



**S A R A W A K**

# **PENYATA RASMI PERSIDANGAN DEWAN UNDANGAN NEGERI**

**Sarawak State Legislative Assembly Official Reports and Debates**

## **MESYUARAT KEDUA BAGI PENGGAL KETIGA**

**Second Meeting of the Third Session**

**11 – 20 NOVEMBER 2024**

## **DEWAN UNDANGAN NEGERI SARAWAK KESEMBILAN BELAS**

**Nineteenth Sarawak State Legislative Assembly**

**ISNIN**

**11 NOVEMBER 2024**

**(9 JAMADILAWAL 1446H)**

**KUCHING**

### **Peringatan untuk Ahli Dewan:**

Pembetulan yang dicadangkan oleh Ahli Dewan hendaklah disampaikan secara bertulis kepada Setiausaha Dewan Undangan Negeri Sarawak tidak lewat daripada **14 hari selepas persidangan**.

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**DEWAN UNDANGAN NEGERI SARAWAK KESEMBILAN BELAS**

*Penyata Rasmi*

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**MESYUARAT KEDUA BAGI PENGAL KETIGA**

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*Isnin, 11 November 2024*

*Dewan bermesyuarat di Petra Jaya, Kuching pada pukul 9.07 pagi*

**HADIR**

<b>Bil.</b>	<b>Nama</b>	<b>Konstituensi</b>
1.	Yang Berhormat Tan Sri Datuk Amar Haji Mohamad Asfia bin Awang Nasar P.S.M., D.A., P.N.B.S., D.S.A.P., D.I.M.P., P.B.K., P.C.E. (Emas) <i>Speaker Dewan Undangan Negeri Sarawak</i>	
2.	Yang Berhormat Dato Haji Idris bin Haji Buang P.S.B.S., D.I.M.P., A.M.N., P.B.S., A.B.S., P.C.D., P.J.P.N., P.T.E. <i>Timbalan Speaker Dewan Undangan Negeri Sarawak</i>	<i>N.16 Muara Tuang</i>
3.	Yang Amat Berhormat Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg D.P., P.M.N., D.A., P.N.B.S., J.B.S., P.C.E., P.S.N.B., S.P.D.K. <i>Premier Sarawak</i> <i>Menteri Kewangan dan Ekonomi Baru</i> <i>Menteri Sumber Asli dan Pembangunan Bandar</i> <i>Menteri Tenaga dan Kelestarian Alam Sekitar</i>	<i>N.26 Gedong</i>
4.	Yang Berhormat Datuk Amar Douglas Uggah Embas D.A., P.N.B.S., P.G.B.K., P.C.E. <i>Timbalan Premier Sarawak</i> <i>Menteri Kewangan dan Ekonomi Baru Kedua</i> <i>Menteri Infrastruktur dan Pembangunan Pelabuhan</i>	<i>N.37 Bukit Saban</i>
5.	Yang Berhormat Datuk Amar Haji Awang Tengah bin Ali Hasan D.A., P.N.B.S., P.G.B.K., A.M.N. <i>Timbalan Premier Sarawak</i> <i>Menteri Sumber Asli dan Pembangunan Bandar Kedua</i> <i>Menteri Perdagangan Antarabangsa, Industri dan Pelaburan</i>	<i>N.82 Bukit Sari</i>
6.	Yang Berhormat Datuk Amar Dr Sim Kui Hian D.A., P.N.B.S., P.J.N., P.B.E. <i>Timbalan Premier Sarawak</i> <i>Menteri Kesihatan Awam, Perumahan dan Kerajaan Tempatan</i>	<i>N.14 Batu Kawah</i>
7.	Yang Berhormat Dato Sri Hajah Fatimah Abdullah P.N.B.S., P.G.B.K., P.C.E. <i>Menteri Pembangunan Wanita, Kanak-Kanak dan Kesejahteraan Komuniti</i>	<i>N.56 Dalat</i>
8.	Yang Berhormat Dato Sri Dr Stephen Rundi anak Utom P.N.B.S., P.J.N., A.B.S., P.B.E., P.C.E. <i>Menteri Industri Makanan, Komoditi dan Pembangunan Wilayah</i>	<i>N.69 Kemena</i>

9. Yang Berhormat Dato Sri Haji Abdul Karim Rahman Hamzah  
P.N.B.S., P.G.B.K., P.B.S., P.B.E.  
*Menteri Pelancongan, Industri Kreatif dan Seni Persembahan*  
*Menteri Belia, Sukan dan Pembangunan Usahawan* N.15 Asajaya
10. Yang Berhormat Dato Sri Lee Kim Shin  
P.N.B.S., P.J.N., K.M.N., P.B.S., P.P.B., B.B.S., P.B.E.  
*Menteri Pengangkutan* N.75 Senadin
11. Yang Berhormat Dato Sri John Sikie anak Tayai  
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*Menteri di Jabatan Premier* N.60 Kakus
12. Yang Berhormat Dato Sri Haji Julaihi bin Haji Narawi  
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*Menteri Utiliti dan Telekomunikasi* N.27 Sebuyau
13. Yang Berhormat Dato Sri Roland Sagah Wee Inn  
P.N.B.S., P.G.B.K., J.B.K., P.B.S., P.B.E.  
*Menteri Pendidikan, Inovasi dan Pembangunan Bakat* N.20 Tarat
14. Yang Berhormat Datuk Gerawat Gala  
P.G.B.K., P.S.B.S., P.B.K.  
*Timbalan Menteri di Jabatan Premier (Buruh, Imigresen dan Pemantauan Projek)* N.78 Mulu
15. Yang Berhormat Datuk Francis Harden anak Hollis  
P.G.B.K., P.B.S., A.B.S., P.B.E.  
*Timbalan Menteri Pendidikan, Inovasi dan Pembangunan Bakat (Pembangunan Bakat)* N.32 Simanggang
16. Yang Berhormat Datuk Dr Jerip anak Susil  
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*Timbalan Menteri Pengangkutan (Penerbangan dan Jalan Raya)* N.19 Mambong
17. Yang Berhormat Datuk Liwan Lagang  
P.J.N., P.P.N., K.M.N., J.B.S., P.B.E.  
*Timbalan Menteri Utiliti dan Telekomunikasi (Telekomunikasi)* N.65 Belaga
18. Yang Berhormat Datuk Hajah Rosey binti Haji Yunus  
P.G.B.K., J.B.K., P.P.B., P.P.S., P.T.E., P.B.E.  
*Timbalan Menteri Pembangunan Wanita, Kanak-Kanak dan Kesejahteraan Komuniti (Pembangunan Wanita dan Kanak-Kanak)* N.71 Bekenu
19. Yang Berhormat Datuk Haji Len Talif Salleh  
P.G.B.K., D.J.B.S., P.B.K., P.P.B.  
*Timbalan Menteri Perancangan Bandar, Pentadbiran Tanah dan Alam Sekitar* N.41 Kuala Rajang
20. Yang Berhormat Datuk Dr Haji Abdul Rahman bin Haji Junaidi  
P.G.B.K., J.B.S., A.B.S., P.B.E.  
*Timbalan Menteri Utiliti dan Telekomunikasi (Utiliti)* N.4 Pantai Damai

21. Yang Berhormat Datuk Hajah Sharifah Hasidah binti Sayeed Aman Ghazali  
P.G.B.K., P.T.E., J.B.S.  
*Timbalan Menteri di Jabatan Premier (Undang-undang, MA63 dan Hubungan Negeri-Persekutuan)* N.7 Samariang
  
22. Yang Berhormat Datuk Dr Malcolm Mussen anak Lamoh  
P.G.B.K., P.B.S., P.T.E.  
*Timbalan Menteri Perdagangan Antarabangsa, Industri dan Pelaburan* N.34 Batang Ai
  
23. Yang Berhormat Datuk Dr Haji Abdul Rahman bin Haji Ismail  
P.G.B.K., A.B.S., P.T.E.  
*Timbalan Menteri Industri Makanan, Komoditi & Pembangunan Wilayah (Industri Makanan)* N.79 Bukit Kota
  
24. Yang Berhormat Datuk Dr Haji Annuar bin Rapa'ee  
P.G.B.K., J.B.S., P.T.E.  
*Timbalan Menteri Pendidikan, Inovasi dan Pembangunan Bakat (Pengajian Tinggi dan Inovasi)* N.55 Nangka
  
25. Yang Berhormat Datuk Dr Penguang Manggil  
P.G.B.K., D.J.B.S., K.M.N., P.P.C., P.P.B., P.P.S., P.T.E.  
*Timbalan Menteri Kesihatan Awam, Perumahan dan Kerajaan Tempatan (Kerajaan Tempatan)* N.76 Marudi
  
26. Yang Berhormat Datuk Snowdan Lawan  
P.G.B.K., A.M.N., P.T.E.  
*Timbalan Menteri Pelancongan, Industri Kreatif dan Seni Persembahan (Industri Kreatif dan Seni Persembahan)* N.30 Balai Ringin
  
27. Yang Berhormat Datuk Abdullah bin Haji Saidol  
P.G.B.K., K.M.N., J.B.K., P.T.E.  
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28. Yang Berhormat Datuk Sebastian Ting Chiew Yew  
P.J.N., D.I.M.P., A.B.S.  
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29. Yang Berhormat Datuk Ir. Aidel bin Lariwoo  
P.G.B.K., P.B.S., P.T.E.  
*Timbalan Menteri Infrastruktur dan Pembangunan Pelabuhan (Pembangunan Infrastruktur)* N.24 Sadong Jaya
  
30. Yang Berhormat Datuk Dr Ripin bin Lamat  
P.G.B.K., J.B.K., K.M.N., P.T.E.  
*Timbalan Menteri Belia, Sukan dan Pembangunan Usahawan (Pembangunan Usahawan)* N.72 Lambir
  
31. Yang Berhormat Datuk Dr Haji Hazland bin Abang Hipni  
P.G.B.K., K.M.N., J.B.S., P.T.E.  
*Timbalan Menteri Tenaga dan Kelestarian Alam Sekitar* N.5 Demak Laut

- |     |   |                    |
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| 32. | Yang Berhormat Datuk Maclaine Ben @ Martin Ben<br>P.G.B.K., J.B.S., P.T.E.<br><i>Timbalan Menteri Industri Makanan, Komoditi &amp; Pembangunan Wilayah (Komoditi &amp; Pembangunan Wilayah)</i>         | N.22 Kedup         |
| 33. | Yang Berhormat Datuk Ricky @ Mohammad Razi bin Sitam<br>P.G.B.K., K.M.N., J.B.S., P.T.E.<br><i>Timbalan Menteri Pembangunan Wanita, Kanak-Kanak dan Kesejahteraan Komuniti (Kesejahteraan Komuniti)</i> | N.35 Saribas       |
| 34. | Yang Berhormat Dato Henry Harry anak Jinep<br>P.S.B.S., A.B.S.<br><i>Timbalan Menteri Pengangkutan (Sungai dan Laut)</i>  | N.2 Tasik Biru     |
| 35. | Yang Berhormat Dato' Murshid DiRaja Dr Juanda bin Jaya<br>P.G.B.K., DATO' MURSHID DIRAJA, S.S.P.<br><i>Timbalan Menteri di Jabatan Premier (Integriti dan Ombudsman)</i>                                | N.44 Jemoreng      |
| 36. | Yang Berhormat Dato Gerald Rentap Jabu<br>P.S.B.S., A.B.S., P.P.N., J.B.K.<br><i>Timbalan Menteri Belia, Sukan dan Pembangunan Usahawan (Pembangunan Belia dan Sukan)</i>                               | N.36 Layar         |
| 37. | Yang Berhormat Dato Majang anak Renggi<br>P.S.B.S., P.B.K., A.B.S.<br><i>Timbalan Menteri Infrastruktur dan Pembangunan Pelabuhan (Pembangunan Pelabuhan)</i>   | N.70 Samalaju      |
| 38. | Yang Berhormat Datuk Jefferson Jamit anak Unyat<br>P.G.B.K., B.B.S., P.B.S., K.M.N., J.B.S.<br><i>Timbalan Menteri di Jabatan Premier (Undang-undang dan Adat Bumiputera)</i>                           | N.63 Bukit Goram   |
| 39. | Yang Berhormat Datuk Michael Tiang Ming Tee<br>P.G.B.K., P.B.S.<br><i>Timbalan Menteri Kesihatan Awam, Perumahan dan Kerajaan Tempatan (Kesihatan Awam dan Perumahan)</i>                               | N.54 Pelawan       |
| 40. | Yang Berhormat Dato Ibrahim bin Baki<br>A.B.S., J.B.S., P.S.B.S.  | N.8 Satok          |
| 41. | Yang Berhormat Tan Sri William Mawan anak Ikom<br>P.S.M., P.N.B.S., P.G.B.K., A.M.N., P.B.S., P.P.D. (Emas)   | N.47 Pakan         |
| 42. | Yang Berhormat Datuk Mong anak Dagang<br>P.G.B.K., J.M.N., P.B.S., P.P.D., P.B.K., P.B.E.   | N.31 Bukit Begunan |
| 43. | Yang Berhormat Dato Paulus Palu Gumbang<br>P.S.B.S., A.M.N., P.B.S., J.B.K., P.T.E.   | N.80 Batu Danau    |
| 44. | Yang Berhormat Dato Dennis Ngau<br>P.S.B.S., J.B.S., P.B.S., P.T.E., B.B.S.   | N.77 Telang Usan   |
| 45. | Yang Berhormat Tuan Haji Razaili bin Haji Gapor<br>P.T.E., P.B.S.   | N.29 Beting Maro   |

