy, the Sarawak Government is planning to build and commission 600 towers throughout Sarawak by 2020.
82. The tender for building the first 300 of these towers was opened to local Network Facility Providers (NFP) and was closed on 12th November 2018. The locations of these

towers have been chosen based on the critical needs of areas and their ability to act as collector and intermediary to other towers in the rural areas.

83. The next phase of the plan will be to increase coverage and to penetrate deeper into rural areas. For this, another 300 towers will be built to achieve mobile coverage for 99.9% coverage of populated areas in Sarawak.
84. We expect to see an unrestricted choice of preferred Mobile Network Providers for the general public throughout Sarawak of affordable and quality telecommunication and broadband access.
85. As we construct more telecommunications towers near residential areas, there is public concern over electromagnetic frequency or EMF radiation. This issue has already been recognised and taken into consideration by the Sarawak Multimedia Authority (SMA) in its *Telecommunication Policy In Sarawak* which governs the construction of telecommunication towers. On this highly

technical issue, it is important that concerns are raised based on facts in order that our Digital Initiatives are not delayed unnecessarily by misguided fears.

Tuan Speaker,

86. The current hydrogen production facility being built by Sarawak Energy and the purchase of the hydrogen buses are only pilot projects for research purposes to study on the application of hydrogen technology. The cost of setting up the pilot facility to power hydrogen fuel-cell buses is about RM15million while the cost of three units of hydrogen fuel cell buses is currently under negotiation by SEDC.

87. Hydrogen is produced by water electrolysis technology to split water into hydrogen and oxygen using electricity from renewable energy (hydropower). The fuel cell system powers the hydrogen bus electrical system, producing a clean byproduct - pure water. Hydrogen powered buses or fuel cell electric vehicles (FCEVs) are generally lighter with smaller batteries than electric

buses. FCEVs can be refilled much faster and have longer driving range per fill and preferred for commercial vehicles such as buses and trucks.

88. FCEVs are currently at the demonstration stage with growing deployments in the next 10 years worldwide. The United States has deployed more than 3,000 FCEVs. Europe deploy hydrogen vehicles for taxi fleet in Paris, City Bus in UK and pilot train project in Germany. In Asia, China is aiming to deploy 2000 hydrogen buses in the near future. In Japan and South Korea, Toyota has introduced Mirai, Honda Clarity and Hyundai NEXO.

Kuching as a Financial Centre to Support Our Economy

89. One important aspect of our policy for Sarawak is the development of Kuching as our financial centre. Sarawak used to have our own Sarawak-based banks, notably, Bank Utama, Hock Hua Bank, Wah Tat Bank. As a result of consolidation of the banking industry in 2000, all our Sarawak banks were eaten up and disappeared. Today, there are eight Malaysian banks of which four are big

financial conglomerates among 26 commercial banks operating in Malaysia. Sarawak is now being served only by branches of KL-based banks which tend to see Sarawak only as a small market for loans although a big market for deposits. We wish that they develop strategies for funding Sarawak businesses, understand the local environment and more prepared to take reasonable risks to nurture local businesses.

90. There is a need for Sarawakian banks to help develop businesses. DBOS, the Development Bank of Sarawak is only a development bank which cannot take deposits from the general public and our current purpose is only to help redirect Sarawak government deposits back into the Sarawak economy through infrastructure development spending for the purpose of building up the capacity for growth of Sarawak for future growth. That future growth will need serious business financing to help the local private sector to develop and grow. In a way, the inability for small local enterprises in Sarawak to grow is due to the absence of small local banks to help to

nurture and finance them. The focus of big banks is big businesses, and the focus of small bank is small businesses. We want more small local Sarawak banks to be established to assist our small business.

91. I hope Bank Negara Malaysia can look into the needs to issue at least 3 new banking licences to be established by the private sector in Sarawak. These could be ordinary commercial banks with boutique functions to help budding businesses to conquer new areas of growth in the Sarawak economy.

Tuan Speaker,

Challenges for Project Implementation

92. The projects I have announced cover a wide scope involving a lot of money. These projects are creating business opportunities for everyone to share. All the people involved in implementing the projects must be technically competent and professional so that the projects will not fail. We may even need to professional

Sarawakians overseas to come back participate in our project implementation and consultancy services.

93. My major focus now is on project delivery. I have been given plenty of assurances by our departments that all projects will be implemented successfully. To double that assurance, I allow departments and agencies to hire qualified professionals they need on short-term service contracts.

On State Administration and Civil Service

94. It has been seen and heard that our so call 'friends' on the other side are using scare and fear tactics on the administration of Sarawak by continuously questioning the government and insinuating that the government is corrupt and not transparent.
95. Making continuous erroneous allegations and insinuation of corruption on me, my Ministers and the State Civil Servants without any proof or substantiation is to create the perception to the public that there is something

wrong with the State Government. When they repeat such allegation many times, they are hoping that the people will believe in their stories and will vote against the government. When I took over as the Chief Minister, we had an Integrity Pledge witnessed by Minister in the Prime Minister's Department and Head of Malaysian Anti-Corruption Commission (MACC).

