



**SPEECH BY
YANG AMAT BERTHORMAT
DATUK PATINGGI (DR) ABANG HAJI ABDUL RAHMAN ZOHARI BIN TUN
DATUK ABANG HAJI OPENG,
CHIEF MINISTER OF SARAWAK
IN CONJUNCTION WITH THE LAUNCHING OF
POST COVID-19 DEVELOPMENT STRATEGY 2030
22nd July 2021, 10.00 A.M.
PULLMAN HOTEL KUCHING**

PENGENALAN

1. Bagi saudara dan saudari yang menyaksikan majlis ini melalui televisyen, penstriman melalui komputer riba atau melayari media baharu, tidak kira di mana saudara dan saudari berada, pada hari yang berbahagia ini saya akan berkongsi mengenai pelan dan strategi Kerajaan Sarawak ke arah menjadi negeri maju dan berpendapatan tinggi menjelang 2030 apabila kita sudah mengatasi pandemik COVID-19.
2. Alhamdulillah, segala pujian kepada Allah Subhanahu Wataala yang telah memberi kita peluang untuk menyaksikan pelancaran Strategi Pelan Pembangunan 2030 Pasca COVID-19 untuk melonjak dan melestarikan pertumbuhan sosio-ekonomi dan pembangunan bagi tempoh masa 10 tahun akan datang.
3. Dalam suasana yang sukar ketika ini, rakyat Sarawak daripada pelbagai lapisan telah menempuh pelbagai kesulitan dalam kehidupan harian mereka. Banyak perniagaan terganggu, ramai yang hilang pekerjaan, para pelajar tidak dapat kembali untuk belajar di sekolah, ramai graduan tidak mempunyai pekerjaan, ahli keluarga tidak dapat berziarah antara satu sama lain pada musim perayaan. Semua kita terpaksa menyesuaikan diri dengan norma baharu dan patuh kepada SOP untuk mengekang penularan virus yang telah menjangkiti ramai rakyat kita dan mengorbankan banyak nyawa.
4. Ahli barisan hadapan kita telah membuat pengorbanan yang amat besar dalam memberi perkhidmatan bagi melayani dan merawat mereka yang terkena jangkitan COVID-19. Di samping itu, mereka kena juga berusaha untuk memastikan

kemudahan hospital sentiasa mencukupi untuk menghadapi peningkatan pesakit yang memerlukan rawatan, termasuk yang bukan jangkitan COVID-19.

5. Kerajaan GPS pimpinan saya sentiasa memberi keutamaan kepada usaha untuk memastikan keselamatan kepada nyawa rakyat kita. Oleh itu, Jawatankuasa Pengurusan Bencana Negeri bekerja sepanjang masa untuk keselamatan kita semua dan memastikan virus tersebut dapat dikawal dan dikalahkan. Untuk menghadapi keadaan yang begitu getir dan sebagai langkah untuk mengurangkan impak COVID-19, Kerajaan telah menyediakan pelbagai pakej bantuan melalui Bantuan Khas Sarawakku Sayang (BKSS) bernilai empat perpuluhan bilion (RM4.5 bilion).

Distinguished guests, ladies and gentlemen,

6. While bracing for the current pandemic, we should not forget what we can do for the future of Sarawak. That is why Sarawak Government has formed Sarawak Economic Action Council (SEAC) in May last year.

7. We want Sarawak to recover from this pandemic with a stronger and more resilient economy and to sustain the level of economic and social development. This is to assure future generations of Sarawakians a happy, peaceful and prosperous State with opportunities for all, regardless of their racial, cultural or religious backgrounds or the regions in the State they are from. To accomplish this, the State Government has charted our journey for the next decade. Nobody knows when the pandemic will end but we know where we want to be, comes 2030.

8. This morning, I am unveiling the Post COVID-19 Development Strategies 2030 that outline what we plan to do, and the strategic directions Sarawak Government has devised to accomplish the objectives of the Plan.

Distinguished guests, ladies and gentlemen,

POST COVID-19 DEVELOPMENT STRATEGY 2030

Aspiration

9. Sarawak aspires to be a developed State by 2030. Sarawak will be a thriving society driven by data and innovation where everyone enjoys economic prosperity, social inclusivity and sustainable environment.