46.	Yang Berhormat Datuk Ding Kuong Hiing P.J.N., A.B.S.	<i>N.46 Meradong</i>
47.	Yang Berhormat Encik Chong Chieng Jen	<i>N.9 Padungan</i>
48.	Yang Berhormat Puan Violet Yong Wui Wui	<i>N.10 Pending</i>
49.	Yang Berhormat Encik See Chee How	<i>N.11 Batu Lintang</i>
50.	Yang Berhormat Dato Ir. Lo Khare Chiang P.S.B.S., B.B.S., J.B.K.	<i>N.13 Batu Kitang</i>
51.	Yang Berhormat Encik Wilson Nyabong anak Ijang A.M.N., K.M.N., J.B.S.	<i>N.61 Pelagus</i>
52.	Yang Berhormat Dato Sri Wong Soon Koh P.N.B.S., P.G.B.K., A.B.S., P.C.E.	<i>N.53 Bawang Assan</i>
53.	Yang Berhormat Encik Miro anak Simuh P.B.S.	<i>N.18 Serembu</i>
54.	Yang Berhormat Encik John anak Ilus P.B.S., A.P.S.	<i>N.23 Bukit Semuja</i>
55.	Yang Berhormat Dato Fazzrudin bin Haji Abdul Rahman P.S.B.S., J.B.K., P.B.S.	<i>N.6 Tupong</i>
56.	Yang Berhormat Encik Awla bin Dris P.B.S., A.B.S.	<i>N.25 Simunjan</i>
57.	Yang Berhormat Ir. Christopher Gira @ Gira anak Sambang P.B.K.	<i>N.59 Tamin</i>
58.	Yang Berhormat Encik Rolland Duat anak Jubin	<i>N.48 Meluan</i>
59.	Yang Berhormat Encik Abdul Yakub bin Haji Arbi B.B.S., A.B.S., K.M.N., J.B.K.	<i>N.58 Balingian</i>
60.	Yang Berhormat Encik Safiee bin Haji Ahmad J.B.K., P.P.B.	<i>N.43 Daro</i>
61.	Yang Berhormat Encik Kennedy Chukpai Ugon J.B.S., P.P.N., A.B.S.	<i>N.66 Murum</i>
62.	Yang Berhormat Encik Allan Siden Gramong P.B.S., A.B.S.	<i>N.50 Machan</i>
63.	Yang Berhormat Dato Mohd Chee bin Kadir P.S.B.S., A.B.S., P.B.S., P.J.P.N., J.B.S.	<i>N.40 Kabong</i>
64.	Yang Berhormat Datuk Hamzah bin Haji Brahim A.M.N., P.M.W.	<i>N.17 Stakan</i>
65.	Yang Berhormat Encik Adam Yii Siew Sang A.B.S.	<i>N.74 Pujut</i>



66.	Yang Berhormat Puan Dayang Noorazah bte Awang Sohor P.B.S.	<i>N.28 Lingga</i>
67.	Yang Berhormat Dr Simon Sinang @ Sinang anak Bada A.B.S., P.B.S., K.M.N.	<i>N.21 Tebedu</i>
68.	Yang Berhormat Encik Billy anak Sujang P.B.S., P.P.B.	<i>N.1 Opar</i>
69.	Yang Berhormat Encik Azizul Annuar bin Pehin Sri Haji Adenan P.B.S.	<i>N.3 Tanjong Datu</i>
70.	Yang Berhormat Encik Yap Yau Sin P.B.S., K.M.N.	<i>N.12 Kota Sentosa</i>
71.	Yang Berhormat Tuan Haji Mohamad bin Duri P.B.K., A.B.S.	<i>N.38 Kalaka</i>
72.	Yang Berhormat Encik Johnichal Rayong anak Ngipa J.B.S., P.T.E.	<i>N.33 Engkilili</i>
73.	Yang Berhormat Encik Baru Bian	<i>N.81 Ba'Kelalan</i>
74.	Yang Berhormat Encik Friday anak Belik A.B.K., P.P.S., P.P.B., P.B.K., P.P.C.	<i>N.39 Krian</i>
75.	Yang Berhormat Encik Anyi anak Jana P.B.K.	<i>N.49 Ngemah</i>
76.	Yang Berhormat Encik Chieng Jin Ek P.B.S.	<i>N.51 Bukit Assek</i>
77.	Yang Berhormat Encik Royston bin Valentine J.B.K., A.B.S.	<i>N.57 Tellian</i>
78.	Yang Berhormat Encik Lidam anak Assan P.B.S.	<i>N.62 Katibas</i>
79.	Yang Berhormat Encik Nicholas Kudi anak Jantai P.B.S.	<i>N.64 Baleh</i>
80.	Yang Berhormat Encik Johnny Pang Leong Ming P.B.S.	<i>N.68 Tanjong Batu</i>
81.	Yang Berhormat Encik Iskandar bin Turkee	<i>N.67 Jepak</i>

#### **TIDAK HADIR**

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<b>Bil.</b>	<b>Nama</b>	<b>Konstituensi</b>
1.	Yang Berhormat Dato Sri Tiong King Sing P.J.N., P.N.B.S., D.P.M.K., D.P.M.K., S.S.S.A., D.S.S.A., J.P.	<i>N.52 Dudong</i>
2.	Yang Berhormat Dato Sri' Huang Tiong Sii P.G.B.K., D.I.M.P., S.S.A.P.	<i>N.45 Repok</i>

## **TURUT HADIR**

1. Encik Nur Azhar bin Bujang  
*Setiausaha Dewan Undangan Negeri Sarawak*
2. Encik Abang Mohammad Adib bin Abang Sallehadin  
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3. Inspektor Nelson anak Ensit  
*Bentara Mesyuarat*
4. Inspektor Mohd Nur Fitri bin Mohd Idrus  
*Bentara Mesyuarat*
5. Inspektor UKPS Encik Dylan Tan Hock Ming  
*Bentara Mesyuarat*
6. Inspektor UKPS Encik Nizle anak Junep  
*Bentara Mesyuarat*
7. Inspektor UKPS Muhaimin Naqib bin Narudin  
*Bentara Mesyuarat*
8. Inspektor UKPS Bryan Hansen anak Wennedy  
*Bentara Mesyuarat*

## **PETUGAS PERSIDANGAN**

### **PEGAWAI UNDANG-UNDANG DAN PEMBACA PRUF**

1. Cik Nur Shazwani binti Saini *Jabatan Peguam Besar Negeri Sarawak*
2. Encik Simon Engka anak Crown *Jabatan Peguam Besar Negeri Sarawak*

### **PEMBACA PRUF**

1. Encik Chiew Serit *Dewan Bahasa dan Pustaka Negeri Sarawak*
2. Encik Nasir bin Hamid *Dewan Bahasa dan Pustaka Negeri Sarawak*

### **JURUTRENGKAS**

1. Puan Sharlina binti Mushar *Pejabat Setiausaha Kewangan Negeri*
2. Puan Malin anak Arit *Pejabat Setiausaha Kewangan Negeri*
3. Puan Bernadette Willon *Jabatan Kastam Diraja Malaysia*
4. Puan Katerin Jemali @ Maria Jamali *Dewan Bandaraya Kuching Utara*
5. Puan Doris anak Francis Harris *Universiti Malaysia Sarawak (UNIMAS)*
6. Puan Meri Sabas *Universiti Malaysia Sarawak (UNIMAS)*
7. Puan Noorina binti Hamdan *Universiti Malaysia Sarawak (UNIMAS)*
8. Puan Ratna Airnwati binti Haji Md. Junaidi *Perbadanan Pembangunan Perumahan*
9. Puan Sabtuyah binti Adeng *Perbadanan Pembangunan Perumahan*
10. Puan Nori Othman *Perbadanan Pembangunan Perumahan*
11. Puan Zuriawati binti Mohd Laili *Pustaka Negeri Sarawak*
12. Encik Mohd Alfadjer bin Tuah *Pejabat Residen Bahagian Kuching*
13. Puan Olivia Batan *Jabatan Audit Negara Negeri Sarawak*
14. Puan Dorina Asort *Kementerian Utiliti dan Telekomunikasi Sarawak*
15. Puan Florence Jalong *Kementerian Utiliti dan Telekomunikasi Sarawak*
16. Puan Leidiana binti Azahari *Kementerian Utiliti dan Telekomunikasi Sarawak*
17. Puan Noor Afifah binti Bahaudin *Kementerian Utiliti dan Telekomunikasi Sarawak*
18. Puan Dayang Duraiza binti Haji Awang Jangka *Lembaga Sumber Asli & Alam Sekitar Sarawak*
19. Puan Anieta Sylvester Pungga *Perbadanan Pembangunan Ekonomi Sarawak*

20.	Puan Juliana Lugom	<i>Perbadanan Pembangunan Ekonomi Sarawak</i>
21.	Puan Rosemary Langub	<i>Perbadanan Kemajuan Perusahaan Kayu Sarawak</i>
22.	Puan Emely anak Edmund Beatie	<i>Suruhanjaya Pencegahan Rasuah Malaysia Negeri Sarawak</i>
23.	Puan Azah Mohamad Jally	<i>Kementerian Infrastruktur dan Pembangunan Pelabuhan Sarawak</i>
24.	Puan Rosline anak Dominic Maon	<i>Kementerian Pendidikan, Inovasi dan Pembangunan Bakat Sarawak</i>
25.	Puan Nur Izzatul Fatimah Abdullah	<i>Kementerian Belia, Sukan dan Pembangunan Usahawan Sarawak</i>
26.	Puan Nurhaida binti Amin	<i>Jabatan Penyiaran Kawasan Sarawak, Jabatan Penyiaran Negeri Sarawak</i>
27.	Puan Valarie Jane anak Aitman	<i>Pejabat Pembangunan Persekutuan Negeri Sarawak, Unit Penyelarasan Pelaksanaan, Jabatan Perdana Menteri</i>

#### **JURURAKAM PERSIDANGAN**

1.	Puan Nordiana binti Rabae	<i>Jabatan Penyiaran Sarawak</i>
2.	Encik Hussein bin Shuini	<i>Jabatan Penyiaran Sarawak</i>
3.	Encik Vong Choon Chan	<i>Jabatan Penyiaran Sarawak</i>
4.	Puan Siti Nazilafatullaini binti Sukri	<i>Jabatan Penyiaran Sarawak</i>
5.	Encik Fareez Azizi bin Zakeria	<i>Jabatan Penyiaran Sarawak</i>

#### **JURUCETAK**

1.	Encik Vincent Vyner ak Tubom	<i>Percetakan Nasional Malaysia Berhad</i>
2.	Encik Larry Holmes ak Jagak	<i>Percetakan Nasional Malaysia Berhad</i>

#### **JURUTEKNIK IT**

1.	Encik Hibatullah Malek	<i>SAINS</i>
2.	Cik Zuraidah binti Zaidi	<i>SAINS</i>
3.	Encik Azmuddin Yazid	<i>SAINS</i>
4.	Encik Salihin bin Abu Seman	<i>SAINS</i>

#### **MESSENGER**

1.	Encik Mohamad Zahari bin Hamden	<i>Jabatan Agama Islam Sarawak</i>
2.	Encik Helmy bin Abdul Rahman	<i>Jabatan Pertanian Sarawak</i>
3.	Encik Shah Riwandy Sia bin Ridzuan	<i>Jabatan Pertanian Sarawak</i>
4.	Encik Mohammad Zaidi bin Rambli	<i>Jabatan Pertanian Sarawak</i>
5.	Encik Lawrence Encharang	<i>Jabatan Pertanian Sarawak</i>
6.	Encik Mohamed Nazeerudin bin Gulam Mohamed	<i>Kementerian Industri Makanan, Komoditi dan Pembangunan Wilayah Sarawak</i>
7.	Encik Fadillah bin Lokman	<i>Jabatan Tanah dan Survei Bahagian Kuching</i>
8.	Encik Addison anak Fredrick	<i>Jabatan Tanah dan Survei Bahagian Kuching</i>

#### **SEKRETARIAT PERSIDANGAN DEWAN UNDANGAN NEGERI SARAWAK**

1. Cik Noria binti Suut
2. Puan Nur Azira binti Abdul Kadir
3. Encik Nurkhairudin bin Osen
4. Puan Rabiah binti Abdul Kadir
5. Puan Aisha Parveen binti Badron
6. Cik Genang anak Timbung
7. Puan Siti Norhiza binti Mohammad Yusri
8. Puan Hanisah Abdullah

