

**SPEECH BY  
YAB DATUK PATINGGI (DR) ABANG HAJI ABDUL  
RAHMAN ZOHARI BIN TUN DATUK ABANG HAJI OPENG  
CHIEF MINISTER SARAWAK**

**IN CONJUNCTION WITH  
THE SIGNING CEREMONY OF THE  
MEMORANDUM OF UNDERSTANDING  
BETWEEN  
SARAWAK GOVERNMENT AND  
BEIJING BECA SCI-TECH CO., LTD. AND  
SINOPEC ENGINEERING INCORPORATION**

**HILTON HOTEL, KUCHING  
10<sup>TH</sup> JUNE 2019; 10.30 A.M.**

1. *Assalammualaikum, Salam Sejahtera* and a very good morning to all of you.
2. First of all, I am happy to be invited to today's MOU Signing Ceremony between Sarawak Government *and* Beijing BECA Sci-Tech Co., Ltd. and Sinopec Engineering Incorporation on the Proposed Development of an Integrated Oil and Gas Complex in Lawas.
3. Its always good to know that investors such as Beijing BECA Sci-Tech Co., Ltd. and Sinopec Engineering Incorporation have chosen Sarawak as an investment location for your

project. This clearly reflects Sarawak's standing as a preferred investment destination among the many possible locations within Malaysia and the region.

4. Investors do not simply come with their money to invest; before they come they must have studied the strength and potential of our economy, and other non-economic factors like political and social stability. With a clear economic policy direction and a big reserve Sarawak has a strong financial standing and I do believe these are the factors that have prompted BECA and SINOPEC to consider investing in Sarawak.

5. I am confident that the increase in public spending with these two years to build our physical and digital infrastructure will further enhance Sarawak's economic growth to about 6 %. Sarawak's economy need to grow by at least 6% percent annually in order to be able to attain the status of a developed economy by 2030.

6. Thank you BECA and SINOPEC for your confidence and trust in Sarawak. Let me assure you that the Sarawak Government will ensure that you can conduct the feasibility studies accordingly and it is my sincere hope that the proposed integrated oil and gas complex in Lawas will become a reality.

7. At the same time, I must commend the efforts of Honourable Datuk Amar Haji Awang Tengah bin Ali Hasan, Deputy Chief Minister of Sarawak and his officers at the Ministry of Industrial and Entrepreneur Development for being able to convince BECA and SINOPEC to explore the potential of developing of an integrated oil and gas complex in Sarawak.

Ladies and Gentlemen,

8. As mentioned by the Honourable Deputy Chief Minister, Sarawak has sizeable oil and gas reserves which have mainly been exported in the raw form and not much value adding activities to derive more benefits for Sarawak. Sarawak now want to take active part in the development of its oil and gas resources and the Sarawak government have taken some strategic steps to empower itself to undertake such development.

9. One of these early steps is the formation of Petroleum Sarawak Berhad (PETROS) that will spearhead Sarawak's very own effort to develop its oil and gas industries in its own backyard.

10. Recently, the Sarawak government amended the Oil Mining Ordinance (1958) to update and better regulate the development operations of oil and gas in the state.

11. OMO 1958 clearly spells out that Sarawak's licensing authority on the extraction of oil and gas resources within the State's land and sea boundaries. With OMO and PETROS, we want to actively participate in the exploration and extraction of oil & gas in Sarawak and engage in the upstream and downstream activities, primarily to enable Sarawak to have a new revenue stream.

12. We have already exercised our licensing power as provided by OMO 1958 by imposing a 5 % sales tax on oil and gas products for export starting this year. We are expecting an additional revenue of about RM3.8 billion this year from this sales tax which we will give back to our people by upgrading the infrastructure facilities, especially in the rural areas.

13. In tandem with Sarawak's oil and gas policy we welcome the active participation of the private sector in the development of the state's oil and gas sector. Therefore, today's MOU signing is an auspicious step towards expanding our capacity and capability in the oil and gas sector instead of being mere spectator and waiting for "handouts".

Ladies and Gentlemen,

14. Before I conclude, I would like to assure the investors, particularly foreign investors that Sarawak Government will carry on with our business-friendly policies and create a more conducive environment to attract more high value and high tech investments to Sarawak. At the same time, I would like to urge all Sarawakians, especially the SMEs to keep abreast of the latest efforts of the Government so that you are aware of the opportunities made available by these initiatives, and may benefit from them.

15. I would like to wish BECA and SINOPEC well in your endeavours and hope that you will be able to produce a meaningful feasibility study for the proposed project.

16. Congratulations to all involved.

Thank you.