10. In terms of our economic prosperity, Sarawak needs to double the size of the economy from RM136 billion in 2019 to RM282 billion in 2030. To achieve this target, Sarawak economy needs to grow on average 6.0% to 8.0% per annum until 2030.

11. Inclusive society means that all Sarawakians will have equal opportunities to participate in the State's overall development and enjoy equitable distribution of wealth through jobs and business opportunities.

12. Environmental sustainability is an integral part of Sarawak development initiatives. This is to ensure clean and healthy environment for current and future generations. Moving forward, Sarawak will innovate using data to increase productivity, develop high value products, improve safety of our people and assets as well as enhance environmental conservation efforts.

13. Therefore, the core objectives of PCDS 2030 are:

- (a) **To change the economic structure** by increasing the scale of production to capture efficiencies upstream, increasing downstream activities and growing the services sector to support the primary and secondary sectors' activities in a sustainable manner;
- (b) **To modernise and increase efficiency** driven by both digital and physical connectivity;
- (c) **To increase household income to GDP share** by creating more jobs and encouraging entrepreneurship; and
- (d) **To place environmental sustainability in our recovery efforts and longterm economic growth.** Currently, more and more investors are placing greater importance on environmental sustainability when making investment decisions. We have seen a wave of shareholder activism for environmental efforts and all sectors must find ways to transit to a low carbon future. As such, our emphasis on environmental sustainability will pave the way for more investment inflow to Sarawak that will co-create solutions, more green jobs and business opportunities to drive our economy on a sustainable manner. Such collective action is crucial as we face the defining crisis of our generation – climate change.

Strategic Thrusts

14. There are 7 strategic thrusts to accelerate the economic development, as follows:

- (a) Transforming Sarawak into a competitive economy by increasing productivity level, developing more high value downstream activities and creating new industries through active private sector involvement. For example, precision

farming to increase quantity and quality of produce for high value downstream food processing products for domestic consumption and export market;

- (b) Improving ease of doing business to facilitate domestic investment (DDI) and making Sarawak an investment destination of choice for foreign investors (FDI). For example, by establishing *Sarawak Invest* as a one-stop agency for investment.
- (c) Spending on areas that yield the most economic, social and environmental impact. For example, environmental-friendly construction (design and materials) of access road to social and economic hubs that will stimulate socio-economic activities and improve standard of living of the community;
- (d) Optimising use of assets and government funding and developing human capital to support socio-economic development. For example, rather than constructing new buildings, we should optimise the use of existing building spaces for productive activities. Human capital investment should focus on the right training to meet industrial needs of the State to progress;
- (e) Accelerating digital adoption and data utilisation to generate outcomes. This will include establishing a state-wide network coverage of telecommunication infrastructure and services that will enable the adoption of digital technology in agriculture for precision farming, industry 4.0, e-learning and telemedicine to support our digital economy initiatives towards high income and developed State by 2030.
- (f) Driving economic and social benefits for all Sarawakians, focusing on impoverished segment of the population. This include providing the society with access to basic infrastructure and implementing concerted initiatives to help increase household income. For example, anchor out-grower model in the agriculture sector to help rural poor to gain better access to market and training programmes for urban poor to cultivate entrepreneurship; and
- (g) Balancing economic growth with environmental sustainability. Sarawak aims to balance economic growth with a responsible approach towards utilisation of natural resources and integration of climate adaptation and mitigation plans. This approach prioritises the sustainable use of land and ocean resources for economic growth, improved livelihoods and jobs while preserving the health of the land and ocean ecosystem. In line with sustainable development principles and commitments towards climate adaptation, various initiatives will be implemented such as to maintain more than 50% forest and tree cover, establish an integrated watershed management policy to conserve and protect water resources, increase urban green spaces and prioritise green mobility solutions, including developing electric vehicle (EV) based public transport systems and expansion of renewable energy.

Key Economic Sectors

15. The PCDS 2030 is anchored on 6 economic sectors as the main engines of growth, namely Manufacturing, Commercial Agriculture, Tourism, Forestry, Mining and Social Services.