9. Cik Siti Halimah binti Mohamad Nawawi
10. Puan Hasfarini binti Hassim
11. Cik Nurhaffizah Abdullah
12. Puan Natasha Nadia binti Mohd. Saidi
13. Puan Angela Lisa anak Mathew Linol
14. Encik Felix Aaron anak Michael
15. Puan Calista Abbie anak Sapa @ Patrick Sapa
16. Cik Sharina binti Sopian
17. Puan Norziana binti Haji Ahmad
18. Encik Mohd Hasfia bin Abdullah
19. Puan Nur Eliana Abdullah
20. Puan Nazmah binti Darham
21. Puan Tracy Lyana anak Bana
22. Encik Mohd Zulkhairi bin Mohammad Hejemi
23. Puan Dayang Nazira binti Abang Martaza
24. Puan Jasmine Sinja anak Robinson
25. Puan Dayang Noorazilla binti Jasni
26. Cik Parcelia Renyelia anak Pamg
27. Cik Nur Zafirah binti Affendy Michael
28. Puan Deidre anak Wilson
29. Encik Muhammad Elliyas bin Matali
30. Cik Siti Nur Marsitah binti Abdullah
31. Puan Nur Amira Lystiani binti Poniman
32. Encik Alwie bin Haji Ali
33. Cik Hawa binti Morsad
34. Encik Razali bin Awi
35. Puan Nora binti Atem
36. Encik Zahari bin Bolhi
37. Encik Lukas Jammany anak Kated
38. Encik Hazrin Syah bin Hamzah
39. Encik Salman bin Jaya
40. Encik Romzi bin Bujang
41. Encik Musa bin Julai
42. Puan Suraya binti Hamden
43. Puan Noraisah binti Ahmad
44. Cik Siti Zalilah binti Samsawi
45. Encik Iz Mohd. Haiqal Hakeem bin Mahamud

#### **PELAJAR PRAKTIKAL**

1. Cik Amira Soraya binti Shafiee
2. Encik Mohamad Ziyad bin Mohamad Affandy

*(Mesyuarat dimulakan pada pukul 9.07 pagi)*

*(Tuan Speaker mempengerusikan Mesyuarat)*

**DOA**

**PEMASYHURAN DARIPADA TUAN SPEAKER**

**Tuan Speaker:** Bismillahirrahmannirrahim. Assalamualaikum Warahmatullahi Wabarakatuh. Selamat pagi dan Salam sejahtera. Ahli-ahli Yang Berhormat, alhamdulillah bersyukur kita ke hadrat Ilahi kerana dengan limpah kurnia-Nya maka kita dapat berkumpul sekali lagi di Mesyuarat Kedua bagi Penggal Ketiga Dewan Undangan Negeri Sarawak Ke-19 atau lebih dikenali sebagai Persidangan Belanjawan. Saya mengucapkan selamat datang dan terima kasih atas kehadiran Ahli-ahli Yang Berhormat ke persidangan ini. Persidangan kita akan berlangsung selama lapan hari, hari ini, 11 hingga 20 November 2024 kecuali hari Sabtu, 16 November 2024 dan hari Ahad, 17 November 2024. Semoga kita dapat bersidang dalam suasana yang muhibah dan penuh tatatertib.

Ahli-ahli Yang Berhormat, Dewan yang mulia ini ingin merakamkan setinggi-tinggi tahniah kepada Tuan Yang Terutama Yang di-Pertua Negeri Tun Pehin Sri Dr. Haji Wan Junaidi bin Tuanku Jaafar yang telah dilantik sebagai Canselor Keempat Universiti Malaysia Sarawak (UNIMAS) pada 16 Oktober 2024 yang lepas.

Ahli-ahli Yang Berhormat, Dewan yang mulia ini juga mengucapkan setinggi-tinggi tahniah kepada Yang Amat Berhormat Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg, Premier Sarawak yang telah dianugerahkan Darjah Setia Negara Brunei Yang Amat Bahagia Darjah Pertama (P.S.N.B.) yang membawa gelaran “*Dato Seri Setia*”, bersempena dengan sambutan Ulang Tahun Hari Keputeraan Sultan Brunei Darussalam yang Ke-78 pada 15 Julai 2024 yang lalu, dan Darjah Tertinggi Negeri Sabah, iaitu Datuk Seri Panglima Darjah Kinabalu (S.P.D.K.) yang membawa gelaran “*Datuk Seri Panglima*” bersempena dengan Sambutan Hari Jadi Rasmi Ke-71 Tuan Yang Terutama Yang di-Pertua Negeri Sabah pada 5 Oktober 2024 yang lalu.

Dengan kesempatan ini juga, Dewan yang mulia ini mengucapkan setinggi-tinggi tahniah kepada Ahli-ahli Yang Berhormat yang telah dianugerahkan darjah kebesaran, bintang dan pingat negeri Sarawak bersempena dengan Sambutan Perayaan Hari Lahir Ke-78 Tuan Yang Terutama Yang di-Pertua Negeri Sarawak pada 12 Oktober 2024 yang lalu.

Sekalung tahniah ditujukan khas kepada Ahli Yang Berhormat seperti berikut; Yang Berhormat Dato’ Sri Huang Tiong Sii, Ahli Dewan Undangan Negeri N.45 Repok, yang telah dianugerahkan Darjah Utama Yang Amat Mulia Bintang Kenyalang Sarawak - Panglima Gemilang Bintang Kenyalang (P.G.B.K.) yang membawa gelaran Datuk; Yang Berhormat Dato Fazzrudin bin Haji Abdul Rahman, Ahli Dewan Undangan Negeri N.6 Tupon; Yang Berhormat Dato Mohd Chee bin Kadir, Ahli Dewan Undangan Negeri N.40 Kabong. Kedua-dua Ahli Yang Berhormat yang telah dianugerahkan Darjah Utama Yang Amat Mulia Bintang Sarawak - Panglima Setia Bintang Sarawak (P.S.B.S.) yang membawa gelaran “*Dato*”.

Ahli-ahli Yang Berhormat, I have granted leave of absence under Standing Order 81 to Yang Berhormat Dato Sri Tiong King Sing, Honourable Member for N.52 Dudong from today sitting until Wednesday, 15<sup>th</sup> November 2024 and Yang Berhormat Dato’ Sri Huang Tiong Sii, Honourable Member for N.45 Repok from today sitting until Wednesday, 20<sup>th</sup> November 2024.

Ahli-ahli Yang Berhormat, bagi pihak Dewan yang mulia ini, saya ingin mengucapkan takziah kepada keluarga mendiang Encik Donald Lawan, mantan Ahli Dewan Undangan Negeri yang telah meninggal dunia pada 12 Jun 2024. Bagi menghormati mendiang, marilah kita bersama-sama berdiri bertafakur selama seminit.

*(Bertafakur selama seminit)*

**RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG PERTAMA**

**SUPPLY (2025) BILL, 2024**

**Premier Sarawak; Menteri Kewangan dan Ekonomi Baru; Menteri Sumber Asli dan Pembangunan Bandar; Menteri Tenaga dan Kelestarian Alam Sekitar; dan Ahli Dewan Undangan Negeri N.26 Gedong (YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg):** Tuan Speaker, I beg to introduce a Bill intituled “An Ordinance to apply a sum out of the Consolidated Fund for the service of the year 2025” be read a first time.

*Bill is read a first time*

**Premier Sarawak; Menteri Kewangan dan Ekonomi Baru; Menteri Sumber Asli dan Pembangunan Bandar; Menteri Tenaga dan Kelestarian Alam Sekitar; dan Ahli Dewan Undangan Negeri N.26 Gedong (YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg):** Tuan Speaker, I wish to give notice that this Bill would be read a second time today.

**RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG PERTAMA**

**SUPPLEMENTARY SUPPLY (2024) BILL, 2024**

**Timbalan Premier; Menteri Kewangan dan Ekonomi Baru Kedua; Menteri Infrastruktur dan Pembangunan Pelabuhan; dan Ahli Dewan Undangan Negeri N.37 Bukit Saban (YB Datuk Amar Douglas Uggah Embas):** Tuan Speaker, I beg to introduce a Supplementary Supply (2024) Bill, 2024 to be read a first time.

*Bill is read a first time*

**Timbalan Premier; Menteri Kewangan dan Ekonomi Baru Kedua; Menteri Infrastruktur dan Pembangunan Pelabuhan; dan Ahli Dewan Undangan Negeri N.37 Bukit Saban (YB Datuk Amar Douglas Uggah Embas):** Tuan Speaker, I wish to give notice that this Bill will be read the second time on Thursday, 14<sup>th</sup> November 2024.

**Tuan Speaker:** Ahli-ahli Yang Berhormat, the second reading committee stage and third reading of Supplementary Supply (2024), Bill 2024 is set on Thursday, 14<sup>th</sup> November 2024.

**RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG PERTAMA**

**DISTRIBUTION OF GAS (AMENDMENT) BILL, 2024**

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** I beg to introduce the Distribution of Gas (Amendment) Bill, 2024 be read a first time.

*Bill is read a first time*

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** I wish to give notice that this Bill would be read a second time on 11<sup>th</sup> of November 2024 that is today.

**RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG PERTAMA**

**NATURAL RESOURCES AND ENVIRONMENT BILL, 2024**

**Timbalan Premier Sarawak; Menteri Sumber Asli dan Pembangunan Bandar Kedua; Menteri Perdagangan Antarabangsa, Industri dan Pelaburan; dan Ahli Dewan Undangan Negeri N.82 Bukit Sari (YB Datuk Amar Haji Awang Tengah bin Ali Hasan):** Tuan Speaker, I beg to introduce the Natural Resources and Environment Bill, 2024 be read for a first time.

*Bill is read a first time*

**Timbalan Premier Sarawak; Menteri Sumber Asli dan Pembangunan Bandar Kedua; Menteri Perdagangan Antarabangsa, Industri dan Pelaburan; dan Ahli Dewan Undangan Negeri N.82 Bukit Sari (YB Datuk Amar Haji Awang Tengah bin Ali Hasan):** Tuan Speaker, I wish to give notice that this Bill would be read a second time tomorrow.

**RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG KEDUA**

**SUPPLY (2025) BILL, 2024**

**Premier Sarawak; Menteri Kewangan dan Ekonomi Baru; Menteri Sumber Asli dan Pembangunan Bandar; Menteri Tenaga dan Kelestarian Alam Sekitar; dan Ahli Dewan Undangan Negeri N.26 Gedong (YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg):** Tuan Speaker, saya mohon mencadangkan supaya Rang Undang-undang bertajuk “*Suatu Ordinan bagi menggunakan sejumlah wang daripada Kumpulan Wang Disatukan untuk perkhidmatan bagi tahun 2025 dan bagi memperuntukkan wang itu untuk perkhidmatan tahun itu*” dibacakan bagi kali kedua.

Tuan Speaker, alhamdulillah saya ingin merafakkan kesyukuran setinggi-tingginya ke hadrat Allah S.W.T. kerana dengan izinNya saya berpeluang untuk membentangkan Bajet Negeri Sarawak Tahun 2025 dalam Dewan yang mulia ini.

As we chart our course for 2025, it is critical for us to reflect on the challenges and performance of 2024 while preparing for what lies ahead. Understanding the present economic and geopolitical landscapes is essential, as these insights will influence and shape our strategic priorities for 2025 State Budget.

In this regard, I would like to update this august House with an overview of the economic performances and challenges in 2024 and outlook for 2025, which will serve as the backdrop for the 2025 State Budget proposal.

**ECONOMIC PERFORMANCE 2024 AND PROSPECT FOR 2025**

*Global Economy*

Following a robust post-pandemic recovery, the global economy is projected to enter a phase of steadier, more moderate growth. The World Economic Outlook, published by the International Monetary Fund (IMF) in October 2024, projected a global growth of 3.2% for both 2024 and 2025. A major contributor to the global economic growth is the robust expansion of technology sector. This is particularly evident in Emerging Markets and Developing Economies, where surging demand for semiconductors and electronics is powering growth. Investments in cutting-edge technologies, particularly in Artificial Intelligence (AI), are transforming production capabilities and boosting exports, especially in regions like Asia; with China and India playing a pivotal role.

The Emerging Markets and Developing Economics, as a whole are expected to grow by 4.2% in 2024 and stabilize at this level through 2025. India is poised to continue as a major driver of global

growth, with its economy expected to expand by 7.0% in 2024. This robust growth is fuelled by vigorous domestic consumption, comprehensive structural reforms and India's pioneering role in the digital economy. Additionally, new growth avenues are anticipated in renewable energy and technology sectors. Meanwhile, China's economy is forecasted to grow by 4.8% in 2024 bolstered by strong export performance, particularly in the manufacturing and technology sectors, despite facing challenges in its real estate sector.