96. We are not stupid and do not fear this tactic of the opposition. Ever since (PH) Pakatan Harapan took over the Federal Government they have harboured on corruption as a way to bring down leaders. We are not afraid of such tactics and we are ready to face on any issues that the opposition raised to us without fear or favour.
97. We are a new GPS (Gabungan Parti Sarawak) Government whose policy is to focus on development both rural and urban and to provide service to the rakyat. **We will never err in our objectives and will not fail in our delivery. We will continue to abide to the financial**

procedures as laid under the law and the financial provisions of Treasury Instruction. Don't ever question our integrity and our sincerity. If our reserves remain so high, our Stable State Credit Rating are A- by Standard and Poor and A3 by Moody's Investors Service and we have received Clean Certificates for Public Accounts Management by Auditor General for 16 consecutive years, is that not a good testimony of prudent financial management, good governance and excellent State Administration and Civil Service. There is no other state in Malaysia or even the Federal Government having recorded such excellent achievement.

To further enhance our excellent achievement and good record of governance I will include The Auditor General to sit in all our project award committee under State Tender Board chaired by The State Financial Secretary. And I will also invite SPRM (Suruhanjaya Pencegahan Rasuah Malaysia) to attend our State Tenders Meetings.

98. I want to repeat again to the members of the opposition in the August House. If you wish to challenge us,

challenge us with facts and not simply create perception to the public and make character assassination. That is cheap politics. I want to call on all Sarawakians not to fall prey on this cheap politics of the oppositions. Their objectives are to bring down the government using perception and not using facts because they do not have the facts.

99. **I am not governing the State for my own personal benefit. This is about our State and our people and our future. This is not the game of cards and I will not allow this State to be destroyed by cheap politics.** Only the State Tenders Board and The State Cabinet decides on projects to be implemented and not by any government heads. The State Secretary, The State Financial Secretary, The State Attorney General, Permanent Secretaries and Head of Departments and their officers and the Civil Servant carry out The Cabinet decisions and directions prudently and effectively. The Chief Minister's Department is headed by The State Secretary and assisted by three (3) Deputy State Secretaries and nine

(9) Directors heading respective Units. Their tasks are well distributed amongst the officers. The State Secretary, State Financial Secretary, State Attorney General, Permanent Secretaries and Head of Departments all sit in Government Boards or GLCs (Government Linked Companies) or other government related outfit as directed by the government and a number of their memberships are statutory requirements provided under the various ordinances. They are all governed by the respective Boards. Their role is to safeguard government interest. In their absence they are represented by their Deputies or Directors. On the subject related to the roles and responsibilities of Ministers, all the ministerial matters are decided and implemented by the respective Ministers and their Permanent Secretaries and not anyone else.

100. All the State Head of Departments and Agencies and the Civil Servants serve the government of the day and they carry out their duties as directed by the government. One must understand in the running of government, one

must know the procedures of administration, their roles, area of jurisdiction, limits of authority, statutory requirements, the General Orders and Treasury Instructions and protocols and many more before making accusation against the government system of administration. The appointment of The State Secretary, The State Financial Secretary and The State Attorney General is at the discretion of the government as provided under the State Constitution. It is not for anyone else including themselves to decide on their tenure. We in the Cabinet are fully satisfied with their performance and they have done their job excellently with integrity and efficiency.

Bonus

101. For the hard work and dedication of the Sarawak Civil Servant throughout the year, I am glad to announce a one and half month bonus of their basic salary or a minimum of RM2,000.00 to be paid by end of December 2018.

Conclusion

102. This Government of Sarawak shall deliver to the people of Sarawak at all costs and no expense spared. Our people have been left too far behind, and we must catch up. If the Federal Government will not help us, we will help ourselves. How do we fund it? By hook or by crook, as they say in English. I will exhaust all avenues to exercise our rights to deliver to the people of Sarawak.
103. I must shall a big “thank you” to every Honourable Member of this August House for speaking as one voice on the concerning the Consultative Committee regarding MA 63 when the interests of Sarawak are at stake. This is a very good sign. Let us therefore in this spirit of *Anak Sarawak* we conduct our politics and our policies for the betterment of all Sarawakians. We shall debate and fight in policies, but in the end only good policies will prevail to serve the long term interests of Sarawak, regardless of which side of this August House we happen to sit.

104. Akhir kata, saya mengambil kesempatan ini untuk mengucapkan terima kasih kepada Tuan Speaker yang telah mengendalikan persidangan DUN dengan teratur dan cemerlang.
105. Ucapan terima kasih juga ditujukan kepada semua petugas Dewan yang telah menjalankan tugas dengan penuh kesabaran dan cemerlang.
106. Sebelum mengakhiri ucapan, saya ingin mengucapkan Selamat Menyambut Maulidur Rasul yang akan disambut pada 20 November 2018 dan Selamat Menyambut Hari Krismas 2018 dan juga Selamat Menyambut Tahun Baru 2019 kepada semua.
107. Saya sudahi dengan ucapan *Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.*

Terima kasih Tuan Speaker.