16. The **manufacturing** sector aims to promote Sarawak as the preferred investment destination especially for high-value downstream activities of resource and non-resource-based industries, both DDI and FDI. This will be supported by the development of efficient ecosystem for private investment such as industrial parks equipped with industrial infrastructures and amenities. Among the initiatives include the development of Petrochemical Hub, Extension of Samajaya Hi-Tech Park, Bio-Industrial Park and Furniture Park. At the same time, more entrepreneurship programmes involving local communities in businesses will be implemented to increase community participation especially in small and medium enterprises (SMEs).

17. Sarawak aspires to be a net food exporter by 2030. This will be achieved through **commercial agriculture** sector that capitalises on modern farming and global partnerships. Commercial agriculture will attract private investment to accelerate the productivity and growth in this sector that will provide valuable feedstock to higher value-add downstream food processing, especially for export market. Among the key initiatives are developing agro-parks, high value downstream products such as oleochemical and smart farming programmes.

18. **Tourism** is a key sector in driving Sarawak's visibility and branding around the world. By 2030, Sarawak aims to be a leading destination for eco-tourism and business events in ASEAN Region, driven by empowered communities to conserve heritage, culture and biodiversity and to promote investment and development in the tourism sector. More tourism products and assets will be developed, supported by increased connectivity and capacity building of local tourism players. Sarawak will promote Culture, Adventure, Nature, Food and Festivals and diversify Sarawak's tourism focus into health tourism, sport tourism, agro-tourism and education tourism. These initiatives are expected to increase the number of visitors by 7.5% per annum.

19. The **forestry** sector aims to be globally recognised in sustainable management of tropical forest and biodiversity conservation while enhancing the rapid growth of timber industry. Forest management practices and stewardship will focus on balancing rate of deforestation and growth, increasing product yield and enhancing services obtained from forests. In addition, sustainable approaches to monetise Sarawak's rich resources will be implemented to provide economic opportunities for the rural communities. Among the initiatives include, replanting of 200,000 hectares of degraded forest areas, implement Carbon Credits Programmes, establish bamboo plantation and develop bamboo-based industry and certification of 4.5 million hectares of long-term forest licence area (natural forest) by 2022 and 178,000 hectares forest plantation by 2025 under Malaysian Timber Certification Scheme and Forest Stewardship Council.

20. **Mining** sector in Sarawak is currently driven by oil and gas upstream activities, which provide the feedstock for petrochemical industry especially in Bintulu. Moving forward, Sarawak will explore into other mineral resources such as silica sand, rare earth elements (REE) and kaolin clay for high value downstream activities. To support this development, the State will develop geological mapping to provide details such as location, reserve volume and grades of the minerals and design business models to facilitate investments in mining industry and downstream processing.

21. The well-being of the people is at the forefront of the State Government's agenda and is even more crucial that the welfare of the people is given due attention as we emerge from the economic and personal hardships encountered during the pandemic. The State Government wants to establish a firm foundation for the people to recover from the devastation caused to their lives and livelihood in the fight against the virus. Under the **social services** sector, Sarawak aims to provide a high living standard, healthy and inclusive society with affordable and innovative service delivery for Sarawakians. Among the key initiatives are poverty alleviation programmes, social welfare programmes such as SarawakCare Insurance, Construction of State Research and Test Lab, new Normah Medical Specialist, Special needs Welfare Services and housing schemes.

Key Enablers

22. The 6 economic sectors will be supported by 7 enablers namely Digital Transformation, Innovation, Basic Infrastructure, Transport, Utilities, Renewable Energy and Education and Human Capital Development.

23. **Digital transformation** is the adoption of digital technology to transform services or businesses. Sarawak's digital transformation will empower Sarawak economic sectors to increase its efficiencies and productivity. The initiatives include digitalisation of private sector economy through Big Data, Internet of Things (IoT) and Blockchain technologies. The efforts will be further supported by digitalisation of public service delivery and infrastructure. At the same time, Sarawak will build the digital economy ecosystem to attract new industries focusing on international standard data centres, digital content creation and boosting digital innovation and entrepreneurship for digital startups.

24. **Innovation** is key towards driving Sarawak's economic growth and prosperity. Hence, innovation across Sarawak's key economic sectors will enhance productivity, develop new solutions and products for domestic and export markets. Leveraging on Sarawak's natural resources, innovation will focus on developing R&D capabilities and commercial applications aligned to biotechnology, digital applications and renewable energy. Innovation ecosystem development such as Bio-industrial Park, Digital Testbed and Living Labs, Bio-Hub Port and Venture Capital Funds will attract more private sector to invest in R&D in Sarawak.