Economic expansion in Advanced Economies is anticipated to stabilise at 1.8% in 2024 and 2025, indicative of cyclical adjustments and repercussions of stringent monetary policies. Within this group, the United States exhibits notable growth prospects, with its economic output forecasted to expand by 2.8% in 2024, propelled by robust consumer spending and sustained non-residential investment. However, a deceleration to 2.2% is projected for 2025, attributed to fiscal contraction and a tempering labour market impacting aggregate demand. Conversely, the Euro Area is projected to experience a moderate increase in economic growth, escalating from 0.8% in 2024 to 1.2% in 2025, supported by recovering exports and a rebound in domestic demand.

Global trade volumes are projected to expand by 3.1% in 2024, marking a recovery from the subdued growth observed in 2023, despite persistent geopolitical tensions. The resilience of intrabloc trade within global supply chains has played a vital role in mitigating the impact of global disruptions by sustaining more stable trade flows and reducing exposure to external shocks.

With pressures from energy and commodity prices easing alongside improvements in supply chain fluidity, global inflation is also expected to decline from 6.7% in 2023 to 5.8% in 2024.

Tuan Speaker,

*Malaysia Economic Performance 2024 and Prospect for 2025*

Despite escalating uncertainties in the global landscape, Malaysia's economy demonstrates resilience, with growth projected between 4.8% and 5.3% in 2024. A key driver of this growth is robust consumer spending, bolstered by improvements in labour market conditions and higher disposable incomes. Export recovery, especially in the electrical and electronics and manufacturing sectors, has also contributed significantly to this growth as global trade rebounds. Additionally, a resurgence of the tourism industry and a strengthened expansion in investment activities have enhanced economic performance. Notably, RM160 billion in investments was approved in the first half of 2024, underscoring investor confidence and commitment to Malaysia's economic landscape.

Malaysia's inflation rate is projected to range between 2.0% and 3.5% in 2024. In the first nine months, inflation has moderated to 1.8%, aided by easing global supply constraints and stabilising global commodity prices. However, domestic policy adjustments, such as subsidy reforms, may exert some upward pressure on inflation.

The labour market is anticipated to remain strong, with the unemployment rate projected to hold steady at 3.2% in 2024. Key sectors driving employment growth such as services and manufacturing sectors, continue to generate substantial job opportunities and support economic stability.

Looking ahead to 2025, Malaysia's economic growth is projected to range between 4.5% and 5.5%. This growth outlook is expected to be driven by more robust global demand for semiconductors and electrical and electronics products, bolstering the export sector. Additionally, robust private investment will continue to provide critical support, further enhancing Malaysia's economic expansion and resilience.

Tuan Speaker,

*Sarawak Economic Performance in 2024 and Prospects for 2025*



I will now move to the Sarawak economy. Sarawak economy growth is projected to remain resilient, with growth ranging from 5.0% to 6.0% in 2024. This positive outlook is supported by more robust external demand, increased domestic activity and gradually easing inflationary pressures.

### *Supply Side*

On the supply side, the services sector in Sarawak is projected to grow by 6.7% in 2024, establishing this sector as a critical driver of Sarawak's economic expansion. This growth is fuelled by notable growth in the tourism sector, with a 21.4% increase in business visitors, investors and tourist arrival from January to September 2024 compared to the same period in the previous year. In addition, expanding trade activities are anticipated to stimulate both direct and indirect growth within the services sector, particularly in transport and logistics, as well as the financial and insurance subsectors. This sectoral expansion underscores Sarawak's strategic focus on diversifying and strengthening its economic base.

The mining sector is poised for a recovery in 2024, with a projected growth rate of 2.3%. This optimistic outlook is primarily driven by development in natural gas industry, which stands to benefit from increased production in established fields and the commissioning of new projects like Jerun gas field and Kasawari gas development projects.

Subsequently, the production of liquefied natural gas is projected to increase, contributing significantly to the growth of the manufacturing sector. This increase in production is supported by rising demand from key trading partners, including Japan and China. As a result, the manufacturing sector is expected to achieve a growth rate of 5.2% in 2024.

In the agriculture sector, Crude Palm Oil (CPO) production experienced a growth of 1.7% from January to September 2024, with an improvement in Fresh Fruit Bunch (FFB) yield increasing from 10.61 tonnes per hectare in 2023 to 10.97 tonnes per hectare. During the same period, the average CPO price in Sarawak was RM3,924 per tonne. CPO production is anticipated to continue its upward trajectory, fuelled by robust demand from major importing countries such as India and China. This positive trend is expected to significantly contribute to the growth of the agriculture sector, which is projected to expand by 2.0% in 2024.

The construction sector is anticipated to sustain robust growth, with a projected expansion rate of 8.7% in 2024. In the first half of the year, the sector witnessed a significant increase in construction value, rising by 26.6% compared to the same period in 2023. This surge in growth is underpinned by vigorous activity across all subsectors.

Tuan Speaker,

### *Demand Side*

On the demand side, robust external demand coupled with heightened domestic activity is expected to drive Sarawak's economic growth in 2024. In the first seven months of the year, total external trade increased by 5.4%, rising from RM109.7 billion in 2023 to RM115.6 billion in 2024. Both exports and imports showed growth, with exports expanding by 6.6% and imports by 3.5%.

Export performance was strong for LNG and crude petroleum, which grew by 4.3% and 6.3%, respectively. LNG growth was supported by increased export volume, while crude petroleum benefited from higher oil prices. On top of this, crude palm oil exports saw a substantial increase of 18.1% in value and 16.8% in volume over the first seven months of 2024 compared to the same period in 2023. This positive trend is expected to continue throughout the year, driven by improving global trade conditions. The Brent crude oil price is also projected to average at USD86.37 per barrel in 2024, up from USD82.41 per barrel in 2023, further reinforcing growth momentum within the global energy sector.

On the investment front, the Sarawak Government remains focused on economic diversification by actively encouraging private investment, particularly in emerging sectors. In the first half of 2024, a total of RM6.84 billion in private investments was approved across various sectors. By the third quarter of 2024, investments amounting to RM2.93 billion were approved under the manufacturing sector, with a concentration on electrical and electronics, and basic metal industries. Further to this, RM2.87 billion worth of investments are currently pending approval from MIDA, reflecting strong investor confidence and Sarawak's attractiveness as a competitive investment destination. Investment in capital goods also increased by 5.5% in the first seven months of this year compared to the previous year, underscoring robust capital formation and capacity expansion in Sarawak.

Public investment is projected to grow by 6.0% in 2024, propelled by sustained infrastructure spending initiatives from both Sarawak and Federal Governments to uplift Sarawak's socio-economic landscape. For 2024, the Sarawak Government has approved an allocation of RM9.0 billion, with a focus on enhancing connectivity, improving citizens' well-being and stimulating economic growth. Complementing these efforts, the Federal Government has allocated RM5.8 billion for development in Sarawak, further supporting key infrastructure development and reinforcing economic expansion throughout the year.

Meanwhile, public consumption growth will be driven by sustained Government expenditure on emoluments and operational costs, aimed at enhancing the capacity and capabilities of the civil service. The implementation of the new civil servant salary scheme, *Sistem Saraan Perkhidmatan Awam* (SSPA), effective 1<sup>st</sup> December 2024, is expected to further contribute to this growth by providing improved compensation and incentivising productivity across the public sector.

The salary revision is anticipated to enhance spending capacity, thus stimulating private consumption growth. Government initiatives, including financial aid through *Sumbangan Tunai Rahmah* (STR), along with expanded support for healthcare, housing and small business development, are expected to alleviate household financial pressures. In 2024, private consumption is projected to grow by 5.1%, supported by favourable labour market conditions, positive economic activity and manageable inflation levels, all of which will reinforce domestic demand and contribute to overall economic resilience.

Tuan Speaker, Sarawak's economy is projected to sustain its growth trajectory, driven by favourable domestic economic conditions and a recovery in global trade. Looking forward to 2025, economic growth is expected to range between 5.0% and 6.0%, building on current momentum and reflecting continued resilience in the face of evolving market dynamics. This outlook underscores Sarawak's strategic focus on fostering diversified and robust economic development.

#### *Inflation*

Tuan Speaker, Sarawak's inflation is projected to moderate, with the average inflation rate for the first nine months of 2024 at 2.5%, reflecting a 0.8% point decline compared to the same period last year. A notable reduction in inflation for food and non-alcoholic beverages has contributed to this decrease, supporting a more stable pricing environment. Consequently, overall inflation for 2024 is anticipated to range between 2.3% and 2.5%.

#### *Labour Market*

The labour market showed steady improvement in the first half of 2024, with the labour force participation rate rising to 71.2%, up from 69.8% during the same period in 2023. Employment also grew, with the number of employed people reaching 1.46 million compared to 1.40 million in 2023. Meanwhile, the preliminary unemployment rate reduced to 3.5% in the first half of 2024 from 3.6% during the same period in 2023, indicating continued stabilisation and strengthening economic conditions. Registered job vacancies increased by 22.9% in the first half of 2024, further reflecting positive trends in labour demand and employment opportunities.

## **FINANCIAL PERFORMANCE OF THE STATE IN 2024**

Tuan Speaker, before I present the proposed 2025 State Budget, I would like to update this august House on the State's financial performance for 2024.

### **REVENUE, 2024**

I am pleased to inform that our revenue collection stands at RM12.2 billion as of October 2024, or 87% against our projection for the year. Based on the current performance, our revenue collection for this year 2024, is projected to be RM14 billion, which is expected to surpass the 2023 revenue collection of RM13.3 billion. Tuan Speaker, this will be yet another record-breaking achievement, setting the highest revenue collection in Sarawak's history.

The actual revenue collection of RM12.2 billion is mainly from the following major sources:

- (i) State sales tax of RM4.4 billion comprises of the following:
  - (a) Petroleum products of RM3.6 billion;
  - (b) Crude palm oil and palm kernel oil of RM705 million;
  - (c) Aluminium of RM68 million;
  - (d) Lottery of RM61 million;
  - (e) Timber products of RM27 million; timber is reducing, reducing, reducing; and
  - (f) Coal is RM5 million.
- (ii) Cash compensation in lieu of oil and gas rights of RM2.7 billion;
- (iii) Dividend of RM2 billion;
- (iv) Interest and return from investment of RM1 billion;
- (v) Raw water royalty of RM554 million;
- (vi) Land premium of RM191 million;
- (vii) Cash compensation in lieu of imports and excise duties on petroleum products of RM120 million;
- (viii) Forestry of RM214 million;
- (ix) Federal grants and reimbursement of RM554 million; and
- (x) Other sources such as mining royalties, water sales and land rents of RM507 million.

### **EXPENDITURES, 2024**

The 2024 Ordinary Expenditure has been revised upwards from RM12.363 billion to RM12.678 billion, an increase of RM315 million or 2.5%. As of October 2024, RM9.4 billion or 74% of the Ordinary Expenditure has been expended, of which RM3.5 billion was for operating expenditure, while RM5.85 billion was appropriated to Statutory Funds.

As for Development Expenditure, RM4.31 billion out of RM9.1 billion or 47% has been expended for the same period. As the development momentum continues to pick up and project implementation intensifies, the expenditure is expected to increase towards the end of the year.

## **STATE BUDGET PROPOSAL FOR 2025**

Tuan Speaker, now, I would like to present the 2025 State Budget proposal with the theme *"Together Building a Prosperous Future"*. This theme serves as the foundation of our fiscal strategy and embodies our steadfast commitment to the people of Sarawak. It is a Budget designed for an inclusive and prosperous Sarawak - where every *rakyat* has equitable access to opportunities and resources to thrive.

The Budget has been meticulously assessed and formulated to ensure our state remains resilient, competitive, and adaptable amid global uncertainties. Building on past achievements and

with a solid foundation, we are well prepared to navigate future challenges, safeguarding the well-being of the *rakyat* and bringing prosperity to all.

At its core, the 2025 State Budget renews and reaffirms our commitment to championing the welfare of the *rakyat* through targeted measures aimed at alleviating the financial burdens of low and middle-income groups and continuing to implement vital people-centric programmes and projects.

The 2025 State Budget will continue to be an expansionary Budget to boost Government spending that will further stimulate the State's economic growth. Thus, this Budget proposes to increase the operating and development expenditure from RM13.6 billion in 2024 to RM15.8 billion in 2025, an increase of RM2.2 billion or 16%.

In a nutshell, the 2025 budget is framed across eight Strategic Thrusts as follows:

- First : Transforming and Diversifying Sarawak Economy
- Second : Positioning Sarawak as a Major Investment Destination and Promoting SME's Development
- Third : Strengthening Talent and Educational Development
- Fourth : Accelerating Digital Transformation and Innovation
- Fifth : Enhancing People's Well-being and Ensuring Inclusive Development
- Sixth : Promoting Culture, Sports, and Youth Empowerment
- Seventh : Enhancing Environmental Sustainability
- Eighth : Strengthening Public Service Delivery and Capacity

Tuan Speaker,

#### REVENUE ESTIMATES, 2025

We anticipate a revenue of RM14.2 billion in 2025, the highest revenue ever projected, underscoring our strong commitment to enhancing the fiscal sustainability of the State.

