USUL ATAS UCAPAN
TYT YANG DI-PERTUA NEGERI SARAWAK
BERSEMPENA ULANG TAHUN KE-150
DEWAN UNDANGAN NEGERI SARAWAK

OLEH

YAB KETUA MENTERI SARAWAK

PADA

MESYUARAT KETIGA BAGI PENGGAL KEDUA
DEWAN UNDANGAN NEGERI SARAWAK KE-18
(MESYUARAT KHAS SEMPENA ULANGTAHUN KE-150)

30 Januari 2018 (Selasa)
Bersamaan 13 Jamadilawal 1439H
<table>
<thead>
<tr>
<th>CONTENTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>SALUTATION</td>
<td>2</td>
</tr>
<tr>
<td>CONTRIBUTIONS OF OUR PAST LEADERS</td>
<td>3</td>
</tr>
<tr>
<td>DIGITAL ECONOMY</td>
<td>5</td>
</tr>
<tr>
<td>DEVELOPING SMART AND COMPETITIVE CITIES</td>
<td>8</td>
</tr>
<tr>
<td>TRANSFORMING RURAL AREAS</td>
<td>9</td>
</tr>
<tr>
<td>SARAWAK CORRIDOR OF RENEWABLE ENERGY</td>
<td>11</td>
</tr>
<tr>
<td>WATER RESOURCES</td>
<td>12</td>
</tr>
<tr>
<td>DEVELOPMENT BANK OF SARAWAK</td>
<td>13</td>
</tr>
<tr>
<td>MALAYSIA AGREEMENT 1963</td>
<td>14</td>
</tr>
<tr>
<td>OIL AND GAS</td>
<td>16</td>
</tr>
<tr>
<td>DEVELOPMENT GAP</td>
<td>17</td>
</tr>
<tr>
<td>TOURISM</td>
<td>18</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>19</td>
</tr>
</tbody>
</table>
SALUTATION

Bismillahirahmanirahim

Assalamualaikum Warahmatullahi Wabarakatuh

Tuan Speaker

Ahli-Ahli Yang Berhormat

Tuan-Tuan dan Puan-Puan

1. Alhamdulillah, bersyukur kita ke hadrat Allah Subhanahu Wa Ta’ala kerana dengan kehendakNya, kita dapat bersama-sama berada di Persidangan Khas Dewan Undangan Negeri Sarawak sempena Ulang Tahun Yang Ke-150 Dewan Undangan Negeri Sarawak.


Tuan Speaker,

CONTRIBUTIONS OF OUR PAST LEADERS

4. Let me start by saying, how honoured it is for me to be standing here, in this Special Sitting of this august House, to commemorate the 150th Anniversary of our most cherished institution, the Sarawak Legislative Assembly. It is this august House that has charted the very unique history of our beloved Sarawak, the land all we Sarawakians all love so much.

5. The Sarawak Legislative Assembly is not merely a building but a group of true, dedicated and chosen Sarawakian leaders who come together or assembly to debate and agree on the path by which Sarawak should take, now and in the future. Where we are now today, of course, is the result of the efforts and contributions and sacrifices of our past leaders, some of whom we are lucky still have with us in our midst today.

6. I wish, therefore, to take this opportunity to thank all our leaders, past and present, for the contributions and sacrifices that they, and you, have made in this august House for Sarawak.
7. I shall not be forgiven, if on this special occasion, that I shall overlook the presence of a giant in our midst in this august House. He has just reminded us a moment earlier of the sacred duties of this august House for Sarawak and the contributions and sacrifices of the leaders who had come before us. But he himself is a first among equals.

8. It is therefore, with great humbleness that, on behalf of all members of this august House, and on behalf of all Sarawakians, that I express my greatest appreciation to His Excellency, Tun Pehin Sri Haji Abdul Taib Mahmud, the Governor of Sarawak, for his immense contributions and far sighted vision in transforming Sarawak into a modern State during his 33 years stewardship as the Chief Minister of Sarawak. His Excellency’s vision and wisdom will continue to guide us as we all brave our way through for Sarawak in the coming years.
Tuan Speaker,

DIGITAL ECONOMY

9. In the economic development of Sarawak, the ball is now squarely in our own court. We have to reposition Sarawak in the context of the world economy. We have to develop economic and development policies that take full cognizance of the strategic advantages and challenges of Sarawak.