25. Sarawak's **basic infrastructure** development will be the driving force for socio-economic growth. Efforts will be focussed towards providing reliable access to social and economic hubs to meet the short-term needs and preparing the foundation for future growth. The infrastructure development will also provide new opportunities and unlock economic potentials especially in the rural areas, hence promote inclusive development. The major initiatives are the development of Second Trunk Road, Coastal Road Network, Urban Road Expansions, Deep Sea Ports and Free (Industrial) Zones around Deep Sea Ports.

26. It is strategically important that Sarawak continue to provide **transportation** connection to key economic centres efficiently and effectively using low emission technology and adoption of digital solutions. With better mobility and transportation options, the productivity level will increase and open the opportunities for Sarawakians to have access to quality jobs in business centres and economic hubs such as Industrial Parks, plantation areas and tourism spots. The major initiatives include development of Kuching Urban Transportation System (KUTS), Autonomous Rail Rapid Transit (ART), terminal expansions of Kuching and Sibu airports, international flights connectivity and installation of Aids to Navigation (ATON).

27. **Utility** sector is an enabler to catalyse the State's socio-economic development. Hence, Sarawak's utility development aims to ensure that the services are provided equitably in a reliable, economical, safe and sustainable manner. The key initiatives for utility development in the State are water and electricity supply projects to achieve 100% coverage, development of Pan Sarawak Gas Pipeline to promote industrial development and Single Water Entity to improve efficiency.

28. Sarawak aspires to become a regional powerhouse through **affordable, reliable and renewable energy**, contributing to sustainable growth and prosperity. Aligned to this aspiration, Sarawak will maintain at least 60% of its generation capacity mix from renewable sources and generate 15% of renewable energy sector income from foreign markets. Public-private collaboration towards expanding renewable energy generation as well as in promoting exports of renewable energy and related services will be intensified. Among the initiatives to promote renewable energy are Sarawak hydrogen economy, 50MW Floating Solar, mini hydro projects and Electric Vehicles.

29. **Education** is a critical component of human capital development to increase efficiency of workers and helps economies to move up the value chain. The establishment of strategic partnership with industries and stakeholders will prepare our human capital to match Sarawak's current and future job requirements as well as to address disparity in quality education. The key initiatives include the formation of Human Capital Development Council and strengthening Sarawak Workforce Information System (SWIS) to identify and close the workforce demand-supply gap, establishment of Science Centre to cultivate and increase interest in Science, Technology, Engineering and Mathematics (STEM) and development of 5 International Schools to cater for bright rural students.

IMPACT

Economic Prosperity

30. The development of 6 economic sectors which is supported by 7 enablers will position Sarawak as an attractive investment destination. This will increase value and quality of investment in Sarawak. The value from private investment to Gross Domestic Product (GDP) will increase from RM21.0 billion in 2020 to RM61.5 billion in 2030 or an increase of 11.2% per annum. The share of private investment to GDP in 2030 will be 21.9%.

31. Through quality investment, Sarawak will shift its economic structure with higher contributions from the services and manufacturing sector by 2030. The services sector's contribution to Sarawak GDP will increase from 34.7% in 2020 to 38.9% in 2030 while the manufacturing sector's contribution will increase from 26.8% in 2020 to 29.0% in 2030. At the same time, Sarawak will continue to develop and modernise the primary sector to increase productivity to support the high value manufacturing activities such as oleochemical, food processing, pharmaceutical, petrochemical, hydrogen and metal-based products. This will complement the growth in the services sector such as transport and logistic, financial and legal services as well as design and creative services.

32. Through these initiatives, an additional 200,000 high paying jobs will be generated making the total employment of 1.5 million by 2030, thus increase income and standards of living and opportunities for our youths to secure high income jobs with pathways for their career advancement.

33. The education and human capital development initiatives, namely skills development training will ensure that our people are equipped with the right skills to grab the jobs created to increase their income. As such, the monthly median household income is projected to increase from RM4,544 in 2019 to RM15,047 in 2030.