The State's revenue estimates are derived from the following major sources:

- (I) Tax Revenue totalling RM6.2 billion or 44% of the total expected revenue in 2025, comprising the following:
  - (a) RM5.1 billion from State Sales Tax, of which RM4.1 billion from crude oil, liquefied natural gas and other petroleum products; RM820 million from crude palm oil and crude palm kernel oil; RM75 million from lottery, RM60 million from aluminium products, RM29 million from timber products, while the remaining RM6 million from coal;
  - (b) RM620 million from raw water royalty;
  - (c) RM100 million from forest royalty, timber premium and tariff; and
  - (d) RM422 million from mining royalties, land rents and others.
- (II) Non-Tax Revenue is estimated at RM7.0 billion or 49%, mainly derived from the following sources:
  - (a) RM2.7 billion from cash compensation in lieu of oil and gas rights;

- (b) RM2.9 billion from dividend income;
  - (c) RM853 million from interest income;
  - (d) RM400 million from land premium;
  - (e) RM120 million from cash compensation in lieu of import and excise duties on petroleum products; and
  - (f) RM26 million from others, including licences, services fees, permits and rentals.
- (III) Federal Grants and Reimbursements are projected to reach RM937 million. The revenue contribution from this source has increased due to the Federal Government's decision to raise the interim Special Grant rate for Sarawak from RM300 million to RM600 million effective next year.

Tuan Speaker,

#### **ORDINARY EXPENDITURE, 2025**

The 2025 State Budget proposes a total Ordinary Expenditure of RM13.7 billion, of which RM4.9 billion is for Operating Expenditure, while RM8.8 billion is for appropriation to Development Fund Account. This appropriation is to top up the brought forward balance in the Development Fund Account to finance 2025 Development Expenditure budgeted at RM10.9 billion. So, the State is preparing RM10.9 billion, Federal only RM5.9 billion. So we are, we are spending more than the Federal.

The Operating Expenditure of RM4.9 billion is allocated to finance the following expenses:

- (a) RM1.2 billion or 24% for personnel emoluments;
- (b) RM1.9 billion or 39% for supplies and services;
- (c) RM1.6 billion or 33% for grants and fixed payments, which includes operating grants to Statutory Bodies and Local Authorities, servicing of public debts and payments of gratuities, pensions, and scholarships, including financial and welfare assistances;
- (d) RM96 million for procurement of assets; and
- (e) RM113 million for other operating expenses.

Effective public spending remains essential to stimulating economic growth, delivering vital public services, and funding investments that support both current needs and future development. It is therefore, crucial to prioritize our spending on high-impact, productive activities while ensuring that programmes and projects are being executed efficiently.

#### **BUDGET SURPLUS, 2025**

Tuan Speaker, I am pleased to inform this august House that with the projected revenue of RM14.2 billion and total Ordinary Expenditure of RM13.7 billion, the 2025 State Budget is expected to generate a surplus of RM486 million. 2025 State Budget indeed marks the largest budget in Sarawak's history, reflecting the success of our revenue reengineering strategies and prudent financial management. Through this expansionary Budget, we are making substantial investments in infrastructure while placing the well-being of the *rakyat* at the forefront of our priorities.

#### **DEVELOPMENT EXPENDITURE, 2025**

Tuan Speaker, the 2025 State Budget provides an allocation of RM10.9 billion to fund development expenditures in the State. This is, again, the biggest development budget in the history of Sarawak. The Budget will continue to provide allocation to key sectors to accelerate economic development and eventually make the State economy strong, robust, and resilient.

## 2025 BUDGET GOALS

The 2025 State Budget is centred towards achieving five overarching goals as follows:

- (a) Building a prosperous and equitable society where no one will be left behind;
- (b) Enhancing the *rakyat* social well-being through people-centric initiatives;
- (c) Strengthening Government's capacity and capability to deliver quality services;
- (d) Enhancing State fiscal position towards financial sustainability; *and*
- (e) Transforming Sarawak into a developed region and green hub.

Guided by these goals, the 2025 State Budget is framed across eight Strategic Thrusts aimed at steering the Sarawak economy towards becoming a robust, developed and resilient economy by 2030.

## STRATEGIC THRUSTS AND INITIATIVES

Tuan Speaker, I will now highlight the strategic thrusts and various initiatives under the 2025 State Budget.

### STRATEGIC THRUST ONE: TRANSFORMING AND DIVERSIFYING SARAWAK ECONOMY

#### *Initiative One: Transforming Agriculture Sector*

##### *(I) Agriculture Transformation Strategies*

Tuan Speaker, agriculture is a pivotal sector in driving Sarawak's economic growth, ranking as the fourth most significant contributor to the State's GDP. We are committed to pursue transformative change, leveraging on technology to ensure food security, and positioning Sarawak as a future net food exporter. Sarawak is advancing agro-food industrialisation to drive this transformation and establish a solid supply chain for essential commodities such as pineapple, coconut, banana, durian, shrimp, fish, and cattle.

##### *(II) Venturing into Commercial Agriculture*

Encouraging private-sector investment in commercial agriculture is amongst the key initiatives, including expanding food production areas by enhancing essential infrastructure. The 2025 Budget will allocate RM6 million to continue infrastructure development within various Agro Parks. To support shrimp production, RM20.9 million will be allocated to upgrade the Loba Stoh Aquaculture Park in Rambungan. For inland fisheries, RM9.5 million will be allocated to develop an aquaculture park in Samariang Batu, Kuching.

##### *(III) Enhancing Food Security*

##### *(a) Development of Paddy Cultivation Infrastructure*

With Sarawak's current rice production meeting only 32% of the State's demand, resulting in the import of approximately 153,000 metric tonnes last year at a cost of RM401 million, we are committed to transforming the paddy and rice sector into a sustainable, self-sufficient industry.

To achieve a 100% self-sufficiency level in rice, various key initiatives have been undertaken, including expanding paddy cultivation areas, rehabilitating drainage and irrigation systems, implementing farm mechanisation, and utilising high-yield seeds alongside sustainable agricultural practices. Thus far, approximately 14,000 hectares have already been designated for paddy cultivation across Sarawak.

For paddy infrastructure, a scheme value of RM1 billion has been approved of which RM51 million will be allocated in 2025 for preliminary studies. The focus planting areas covers Stumbin Bijat, Lingga-Banting, Seduku, Gran and Entulang, Tanjung Purun, Lubok Punggor, Sundar and Limbang. On top of this, a sum of RM50 million has been set aside for land acquisition, particularly for Tanjung Purun Paddy Scheme, Kuching.

### **STRUCTURED CATTLE BREEDING PROGRAMME**

In 2023, Sarawak's beef self-sufficiency level stood at just 13%, with imports totalling RM229 million. The Sarawak Government has launched key initiatives to increase the cattle population to address this gap. Amongst these, RM10.6 million will be allocated in 2025 to establish cattle breeding and fattening farms in Kuching, Serian, and Betong. These centres will adopt artificial insemination technology to drive efficient and sustainable cattle breeding, supporting Sarawak's path towards greater beef self-sufficiency.

### **IMPROVING AGRICULTURE INFRASTRUCTURE AND FACILITIES**

#### *Farm Infrastructure*

We will continue intensifying the development of necessary agriculture infrastructure and facilities to accelerate the agricultural transformation agenda. Towards this, RM41.6 million will be allocated for the development of farm infrastructure such as farm roads, drainage and irrigation infrastructure.

#### *Collection, Packaging and Processing Centre (CPPC) / Agrofood Terminal*

The Collection, Packaging, and Processing Centre (CPPC) / Agrofood Terminal is set to foster a competitive and sustainable market for Sarawak's agricultural products, with significant benefits for primary producers, especially rural farmers. Recognising the importance of an efficient marketing supply chain, a sum of RM8 million will be allocated in 2025 to support this initiative, ensuring that local agricultural products reach markets effectively.

### **INCREASING FARMERS' INCOME**

#### *(a) Assistance to Smallholder Farmers*

We are resolute towards enhancing the livelihoods of smallholder farmers through targeted development initiatives. For 2025, RM30.4 million will be allocated to implement various food crops development programmes, RM5.9 million for inland fisheries and agriculture projects and RM17.4 million for livestock and veterinary development.

Additionally, to empower agropreneurs with essential skills, RM7.9 million will be allocated in 2025 for agricultural training, extension services, and support for mechanisation and automation. These initiatives aim to equip smallholder farmers with the resources and expertise to thrive in a competitive agricultural landscape.

#### *(a) Strengthening Farmer's Organisation*

The State Farmer's Organisation (SFO) plays a vital role in supporting smallholders by offering guidance on sales management and expanding market access. For 2025, RM10.9 million will be allocated to strengthen the SFO's marketing systems and improve their facilities. Another sum of RM4.6 million will be allocated to strengthen the function of the Area Farmer's Organisation.

### **INVESTING IN MODERN AND SMART FARMING**

#### *(a) Sarawak Agrotechnology Park (SARTECH)*

The development of Sarawak Agrotechnology Park (SARTECH) is expected to attract more global technology-based agricultural firms and transform Sarawak's agriculture into a technology-driven and sustainable sector. For 2025, RM31 million is set aside to develop essential infrastructure in SARTECH Tarat, Serian Division. Meanwhile, another RM30 million will be allocated for the development of physical works in SARTECH Semenggok, Kuching Division.

*(b) Precision Farming Park*

To accelerate the development of modern farming in Sarawak, the government has set aside RM60 million under 12<sup>th</sup> Malaysia Plan to implement a Precision Farming Park at Sg. Sebiew in Bintulu and in Kabuloh, Miri. The construction of these modern agriculture parks is expected to commence next year with a proposed allocation of RM40 million in 2025. These parks are expected to attract greater involvement from youth, entrepreneurs and the private sector.

*(c) Metropolitan Food Cluster*

We will also be establishing a Metropolitan Food Cluster in Opar, inspired by the Netherlands model. A sum of RM60 million has been set aside for this initiative, with RM18 million earmarked for 2025. This initiative will develop a centralised, efficient food supply chain.

*(d) Rural ICT Digital Training Programme*

To accelerate the adoption of smart agriculture and enhance ICT literacy among our rural population, the government will continue strengthening its capacity-building programmes among the farmers, agro-entrepreneurs and the targeted rural community group. A sum of RM1.22 million will be allocated in 2025 for this purpose.

*(e) Agriculture Financing Facility: Sarawak Agro Fund*

The government remains committed to supporting aspiring agro-entrepreneurs in transforming the agriculture sector through accessible financing. This includes ongoing soft loans and grants provided through Sarawak Agro Fund, which has seen strong demand from industry players since its introduction in 2021. To further drive agricultural commercialisation, RM12.7 million will be allocated for this purpose next year.

**INITIATIVE TWO: BOOSTING TOURISM SECTOR**

Tuan Speaker, the tourism sector is vital to our economic diversification and one of the significant contributors to the state's economy. Through focused strategies, the government aims to make the state a leading destination for eco-tourism, augmented by our rich cultural experiences and unique heritage.

In 2025, we will be ramping up our efforts across several areas to attract more visitors and enhance Sarawak's tourism appeal. Digital marketing initiatives will be expanded, focusing on collaboration with online travel agencies and airlines to increase accessibility, especially in key markets across Europe, ASEAN, and Oceania. By strategically enhancing Sarawak's visibility and connectivity, we aim to attract 5 million visitors by the end of 2025. This strategic approach also emphasises on encouraging extended stays and strengthening Sarawak's brand appeal on the global tourism stage.

For this purpose, in 2025, a total of RM174 million will be provided to Ministry of Tourism, Creative Industry and Performing Arts for its operations and implementation of various tourism marketing and promotion programmes, which include the following:

- (a) Hosting events and festivals that highlight Sarawak's cultural vibrancy of RM45 million;



- (b) Grant to Sarawak Tourism Board, Business Events Sarawak, Sarawak Art Council and Sarawak Craft Council totalling RM86 million;
- (c) Sponsorship grants for tourism activities of RM10 million; and
- (d) Research Grant of RM5 million.

In addition, RM81 million will be provided under 2025 Development Budget for the continued implementation of various tourism projects such as:

- (a) Performing Arts Centre at Old DUN Building;
- (b) Transformation of Brooke Dockyard into an Industrial Heritage Museum;
- (c) Sadong Jaya Mangrove Tourism;
- (d) Sarawak Museum Campus and Heritage Trails;
- (e) Santubong Archaeological Park and Wallace Centre;
- (f) Restoration and Upgrading of Islamic Heritage Museum Building and Exhibition; and
- (g) Darul Hana Malay Heritage Museum.

On the development of ecotourism attractions, the Sarawak Forestry Corporation (SFC) continues to champion conservation-based ecotourism by creating experiences that engage visitors in sustainable practices and heritage preservation while empowering local communities.