10. We also have to develop policies which focus more on the income, wealth and well-being of all Sarawakians. This can be achieved by mobilising our community leaders and our communities so that they can look after themselves by them seizing the opportunities which they can find around them. It is the job of the Government to create new opportunities by pursuing aggressive policies to open up the economy and to encourage competition and efficiency.

11. Sarawak has been relying on resource-based industries to enhance our economic growth. While we have been very successful in this path of development, and created an enormous amount of wealth from Sarawak, this path unfortunately cannot be pursued indefinitely into the future by virtue of the fact that our natural resources are finite. What we must do now is to optimize the returns on our natural resources today so that we can still manage those natural resources which can be sustained into the future.
12. At the same time, we have to reinvest the returns which
we have earned from the exports of our precious natural
resources into non-resource based industries which can
create good jobs for our young people in urban and rural
centres. These non-resource based industries are often
heavy on technology and capital. Our young people must
therefore be properly trained so that there are creative in
the use of their talents rather than simply earning a
livelihood by the sweat of their brows.

Tuan Speaker,

13. Our step forward into the Digital Economy is indeed a
bold decision which we must take in order that Sarawak
is not further behind in the global economy. The digital
world has overtaken the world and Sarawak must be a
party to that global digital economy.

14. We have set up the Sarawak Multimedia Authority (SMA)
under the Sarawak Multimedia Ordinance 2017 as a one-
stop agency that sets the direction and policy of the
digital economy for Sarawak.

15. The key implementing agency is the Sarawak Digital
Economy Corporation or SDEC, a private company which
is a wholly owned subsidiary of the SMA.
16. We launched our first version of the Sarawak Digital Economy Strategy on 13th December 2017. Our basic strategic focus is to apply the digital technology to increase the productivity of our traditional sectors such as agriculture, tourism and manufacturing.

17. There are also opportunities for us to create new sectors such as digital government, e-commerce, smart city, and digital health. These new sectors are being created by the digitisation of unstructured data into what is now called Big Data. But crucially, all these new technologies and applications will have to be accomplished by young talented people and we need to steer them into these directions, thereby creating high-income opportunities for them.

18. The Strategy focuses on the development of the 29 economic sectors which include: Agriculture, Manufacturing 4.0, Tourism, Smart City, Digital Health, e-Commerce and Digital Government. There are 18 enablers that include: Digital Infrastructure, Digital Skills and Talent Development, Research and Development, Digital Innovation Entrepreneurship, Digital and Data and Cyber Security. In all, there are 47 strategic actions covering 29 economic sectors and 18 enablers which are to be implemented in the next five years from now to 2022.
Tuan Speaker,

DEVELOPING SMART AND COMPETITIVE CITIES

19. Our cities must become more competitive in order to attract capital, businesses, talent and visitors to help spur our economic growth. In developing competitive cities, we are being guided by seven principles namely enhancing economic density, expanding transit orientated development, strengthening knowledge based cluster, enhancing liveability, adopting green based development and practices, ensuring inclusivity and strengthening digital infrastructure for smart cities.

20. Competitiveness includes liveability by providing integrated public transportation, affordable housing, education, business centres and health facilities. Our cities must also be smart and green with high speed and reliable broadband networks, more parks and green areas as well as sport facilities. With the provision of these infrastructures and facilities we expect more people will visit, live and work in the cities.
Tuan Speaker,

TRANSFORMING RURAL AREAS

21. As our urban centres become more competitive, our rural areas must also be transformed in order to be able to retain its people and communities in order to reduce the rural-urban drift. We have to find new ways to increase rural incomes and wealth as well as to improve the quality of life in rural areas. The rural economy should not be just about agriculture. The rural economy can also be about industries, the digital economy as well as services.