Social Inclusivity

34. Social Inclusivity will be enhanced by narrowing urban and rural development gap with greater urban rural economic integration, capacity building and community participation for sustainable development.

35. Greater urban rural economic integration will be achieved with robust infrastructure development such as road accessibility, digital connectivity that provide greater access to capital and investment facilities for commercial economic activities for domestic and export markets.

36. Capacity building for the community will be supported by human capital development programmes and projects such as education and health services, skills

and training programmes as well as business, entrepreneurship and talent development initiatives.

37. With greater access to market and capital coupled with capacity building programmes, the community will participate actively in Commercial Agriculture, Tourism, Mining, Forestry, Renewable Energy, Manufacturing, Services and E-Commerce activities.

38. Sustainable development will be achieved with the combination of all these initiatives where the community will have sustainable income generation that will improve their standard of living as a result of efficient resources management.

Environmental Sustainability

39. Sarawak environmental sustainability will be further enhanced through the development of Sarawak Sustainable Environment Blueprint. The Blueprint will cover both the green and blue economy initiatives.

40. Green Economy covers all economic activities on land. The State will develop Green House Gases (GHG) inventory for all economic sectors and cities to identify the major contributors to GHG emissions in order to formulate Green Economy initiatives.

41. Blue Economy covers all economic activities in ocean and coastal areas. The State will develop Blue Economy Index to provide input and indicators for the formulation of the initiatives.

42. The Green and Blue Economy initiatives will provide a comprehensive and holistic Sarawak Sustainable Environment Blueprint covering amongst others, climate action, forestry, financing, water and land use, green cities and mobility, resilient infrastructure, sustainable energy, circular economy and integrated watershed management.

43. The Blueprint, which will map out our strategies to build a sustainable, resource-efficient and climate-resilient State, is to be enforced and implemented by the enforcement agencies through intensified data collection and digitalisation.

THE WAY FORWARD

44. The first phase of PCDS 2030 will be implemented under the 12th Malaysia Plan, 2021-2025. The target under 12MP and the PCDS 2021-2030 is for the economy to grow at an average of 6.0% to 8.0% per annum.

45. The Sarawak Government has committed an estimated RM63 billion to implement PCDS 2030 under the 12MP whereby, RM30 billion will come from direct development expenditure and RM33 billion from alternative funding. Through this creative financial modelling and revenue reengineering, we will continue to enjoy a healthy fiscal position.

46. In line with the strategic thrusts of the PCDS 2030, the public capital spending will be on areas that yield the most economic, social and environmental impact. Our focus is to develop the enablers such as basic infrastructure namely roads and bridges, treated water and electricity supply and telecommunication network.

47. This will provide the foundation for us to leap frog into the second phase of PCDS 2030 development, which is driven by talent, skills and innovation.

48. This Plan is really to prosper the State, its people and to protect its environment for sustainable development.

49. But the Government cannot do this alone. We need all Sarawakians to translate commitment into daily action, and drive sustainability on the ground. The Government can set the policies, but the energy to bring about concrete change must come from all of us – business leaders who want to produce their goods and services in a more resilient and sustainable way, parents who wish to leave behind a better world for their children, and in sum, every one of us have our part to play.

50. I am optimistic about the Plan and I believe your commitment will make it happen. I can assure you that with the mandate given to the GPS Government, more development will be enjoyed by the *rakyat*. Therefore, let us work together for a brighter future for Sarawak.

51. On the short-term assistance to SMEs based on the views expressed by the various chambers of commerce, the state government is in the process of finalising the details and it will be announced soon.

52. Bagi pihak Kerajaan Negeri, saya ingin merakamkan terima kasih dan penghargaan kepada Perkhidmatan Awam Sarawak, dewan-dewan perniagaan termasuk Dewan Usahawan Bumiputera Sarawak, Chinese Chamber of Commerce, Dayak Chamber of Commerce and Industry, Sarawak Business Federation, SHEDA, para pengurus, ahli akademik, pertubuhan profesional, dan semua pihak yang telah memberi input dalam proses menggubal strategi pasca COVID ini.

53. With that, I have the pleasure to officially launch the Post COVID-19 Development Strategy 2030.

54. Terima kasih dan selamat menyambut Hari Sarawak kepada semua.