With other key initiatives being actively pursued such as promoting the Niah National Park as UNESCO's World Heritage Site and expanding training for park guides, SFC integrates biodiversity awareness with rich cultural experiences, thus establishing Sarawak as a leader in regional ecotourism.

### **INITIATIVE THREE: ENHANCING URBAN-RURAL ECONOMIC INTEGRATION**

Tuan Speaker, as Sarawak progresses towards becoming a developed region, balancing growth between urban and rural areas will continue to be our primary development agenda for us to bridge these disparities. Accelerating rural development and intensifying infrastructure projects not only stimulates more balanced growth but also ensures that both urban and rural people thrive together, creating a cohesive and equitable economic landscape for all.

#### *Accelerating Rural Development*

Bringing more development to rural areas remains our top priority, and in echoing this, the 2025 State Budget will continue to be rural-biased. Of the RM10.9 billion proposed for Development Expenditure, RM6.8 billion, or 62%, will be allocated to rural development initiatives. We want to ensure our rural populace also enjoy the fruits of development in tandem with the progress of their urban counterparts.

In accelerating rural development to bridge critical infrastructure gaps, we have taken significant steps to ensure that every nook and corner of Sarawak enjoys equal opportunities and access to development. Therefore, specific initiatives, programmes, and projects set to transform our economy and enhance the lives and livelihoods of our people are included in the 2025 Budget as follows:

- (a) RM650 million for the implementation of Projek Rakyat;
- (b) RM420 million for Rural Transformation Projects (RTP); and
- (c) RM265 million for Program Projek Khas.

With the establishment of nine Regional Development Agencies, for 2025 a sum of RM300 million will be allocated under this Budget and another RM742 million will be provided under Alternative Funding to support the implementation of various programmes and projects, such as roads, electricity, and water access that are essential for connecting rural areas to economic centres.

These projects are anticipated to generate substantial economic benefits for the state, create new job opportunities for local communities, and stimulate growth in the construction and service sectors.

*Intensifying Infrastructure Development*

Under the 2025 Budget, we will continue to prioritise the development of essential infrastructure and services to enhance connectivity and accessibility. By focusing on building additional roads, bridges, ports, improving water and electricity supplies, and expanding air transport facilities, we aim to unlock greater economic opportunities in rural areas, drive economic growth, and uplift the standard of living of the *rakyat*. Among the major projects that would help us to achieve this aspiration are:

*(I) Roads and Bridges Projects*

Infrastructure development, which comprises the construction of roads and bridges, plays a vital role in boosting the economic growth of Sarawak. For 2025, a sum of approximately RM1 billion will be allocated to implement and complete the various roads and bridges projects. Among the projects are:

- (a) Construction of Batu Kawa Road Linking to Stephen Yong Road, Kuching;
- (b) Construction of New Road from Ulu Sungai Merah to Jalan Tunku Abdul Rahman, Sibul;
- (c) Upgrading of Main Road from Pekan Lapok to Gejong Long Teran Batu, Tinjar Miri;
- (d) Nanga Ibau/Ulu Sg. Ibau Road, Kapit;
- (e) Serian-Gedong-Samarahan Roads;
- (f) Nanga Kesit-Ulu Lemanak-Engkari Road, Lubok Antu, Sri Aman; and
- (g) Sungai Limbang Bridge.

Under Alternative Funding, RM4 billion will be provided next year for the implementation of ongoing and new major infrastructure projects, among which comprising the following:

- (a) Sarawak Coastal Road;
- (b) Second Trunk Road;
- (c) Sultan Tengah Road and New Santubong Bridge;
- (d) Northern Coastal Highway;
- (e) Road Link Miri-Marudi, Marudi-Mulu and Long Panai-Long Lama;
- (f) Gedong to Kampung Samalatong, Simunjan Road; and
- (g) Gedong-Serian Expressway.

*(II) Water and Electricity Supply Programmes*

*(a) Water Supply*

Tuan Speaker, my Administration has set a high priority on expanding the coverage of safe and treated water supply across the state. A remarkable progress has been made, with an overall water supply coverage reaching about 85.4% and rural areas achieving 70.5%. Efforts will continue to be intensified to ensure a dependable, efficient, secure and sustainable water supply to meet this objective.

Towards this, a sum of RM352 million will be allocated under this Budget for the implementation of the 12<sup>th</sup> Malaysia Plan water supply projects which include the following:

- (a) Serian Regional Water Supply;
- (b) Construction of Long Lama Water Treatment;
- (c) Water Supply System for Suai Complex;
- (d) Julau Water Supply System;

- (e) Mukah Water Supply System;
- (f) Upgrading of Treatment Plant No.4 Batu Kitang; and
- (g) Upgrading of Treatment Plant Salim, Sibu.

To complement this effort, RM452 million will be provided in 2025 under Alternative Funding and the major projects are as follows:

- (a) Transmission Main Across Batang Sadong Bridge to Simunjan, Pipeline Replacement, Relocation, and Extension at Sebangau and Sebuyau, and Associated Works;
- (b) Upgrading of Lubau Water Treatment Plant;
- (c) Upgrading of Bayong Water Treatment Plant;
- (d) Kapit Water Supply;
- (e) Jalan Belaga / Menjawah Water Supply, Kapit;
- (f) Miri Water Supply Source Development;
- (g) Tinjar Water Supply; and
- (h) Sarawak Alternative Water Supply (SAWAS).

To reduce Non-Revenue Water (NRW) and enhance water supply efficiency, the government is investing a sum of RM1 billion under the Alternative Funding of which RM204 million will be provided in 2025 for Upgrading and Replacement of Water Pipeline Programme in Sarawak. We have got a lot of hole pipeline we have to replace.

*(b) Electricity Supply*

Sarawak has achieved a significant rural electricity coverage of about 99%, and to achieve full coverage across Sarawak, the government will continue to intensify the implementation of electricity supply initiatives.

For 2025, a total of RM56 million will be allocated for new and continuation projects under the 12<sup>th</sup> Malaysia Plan, including the following:

- (a) Upgrading of Electricity Supply in Samarahan Division;
- (b) iConnect Stand-Alone Sarawak Alternative Rural Electrification Scheme (SARES) villages or longhouses to nearby grid with road access;
- (c) Replacement of batteries in stand-alone solar systems for remote communities to ensure they continue to benefit from 24-hour electricity; and
- (d) 33 kilovolt Medium Voltage Covered Conductor from Gaat to Tunoh in Kapit.

Whilst under Alternative Funding, a total of RM170 million will be allocated for 2025 for the following:

- (a) RM150 million for continuation of electrification projects in rural areas; and
- (b) RM20 million for Additional and Late Applicant Fund (ALAF) initiative.

*Ports, Navigational Safety and Riverine*

For 2025, a total sum of RM125 million will be provided for port development, navigational safety and other ongoing riverine projects which include the following:

- (a) Vehicle Yard and Associated Facilities at Senari Port;
- (b) Construction and Completion of Tanjung Embang Terminal Phase 1, Kuching;
- (c) Port development and maintenance dredging grants to State Port Authorities;
- (d) Masterplan Study for Ports;
- (e) Construction of wharves, jetties, river wall and waterfront; and
- (f) Vessel Tracking Management System (VTMS) and Aids to Navigation (ATONS) for Sungai Miri and Kuala Baram, Sarawak.

We are committed to improving port development to deliver better and more efficient services. A significant step forward was the gazettelement of the Sarawak Ports Authority Ordinance, 2024, which lays the groundwork for a unified port authority to oversee and streamline operations across all state ports. This integration is designed to strengthen corporate governance, enforce financial discipline, and boost operational efficiency.

Establishing a centralised governing body will enhance oversight and optimize resource allocation, enabling more strategic investments that will benefit the entire State. These reforms are expected to raise service standards, expand economic opportunities, and ensure Sarawak ports are equipped to meet the demands of both domestic and international trade.

We are also looking into the development of a new deep sea port at Tanjung Embang in collaboration with PETROS to propel Sarawak as a regional maritime and energy hub. This port will serve as a gateway for international trade, thereby increasing the State's capacity for container cargo handling as well as integrating gas terminal facilities for PETROS.

#### *Investing in Integrated and Modern Public Transport System*

The Kuching Urban Transportation System (KUTS) project is set to transform Sarawak public transport system by providing seamless and smart transportation system that enhances connectivity between urban and rural regions. With a budget allocation totalling RM1.42 billion for 2025 under Alternative Funding, the key project components are:

- (a) Construction of three Autonomous Rapid Transit (ART) Lines;
- (b) Construction of Rembus Depot main building;
- (c) Construction of Feeder Bus Depot; and
- (d) Mass production of ART vehicles and Feeder Buses.

These initiatives not only promote economic growth but also contribute to environmental sustainability by reducing carbon emissions. This aligns with our pledge to drive green mobility and support the global endeavour to achieve Net Zero Emissions by 2050, promoting a cleaner environment and inclusive growth for all.

In our effort to improve and upgrade the public transport system, RM8 million will be provided in 2025 for the implementation of smart buses in Miri City and RM1 million for the construction of a bus terminal in Kapit.

For the proposed development of a new International Airport in Kuching as I have announced in the last DUN sitting, a detailed feasibility study will soon be undertaken on the development of the project.

### **STRATEGIC THRUST TWO: POSITIONING SARAWAK AS A MAJOR INVESTMENT DESTINATION AND PROMOTING SME DEVELOPMENT**

Tuan Speaker, Sarawak is fully committed to strengthening its economic landscape by supporting local businesses, driving industrial growth, and creating an environment that is favourable and conducive for investors.

#### *Initiative One: Enhancing Sarawak Competitiveness*

To increase the competitiveness of Sarawak businesses in the global market, we are implementing capacity-building programmes designed to equip SMEs with valuable skills in entrepreneurship, technical know-how, digital marketing, and product promotion. In 2025, RM3.1 million will be allocated for these programmes to enhance the capacity and performance of SMEs.

In providing rural and remote communities with the infrastructure and resources to launch and expand their businesses, the Government has introduced the Anjung Usahawan Development programme. This Budget will allocate RM8.4 million to support the establishment of 18 entrepreneurship centres throughout Sarawak. Together, these efforts reflect our commitment to building a competitive local economy that promotes inclusive growth across all areas.

In developing local entrepreneurs and supporting micro-traders and startups to further strengthen their businesses, the Government will continue with financial assistance initiatives such as the Special Relief Fund and Sarawak Recovery Business Fund. Further in ensuring SMEs have the resources to grow, a sum of RM15.5 million in soft loans and grants will be provided in 2025 to fund various programmes, including *Skim Kredit Mikro Sarawak*, *Skim Pinjaman Industri Kecil dan Sederhana*; *Program Graduan ke Arah Keusahawanan* and the GoDigital Programme.

In addition to this and in line with the Government's desire towards building a sustainable and green economy, a new scheme will be implemented in 2025 namely the Sustainable Development Financing Scheme. This scheme will be implemented through DBOS our development bank with a financial provision of RM50 million. The scheme will be based on a similar concept of green and sustainable finance promoted by other financial institutions, that is primarily to finance decarbonization efforts and support green transition initiatives. For a start, DBOS will only offer loan facilities to targeted eligible borrowers, particularly on small-scale initiatives that utilize technological innovation to drive sustainability efforts. As for larger-scale financing, DBOS may act as a facilitator or establish a collaborative approach with more established financial institutions in driving access to sizeable green or sustainable finance.

#### *Initiative Two: Intensifying Industrialisation Programme*

We are intensifying industrialization efforts to further strengthen our position as preferred investment destination in Malaysia. This includes the development of 14 industrial estates across the State with a total allocation of RM40 million in 2025. Among the major projects are Sibu Industrial Estate, Bau Industrial Area, Limbang Industrial Park, Samalaju SME Cluster and Rantau Panjang Industrial Estate Phase II.

With high-quality infrastructure and attractive incentives, these industrial areas will support large-scale production and export activities, further enhancing Sarawak's industrial ecosystem.

Moreover, in our effort to position Sarawak as a key player in the semiconductor industry, a sum of RM5 million will be allocated in 2025 for a high-tech industrial park in Kuching. This park will drive innovation in semiconductor and advanced manufacturing design, as well as research and development (R&D). The strategic goal is to attract leading R&D players from Europe and USA towards establishing Sarawak as a global hub for advanced technologies in the future.

By enhancing competitiveness, expanding industrial infrastructure, and promoting sustainable practices, Sarawak is shaping its future as a prime investment destination and a hub for SME development. This strategic direction emphasises our forward-looking policies to spur the State's economic growth that will create spillover effects to the domestic economy.

### **STRATEGIC THRUST THREE: STRENGTHENING TALENT AND EDUCATIONAL DEVELOPMENT**

#### *Initiative One: Enhancing Sarawak Education System and Facilities*

##### *(I) Investing In Quality Education*

Tuan Speaker, we will continue to support the early childhood sector, by allocating RM20 million for our State-owned early childhood provider, SeDidik, and a sum of RM14 million for the annual special grant to all registered Early Childhood and Care Institutions in 2025.