22. This is because of the revolution brought about by technology which allows information and communications to be done across vast distances in split second. This is why I want telecommunications to go even to the remotest communities in Sarawak. This is my challenge to all those talent in the digital economy to come up with solutions for remote Sarawak – at reasonable cost, of course.

23. Currently, we have several strategic initiatives for the rural economy: Rural Growth Centres, Resettlement Schemes, *Rimbunan Kasih*, Poverty Eradication Programmes, Rural Transformation Centre, Rural ICT Training, *Agropolitan* and NCR Land Development. We may have to re-strategise in light of the new opportunities presented by the digital economy.
24. In developing the rural areas we are modernising and commercialising the agriculture sector with greater private sector participation and digital technology applications. These include the application of internet of things for smart farming, and collection, processing and packaging centre (CPPC) as well as e-Commerce for marketing of our agriculture produce.

25. Three new development agencies namely Upper Rajang Development Agency, Highland Development Agency and the Northern Region Development Agency have been established under RECODA to play the role of coordination of development plans by the State Planning Authority and facilitate the implementation of programmes and projects of various Ministries, Departments and Agencies in the three regions. They will also provide feedback on local development needs and plans to the State Planning Authority. RECODA will continue to play its current role of coordinating of SCORE projects for the Government.
Tuan Speaker,

SARAWAK CORRIDOR OF RENEWABLE ENERGY

26. Our major industrialisation strategy is charted out in the Sarawak Corridor of Renewable Energy (SCORE) launched in 2008. This is a multi-prong strategy which targets all the major economic sectors of agriculture, manufacturing and services, as well as rural development.

27. The focus is on industrialisation and high value-add, so as to increase the incomes of Sarawakians. Competitively priced energy is used as a means of attractive capital-intensive industries, though not necessarily heavy industries. While special incentives have been given to the pioneer industries, our future direction is to ensure more downstream activities which provide more business opportunities to local businesses and entrepreneurs especially in industries.
Tuan Speaker,

WATER RESOURCES

28. Sarawak has substantial water resources which we can use to create new economic opportunities. Our Bakun and Murum HEP Dams are attracting industries to Samalaju while at the same time revitalising rural communities which would otherwise have been left to their own traditional ways of doing things. In time to come, the Baleh HEP Dam will come on stream to trigger new industries such as server farms and data farms, as well as to inject new vitality to the communities in Kapit.

29. By themselves, these hydro dams are economic resources especially with respect to the bodies of water. These include tourism, recreation, aquaculture, community development as well as conservation.

30. With our four HEP dams namely Batang Ai, Bakun, Murum and later Baleh, we can create an integrated water supply system. The State Water Grid System is currently being studies for its feasibility. This grid system can supply clean water to the villages and longhouses in the rural areas and for agriculture development purposes.

31. Water from the dams can also be used to produce hydrogen fuel cell which can be utilised to power our public transport system in the near future.
Tuan Speaker,

DEVELOPMENT BANK OF SARAWAK

32. We launched the Development Bank of Sarawak or DBOS on 3rd November 2017 with a paid-up capital of RM500 million. The main role of DBOS is to spearhead the direction of development for Sarawak. In the past, the direction has been set by the lending policy decisions of major banks and financial institutions which conventionally depended collateralised their loans on the assets of wealthy individuals and companies. For Sarawak to jumpstart our economy in the direction which we can take advantage of, the Sarawak Government through DBOS now provides that direction.

33. DBOS will fund major strategic projects of Sarawak such as infrastructure development, oil and gas, renewable energy, urban transport, telecommunications, digital economy, healthcare and integrated agriculture. DBOS will also work in partnership with major banks and financial institutions in Sarawak to undertake these projects as triggers in the development of the new economy of Sarawak.
Tuan Speaker,

MALAYSIA AGREEMENT 1963

34. The rights of Sarawak are sacred to all Sarawakians. It is unquestionable that we should naturally wish to defend the rights of our own State. Sarawak, like all other States in the world, has existed since time immemorial. At various times in the past, we might have been governed by foreign powers, hostile or benevolent.