To ease the burden of parents, an allocation of RM2.5 million will also be allocated next year for TADIK and TASKA fee subsidies. This will benefit 2,500 children whose parents' monthly income is RM7,000 and below. By providing this assistance, we aim to increase Sarawak children's access to early childhood education.

*Sarawak Education Enhancement Programme*

In order to bridge the gap between students in rural and urban areas, the Sarawak Government in collaboration with Jabatan Pendidikan Negeri Sarawak introduced the Sarawak Education Enhancement Programme (SEEP). This is a joint free tuition initiative for Form 4 and Form 5 students in core subjects such as Science, Mathematics, English and History as well as pure science subjects in 2024, with an initial allocation of RM15 million. In 2025, an allocation of RM20 million will be provided for SEEP, with an expansion in the programme's coverage. This is free tuition.

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

The overarching meaning of teaching Science and Mathematics in English is to improve students' English proficiency and competitiveness in the future workforce. This is part of the Sarawak Government's Dual Language Programme, which was first implemented in 2016. The programme is being extended to secondary schools. We will continue this initiative with an allocation of RM4.6 million in 2025.

*Intensifying TVET through collaboration with industry players*

Through research and development, enhanced technical and vocational education and training (TVET), and community engagement, we seek to empower our people and position Sarawak as a leader in sustainable development in the region. Sarawak not only focuses on skills development in renewable energy and green technologies but also promotes collaboration with industry, academia and training institution to align training with market needs. As part of this commitment, Sarawak is set to host the WorldSkills Malaysia Sarawak event in 2025, alongside the Sarawak Aerospace International Conference and the Sarawak Workforce Conference. This is for us to help them in training for young people.

*Assistance to State-owned Universities /Colleges*

We will also continue to provide annual operating grants to our State-owned universities and colleges. For 2025, a sum of RM35 million will be allocated to University Technology Sarawak, RM30 million to Sarawak Skills Development Centre, RM30 million to i-CATS University College, and RM5.5 million to Kolej Laila Taib.

*(II) Investing In Educational Facilities*

*State-Owned International Schools*

Tuan Speaker, presently, two state-owned international schools in Sarawak are fully operational in Petra Jaya, Kuching and Mile 12 Kuching-Serian Road. The third international school located in Sibu is scheduled to be completed by the end of this year. Under the 2025 Budget, a sum of RM27 million will be allocated to cover the operation costs of these three schools.

*(III) Providing Educational Assistance Programmes*

Substantial allocation for various educational assistance programmes will continue to be provided as it is a crucial investment for the future of our children. As an assistance for Sarawak graduates who have repaid 30% and above for their PTPTN loan, a loan repayment discount of 30% will be provided as an incentive for full settlement of outstanding loan balance. Since the introduction

of this incentive in 2021, some 31,706 borrowers have benefitted, involving a total amount of RM116.57 million, we are the only state that provides this assistance. For 2024, there are 5,419 eligible borrowers with total financial assistance of RM26.15 million. In 2025, an allocation of RM15 million will be provided for the same purpose.

As a caring and responsible government, we recognise the need to mitigate the cost-of-living pressures among the low and middle-income groups, especially when it comes to bearing the cost of our children's education. Hence, we introduced two key initiatives which were launched in August of this year. The same initiatives will be continued in 2025 as follows:

First: Book vouchers of RM500 per person for IPTA and IPTS Sarawak's students for households with per capita income of RM1,500 per month and below. A sum of RM2 million will be allocated for this purpose in 2025.

Second: Free laptop to be given to Sarawakian students who have successfully enrolled into IPTA and IPTS for households with per capita income of RM1,500 per month and below. This assistance will empower our students with the essential technology they need to excel in their academic pursuits with an allocation of RM30.5 million next year, which will benefit 10,166 students from Sarawak.

#### *Special Financial Assistance for Sarawakian Students in Universities and Colleges*

Tuan Speaker, for 2025, I am pleased to announce that the Sarawak Government under the GPS will introduce special financial assistance for Sarawakian students studying in higher learning institutions across Malaysia in the form of pocket money of RM1,200 per student. This financial assistance will benefit 25,000 Sarawakian students from families of lower income groups with household per capita income of RM1,500 or below per month. The money given is to be spent on food and essential goods to help them mitigate the cost of living. Under this Budget, a sum of RM30 million will be allocated for this purpose.

With these initiatives from early childhood education to tertiary education, I am hopeful that our students will continue to excel in their studies and help those who need a leg up in progressing to their next stage in life.

#### *Initiative Two: Enhancing Sarawak Workforce*

We are committed to developing a local technology and digital talent pool that aligns with the industry's needs and produces a highly skilled workforce, laying a foundation to cater to the needs of high-value industries.

In this regard, Centre of Technology Excellence Sarawak (CENTEXS), a provider of industry-based competency training programmes, will receive an operating grant of RM40 million next year. In addition, CENTEXS Digital Academy will receive RM20 million in 2025 for the provision of infrastructure, facilities and technologies for upskilling and reskilling training to produce a highly digital skilled workforce.

#### *Skills Enhancement Programme for Graduates / GETS*

In 2024, the GETS Programme was improved and restructured to keep pace with evolving industries and markets, ensuring our graduates remain competitive through regular skill updates. The programme focuses on addressing graduate unemployment and equipping young Sarawakians with the right skills required by the job market.

These graduates will receive a monthly allowance of RM1,500 per month, and to be given training opportunities in both public and private sectors, focusing on soft skills, leadership skills and

team building training. Under this Budget, a sum of RM23 million will be allocated next year which will benefit 1,000 graduates.

*Talent Development in Semiconductor Industry*

We have incorporated SMD Semiconductor, a wholly owned government company specialising in designing analogue and mixed-signal integrated circuits or chips. SMD Semiconductor will provide chip design services to world-class foundry partners such as X-FAB in chip development and develop highly skilled talents in the industry for Sarawak. For next year, an allocation of RM11.6 million will be provided for its operation.

This Budget will also allocate RM6 million for continuous professional development training under SMD Semiconductor to advance its talent development programme in 2025. In 2024, the programme has successfully produced 33 skilled Sarawakian graduates who are now employed in local semiconductor sector. Building on this success, the programme which aims to cultivate a pool of skilled professionals, will be continued. This will ensure Sarawak's semiconductor industry remains competitive, innovative, and capable of supporting high-value tech industries, thus positioning Sarawak as a high-tech hub in the near future.

**STRATEGIC THRUST FOUR:  
ACCELERATING DIGITAL TRANSFORMATION AND INNOVATION**

Tuan Speaker, in order to shift its dependence on a non-renewable resources-based economy to a technology-driven economy and society, Sarawak introduced the first Digital Economy Strategy (2018-2022) in 2017 followed by the Sarawak Digital Economy Blueprint 2030.

Since the implementation of this digital economy agenda, we have achieved several remarkable successes. These include a number of high-impact projects such as SPayGlobal, Talent Development and Entrepreneurship programmes, Digital Infrastructure, and end-to-end online government agency services.

In 2025, RM20 million will be provided for the development of electronic government, RM25 million for SPayGlobal and another RM25 million for Sarawak Multimedia Authority's operations. For projects implemented under Sarawak Digital Economy Corporation Berhad (SDEC), a total of RM470 million will be provided under Alternative Funding. The key initiatives implemented under the digital economy agenda include the following:

*Initiative One: Developing and Upgrading Digital Connectivity*

Digital infrastructure is one of the key enablers to bridge the digital divide and enhance connectivity throughout Sarawak. We have been actively pursuing broad-based internet coverage both in the urban as well as rural areas. Under the SALURAN initiative, a total of RM1.9 billion has been invested for this purpose. As of mid-2024, we have successfully achieved 81.68% internet coverage in Sarawak.

Another key initiative is construction of 600 towers under the Sarawak Multimedia Authority Rural Telecommunication (SMART) project by SDEC with a total cost of RM1.5 billion. As of third quarter of 2024, 545 out of 600 towers have been constructed. For next year, RM397 million will be provided under the Alternative Funding for continuation of the project.

The Sarawak Rural Broadband Network (MySRBN) which was launched in 2021, has connected a total of 22,403 Customer Premises Equipment. In June 2024, MySRBN home prepaid package preloaded with 300MB of free data every month has been introduced, allowing more people in rural areas to enjoy high-speed internet access. In 2025, RM73 million will be provided under the Alternative Funding for MySRBN initiative, and another RM20 million will be provided as government assistance to allow more people in the rural areas to enjoy affordable high speed internet access.



These efforts demonstrate our continuous drive to expanding network coverage and enhancing connectivity throughout Sarawak.

*Initiative Two: Intensifying Digitalisation*

*Data Governance*

According to report by International Data Corporation, in 2025, the total amount of digital data created worldwide is expected to reach 175 zettabytes, up from 79 zettabytes in 2021. This growth highlights the increasing importance of data governance to manage, secure, and regulate large volumes of data. The Government is set to introduce a formal data governance framework along with the necessary policies, guidelines, and legislation in 2025.

*(II) Sarawak Integrated Operation Centre (SIOC)*

As we continue to digitalise and modernise Sarawak, the development of the SIOC becomes vital. The SIOC will be the nerve centre for collecting real-time data from various Government's systems, command centres, and digital services. This Centre will help us to perform data analytics towards improving decision-making and crisis alert management, as well as enabling effective responses to arising issues, problems, trends, and events.

*(III) Cybersecurity*

A dedicated Cyber Security Unit has been established in February 2024 to implement a comprehensive Cyber Security Framework, focusing on effective governance, compliance, and capacity building. This proactive approach aims to safeguard Sarawak's cyber environment against increasing threats, which are particularly pertinent given the rise in cybercrime reported in recent years.

*Initiative Three: Establishing Sarawak Artificial Intelligence Centre*

My Administration will launch the Sarawak Artificial Intelligence Centre (SAIC) in 2025, a key initiative to position Sarawak as a leader in technology-driven innovation. SAIC will focus on advancing AI technologies in various critical sectors such as healthcare, agriculture, education and manufacturing. The centre aims to enhance productivity and create high-value jobs by fostering public-private partnerships and collaborating with local and international players.

*Initiative Four: Promoting Digital Business Environment*

The Government, through Sarawak Digital Economic Corporation, has taken various measures to promote a Digital Business Environment among Micro, Small, and Medium Enterprises (MSME). Among these initiatives are as follows:

- (a) GoDigital Grant which provides RM10,000 for purchase of digital hardware and software subscriptions to increase the adoption of digital tools and technologies among MSMEs.
- (b) Digital Innovation Hubs to ease business registration. To date, seven Digital Innovation Hubs are operating under SDEC, working with the respective local authorities to facilitate the process.
- (c) Digital Village Accelerator (DiVA), a six-month accelerator programme targeted towards high-tech and innovative startup companies in AI, drone, blockchain and biotechnology. The programme participants will receive a grant of RM150,000 each to assist them with the startup. To date, 16 startups benefitted from the accelerator programme which has seen equity investment of about RM300,000 with a total valuation of RM80 million.

- (d) Founder's Forge is a six-month boot camp targeted for innovative founders across Sarawak to discover potential startup founders and teams. Over 50 individuals have participated in the programme since its introduction in 2022, with notable projects implemented together with SDEC in AI-powered vending machines, smart farming, and aquaculture projects.
- (e) Sarawak Digital Mall has empowered local entrepreneurs by providing sellers with incubation training and promotional support. To date, 1,041 sellers have been trained, with 297 receiving incentives, collectively generating more than RM1.0 million in Gross Merchandise Value on TikTok Shop.

*Initiative Five: Promoting Invention and Innovation*

The Government will continue to provide research grants to promote and generate highly impactful, science and technology-based research and innovation with the prospect of commercialization. A sum of RM16 million will be made available in 2025, comprising of the following:

- (a) Sarawak Infectious Disease Centre of RM12 million;
- (b) Sarawak Research Development Council of RM3 million; and
- (c) The Sarawak Science Centre of RM1 million.

On top of this, RM150 million will be provided next year to continue with the construction of Sarawak Infectious Disease Centre which is expected to be completed by September 2026. While another RM135 million will be provided for construction of Sarawak Science Centre which is expected to be completed by the end of 2025.

A sum of RM25 million will be allocated to Sarawak Biodiversity Centre in 2025 for its operation and various R&D projects. In order to promote research and development in applications from our rich biodiversity, an Algae Research and Production Facility to demonstrate the feasibility of cultivation at the community level with trial-testing in Gedong has been approved with a ceiling of RM5 million. In addition, RM22.5 million is provided for land acquisition for setting up of a large-scale micro-algae production facility in Gedong.

To promote, facilitate and develop sago and nipah industries, the Government has established Sago and Nipah Development Board (SNDB). A sum of RM5 million will be set aside for the operation of the Board in this Budget. To support the ongoing R&D in relation to sago and sago biomass, a sum of RM18 million will be allocated for CRAUN Research in 2025.