35. In recent history, the path to democratic rule begun with the establishment of the Council Negeri on 8th September 1867. But it was only on 22nd July 1963 that Sarawak was granted self-governance with the appointment of a Sarawakian, Tan Sri Datuk Amar Stephen Kalong Ningkan, as the Chief Minister and the setting up of the Supreme Council comprising members of the Council Negeri. Sarawak signed the Malaysia Agreement on 9th July 1963 with the British Government, Sabah and Singapore and the Federation of Malaya.

36. The Malaysia Agreement 1963 contains the terms under which Sarawak is part of the Federation of Malaysia, to safeguard the special interests of Sarawak. The Malaysia Act was passed to amend various Articles of the Federal Constitution. The Immigration Act was passed to entrench the rights of Sarawak to control entry into and residence into the State.
37. The recommendations in the Inter-Governmental Committee Report (IGC Report) were annexed to the Malaysia Agreement. It was agreed that Sarawak can take whatever actions – be they legislative, administrative and executive – to fully implement those recommendations to safeguard the special interests of Sarawak which have not already been incorporated into the Federal Constitution after Malaysia Day.

38. A high level special task force is looking at all ways and means for us to present our position to the Federal Government consequent to the resolutions passed in the last DUN Sittings.

39. We are also seeking to restore our rights to the 12 nautical miles which was limited to 3 nautical miles by the Territorial Sea Act 2012.

40. We will exert our mining rights including oil mining as part of the rights of Sarawak in the Federal Constitution, despite the Petroleum Development Act 1974 (PDA) which gives PETRONAS the right to explore and mine for petroleum in Sarawak.

41. The process of Devolution of Power was started on 20th January 2016. Phase One resulted in an agreement on 13 points of administrative empowerment. Phase Two gives priority to financial matters, oil, mineral and gas including distribution of gas and revenue from land.
Tuan Speaker,

OIL AND GAS

42. While raising our petroleum royalty from 5% to 20% is still on our agenda, greater emphasis is now being placed on the development of the oil and gas industry in Sarawak. This will be spearheaded by Petroleum Sarawak Berhad or Petros which will become an active player in the industry within two years.

43. Last year, we have decided to set up methanol plant and subsequently its derivatives in Bintulu.

44. This year, on 15th January 2018, a Term Sheet has been signed between the Sarawak Government and PETRONAS concerning our 10% equity stake in the MLNG Plant Train 9. We are also working with PETRONAS for a larger equity in MLNG 3 plant. Let me emphasise here that Sarawak's equity in the MLNG projects is our privilege which is exclusive to us.

45. PETRONAS has also been directed by the Sarawak Government to consult Sarawak on the utilisation of gas from any new fields. This is to ensure that Sarawak has the first right of refusal in using the new sources of gas for the development of our oil and gas industries as well as the development of other industries in Sarawak.
46. Brooke Dockyard, which is owned by the Sarawak Government, has been awarded the Bokor and Anjung projects for offshore Sarawak with a total worth of RM490 million. The scope includes design, construction, offshore installation, hook up and commissioning, the entire value chain of an offshore development project. This confidence paves the way for further involvement in marginal fields in offshore Sarawak out of which we believe we have the capability to derive more economic value.

Tuan Speaker,

DEVELOPMENT GAP

47. Sarawak is lagging behind many states that are located in Peninsular Malaysia, in basic infrastructure development. These issues of development gaps have been raised with the Prime Minister and the Federal Government. Sarawak needs better road connectivity, better coverage for water, electricity and telecommunications, better rural schools and better rural health care.
48. These are some of the major initiatives by the State Government have taken up with the Federal Government. All these are possible as a result of our good relationship with the Federal Government. I must personally thank the Prime Minister for his sincerity and seriousness in attending and making efforts to fulfil our requests. This is a huge step for us to move forward in the spirit of the Malaysia Agreement 1963 in order that Sarawak fares well within Malaysia.

Tuan Speaker,

TOURISM

49. Tourism is an industry which many people talk about but few in the world have successfully done it with. Mass tourism is destructive to the natural environment and the ecosystem, but niche tourism is a specialty which requires pin-point focus and precision. However, in the greater world of mass travel and mass communication, there are plenty of opportunities to be had by attracting visitors to specific destinations in Sarawak. Not just culture, adventure and nature.

50. This is why tourism is now being largely replaced by the concept of visitation, where people visit a destination to live, to invest, to study, to work, to shop, to eat and drink, or simply to relax. There is more to tourism than the leisure traveller, and this is an area where we in Sarawak shall explore much more extensively.
51. In this connection, not only do we have a brand for Sarawak tourism. We should also have a brand for the whole of Sarawak. New Zealand has a successful one called: 100% Pure, although New Zealand is heavily polluting by cattle and sheep. London, being already famous, is now always famous because the city keeps promoting itself, not least recently by the London Olympics. We shall have a brand for Sarawak. Below that umbrella brand, we can have a clear brand for tourism, investment, Kuching, etc.

Tuan Speaker,

CONCLUSION

52. Let me conclude.

53. Sarawak’s economic fundamentals are strong. We have natural resource exports to back us up in the immediate years. Our small economy can be transformed fairly quickly for the better. Our urban centres have seen rapid growth in recent years while the rural native areas are undergoing steady development. The lives of our people have seen vast improvement and their expectations are that our standard of living shall continue to improve.

54. We will continue to ensure that our environment is well protected and conserved for our future generation. We will manage our built environment in urban centres well. We will ensure the productive and sustainable development of our forests.
55. With the availability of electric power, we will continue to industrialise our State.

56. Our population is young, with 70% in the working-age group. We will educate and equip them with technical skills and knowhow.

57. We will continue to build the necessary basic infrastructure for economic growth, especially road infrastructure, utilities and telecommunication.

58. Our Public Accounts have a ‘Clean Certificate’ from the Auditor General for 2016 for the 15th consecutive year and a testimony to our good governance.

59. Our credit rating by international agencies is investment-grade: A- (stable outlook) by Standard & Poor’s, and A3 (stable outlook) by Moody’s Investors Service, because of our sound financial management and performance, strong reserves and budgetary prudence.

60. Our State Civil Service was recognised recently by National CUEPAC Leadership; CUEPAC - the National Workers Union representing Malaysian Civil Service - as the most efficient civil service in Malaysia. With the support of the Civil Service under the leadership of the State Secretary, the efficiency of service delivery especially in the implementation of government projects and programs and provision of services that lead to ease of doing business for both foreign and domestic
investors, will continue to be the key engine of growth for the State.

61. Our strong economic fundamentals, good governance practices and sound financial management are important for attracting investors. Sarawak will continue to promote and attract more investors, both domestically and abroad, especially in high tech industries which are capital and skills-intensive. In digital technology, we encourage ICT, creative industry, private healthcare, transport and logistics system including e-warehousing.

62. We will continue to ensure that our development strategies are inclusiveness, for both the urban and rural areas. We will integrate the major cities and towns with rural settlements for greater mobility of people and goods. The synergy of economic activities will create more job and business opportunities and result in a balanced and inclusive development.

63. The future of Sarawak is bright because we have a solid foundation built by our founding leaders, of a united and racially harmonious people, and political stability.
Tuan Speaker,

64. I would like congratulate the Sarawak State Legislative Assembly and all members of the Sarawak State Legislative Assembly on the 150th Anniversary Celebration of the Sarawak State Legislative Assembly.

65. I would also like to congratulate Datuk Amar Speaker and his team for successfully organising this historic and significant event.

66. My special appreciation goes to the State Secretary and all officers from various State and Federal Ministries and Agencies for their contribution and support in making this special event a success.

67. My special thanks also go to the Media for their coverage of this momentous event.

68. Finally, I would like to wish everyone a Happy Chinese New Year. May this New Year bring you prosperity, good health, good luck and good fortune.

Thank You.