In our continuing effort to undertake research to manage Sarawak tropical peatland in an environmentally sound and sustainable manner, an allocation of about RM2 million will be provided to Sarawak Tropical Peat Research Institute in 2025 for its research projects.

**STRATEGIC THRUST FIVE:  
ENHANCING PEOPLE'S WELL-BEING AND ENSURING INCLUSIVE DEVELOPMENT**

*Initiative One: Strengthening Social Protection*

Under this Budget, we will continue with various social welfare programmes to foster healthy families, communities and social inclusivity and these include among others, as follows:

- (a) RM15 million for the Endowment Fund Sarawak and RM14 million for *Bantuan Ibu Bersalin* to support maternal and child health;
- (b) RM3.94 million for One-Stop Early Intervention Centres to provide essential services for special needs children;

- (c) RM55 million for various welfare aids such as *Bantuan Am*, *Bantuan Bencana*, *Bantuan Perubatan*, *Bantuan OKU Tidak Berupaya Bekerja (BTB)*, *Bantuan Sekolah*, and *Bantuan Belia-Beliawanis*;
- (d) RM4.7 million for haemodialysis assistance for kidney patients; and
- (e) RM15 million for the Death Compassionate Assistance to ease the financial burden on families of deceased Kenyalang Gold Card Holders.

These initiatives reflect our unflagging commitment to improving the lives of the *rakyat*, particularly those in vulnerable groups.

#### *Sumbangan Keperluan Asas Sarawak*

Tuan Speaker, this is something new. Being a caring and responsible Government, I am pleased to announce another new and major initiative that aims to alleviate the financial burden of the *rakyat* especially those from the low-income groups who are most affected by the rising cost of living. This initiative is called *Sumbangan Keperluan Asas Sarawak* (SKAS) which provides financial assistance ranging from RM250 to RM800 annually.

Eligible recipients are Sarawakians residing in Sarawak and the eligibilities are as follows:

- (a) Household income of RM5,000 and below will receive assistance worth RM800;
- (b) Senior citizens without partners and children with income of RM5,000 and below will receive assistance worth RM400; and
- (c) Single persons with income of RM2,500 and below will receive assistance worth RM250

This assistance will help them to purchase basic food items such as rice, flour, cooking oil, sugar and other basic essential. For this purpose, my Administration will allocate RM450 million next year which will benefit not less than 850,000 recipients. With this assistance, I may say that everyone will have food on their table.

Notwithstanding this, most of the SKAS will also be receiving financial contribution given by the Federal Government under *Sumbangan Tunai Rahmah* (STR).

#### *Senior Citizen Health Benefit*

As a Government that will continue to protect the *rakyat*, we will further invest in healthcare, especially to assist our ageing population and empower them to take charge of their own health. We have recently approved the implementation of the Senior Citizen Health Benefit. For 2025, a sum of RM50 million will be allocated for this purpose which is estimated to benefit 100,000 senior citizens. Each eligible senior citizen will be entitled to RM500 cashless medical assistance to pay for their medical bills at the approved panel clinics. This assistance is particularly aimed at the M40 and B40 groups, many of whom are retired or without a stable income.

#### *Initiative Two: Creating Job Opportunities and Increasing Household Incomes*

Various programmes to empower women and vulnerable groups to equip them with knowledge and entrepreneurship skills year, will continue to be implemented next year, aiming at increasing their household incomes. Among the programmes are as follows:

- (a) Low-Income Household Empowering Programme with an allocation of RM3.75 million to assist 750 low-income families in starting small businesses;

- (b) *Usahawan Mikro Kebajikan* with an allocation of RM2.5 million to support micro-entrepreneurs from B40, persons with disabilities, single mothers, and widows through training, capital assistance, and market access; and
- (c) Women Skills Training with an allocation of RM494,000 for culinary, beauty, spa and sewing courses.

#### *Social Support Facilities*

We will continue to provide funding in 2025 for the establishment of new centres and operations of the existing social support centres for the vulnerable, risky and affected groups as follows:

- (a) RM3.08 million for the establishment and operation of Community Social Support Centre in Kuching, Sri Aman, Sibul, Bintulu, Lawas and Mukah;
- (b) RM1.8 million for operation of current *Tempat Transit Gelandangan* Sibul, Kuching, Miri and Bintulu;
- (c) RM1.5 million for establishment of Special Needs Community Centre; and
- (d) About RM737,000 to set up Temporary Shelter for Low-Income Recovery Community in Sibul and Bintulu.

#### *Initiative Three: Investing in Affordable Housing*

Tuan Speaker, in our effort to provide affordable housing to the *rakyat*, particularly the low-income group, under the 12<sup>th</sup> Malaysia Plan, 16 affordable *Rumah Spektra Permata* housing projects, consisting of 1,000 units in Kuching, Serian, Betong, Sarikei, Mukah, Miri and Limbang will be constructed by Housing Development Corporation. For 2025, a sum of RM54 million will be provided for continuation of these projects.

#### *Longhouse Loan Scheme*

The Longhouse Loan Scheme was introduced to help rural communities to live in comfortable longhouses. This scheme offers interest-free loans in the form of building materials and hardware ranging from RM30,000 to RM50,000 per door for refurbishing or constructing new longhouses. As of September 2024, RM230.27 million has been allocated, benefiting 339 longhouses and 7,168 doors. My Administration has committed to provide RM50 million annually for this scheme, on top of an annual allocation of RM10 million from the Federal Government.

#### *Housing Deposit and Repayment Assistance Scheme*

The Housing Deposit and Repayment Assistance Scheme, which is managed by Mutiara Mortgage and Credit Sdn. Bhd., provides financial assistance of RM10,000 to first-time homebuyers from the B40 and M40 income groups to help cover housing deposits or loan repayment. A sum of RM41 million will be provided in 2025 for continuation of this scheme.

#### *Housing Subsidies for Home Ownership*

To ensure our *rakyat* can afford to own a house, my Administration will introduce a new initiative in the form of housing subsidies for the low-income group to cover part of the housing prices. A sum of RM50 million will be allocated in 2025 for this purpose.

#### *Resettlement Scheme and Village Extension Scheme*

In easing the financial burden of those in the low and medium-income groups in Sarawak to secure residential lots to build their own houses, we will continue to give priority to the implementation of Resettlement Scheme (SPS) and Village Extension Scheme (SPK) projects with a budget of RM30 million in 2025. Among the major projects to be carried out next year are as follows:

- (a) Selirik Resettlement Scheme, Kapit;
- (b) SPK Igan Baru, Mukah;
- (c) SPK Melugu, Sri Aman;
- (d) Kampung Trusan Bazaar Extension Scheme, Lawas;
- (e) Kampung Tebakang Melayu Extension, Serian; and
- (f) Kampung Pusa Extension.

*Urban Renewal Project*

We will also continue our effort in uplifting the physical and social well-being of the *rakyat* and providing quality houses that are affordable and conducive through our urban renewal and *kampung* redevelopment projects. For this purpose, an allocation of RM247 million will be provided next year for *Kampung* Redevelopment Projects in Kuching, Sibu, Bintulu and Limbang.

*Initiative Four: Improving Healthcare Facilities and Services Construction of Sarawak Cancer Centre*

Sarawak is in dire need of a cancer centre as the number of patients suffering from cancer has significantly increased. A total of RM1 billion has been set aside to construct a state-of-the-art Cancer Centre in Sarawak which aims to:

- (a) provide Comprehensive Cancer Care by offering a wide range of cancer treatment services, including stem cell transplantation and cellular therapy; and
- (b) advanced Cancer Research and Training by serving as a hub for cancer research and training, developing innovative treatments and nurturing skilled healthcare professionals.

The Federal Government has agreed that the construction of the hospital will be funded by the Sarawak Government in advance and will be reimbursed by them later. For 2025, RM5 million will be allocated for preliminary works for this project.

Tuan Speaker, our suite of public investments in ensuring the well-being of Sarawakians, from basic needs to education, housing, welfare and healthcare, testifies to our steadfast commitment to addressing the needs of the *rakyat* through every stage of their life, from cradle to grave.

**STRATEGIC THRUST SIX:  
PROMOTING CULTURE, SPORTS AND YOUTH EMPOWERMENT**

*Initiative One: Promoting Sport*

We have successfully hosted the recent 21<sup>st</sup> edition of SUKMA and the Para SUKMA 2024, and we become the champion. These events clearly showed an exciting and remarkable display of athleticism and sportsmanship among Sarawakian athletes. Sarawak has excelled as the overall champion of Sukan Malaysia and Para SUKMA, a truly inspiring feat indeed! Thank you and congratulations to all our athletes, officials, volunteers and sponsors who made these two sports events a major success.

Given these outstanding achievements that prove Sarawak's ability to host major sporting events, we are set to co-host Southeast Asia's biggest sporting event, the 2027 SEA Games. We view this opportunity as an investment which will further elevate Sarawak's profile across Southeast Asia.

*Initiative Two: Enhancing Youth and Sports Facilities*

The Government is committed to improving our sports infrastructure to enhance youth participation, community well-being, and economic advancement. This year, RM76.4 million has

been approved for building and upgrading sports facilities throughout Sarawak to meet international standards, and another RM30.7 million will be provided next year.

In addition, RM250 million has been approved under *Projek Rakyat* to develop new sports complexes and upgrade the existing civic centres, providing more opportunities for recreational and competitive sports.

Through these efforts, Sarawak is striving to build a vibrant and inclusive sports environment that benefits our *rakyat*.

*Initiative Three: Promoting Youth Development Programmes*

In promoting youth development, a comprehensive range of programmes are designed to equip young people with skills, resources, and opportunities to excel in leadership, entrepreneurship, technology, and employment. Various initiatives have been introduced and continue to be implemented with specific allocation in 2025 Budget, among others, as follows:

- (a) RM6.1 million for sports development grants to organize sports events, support team formation, and provide resources for athletes to participate in training and competitions, as well as the establishment of sports clubs.
- (b) RM9 million has been made available for Sarawak Youth Creative Industry Fund, which aims to foster the creative and innovative potential of our youth, particularly in areas such as music, film, theatre, and innovation initiatives. This fund has enabled more talented youths to participate in international programmes, explore digital creative content, and contribute positively to their communities through creative projects.
- (c) RM2 million will be provided under the operating expenditure to carry out various programmes and activities to promote and encourage entrepreneurship among Sarawak's youth.

With the right infrastructure, skills, and support, we are confident that our youth will rise to the occasion and able to create a better future for themselves.

**STRATEGIC THRUST SEVEN:  
ENHANCING ENVIRONMENTAL SUSTAINABILITY**

*Initiative One: Promoting Climate Change Initiative*

*(a) Net Zero Strategy*

Tuan Speaker, Sarawak is at the forefront of the hydrogen economy, showcasing our commitment to innovation and our vision of becoming a regional leader in clean energy. We are a key player in Malaysia's National Energy Transition Roadmap, with plans to develop a green hydrogen hub. This emerging hydrogen economy opens exciting opportunities for investment - from cutting-edge technologies like electrolyzers and fuel cells to energy storage and sustainable transport. By embracing collaboration, strong policies, and continuous innovation, we can build a future powered by clean, sustainable energy.

In addition, Sarawak aims to play a central role in addressing global climate challenges, including the goal of Net Zero by 2050, while advancing our aspiration to become a regional renewable energy powerhouse.

Towards this end, under the 2025 Budget, a sum of RM11 million will be set aside to establish Sarawak Net Zero and Carbon Plan as well as for the implementation of Environment (Reduction of Greenhouse Gases Emission) Ordinance, 2023.

*(b) Forest Carbon Activity*

Forest carbon activity is one of the strategies to reduce greenhouse gas emission by conserving forest or restoring degraded forest. The introduction of Forests (Forest Carbon Activity) Rules, 2022, provides a clear regulatory framework for forest carbon projects in Sarawak. These regulations offer comprehensive operational guidelines for forest carbon initiatives, encompassing the issuance of forest carbon permits, administration of carbon credits, and verification and monitoring of carbon sequestration efforts.

In alignment with its climate change strategy, Sarawak has issued four forest carbon permits covering 130,037 hectares. The issuance of these permits marks a pivotal achievement, reflecting Sarawak's dedication to sustainable forest management while simultaneously creating new revenue opportunities through the sale of carbon credits in international markets. For 2025, RM1.5 million will be allocated for forest carbon projects in Sarawak.

*Initiative Two: Intensifying Environmental Sustainability*

*Sustainable Environmental Management*

The Sarawak Sustainability Blueprint aims to create sustainable pathways in key economic sectors while aligning environmental development with sustainability goals. It includes a monitoring, reporting, and verification system to track progress. Covering 10 sectors such as utilities, oil and gas, and agriculture, the Blueprint seeks to promote economic growth, environmental stewardship, and resilient communities, guiding Sarawak towards achieving the PCDS 2030 and Sustainable Development Goals (SDGs).

In 2025, Sarawak is committed to advancing environmental sustainability and Environment, Social, and Governance (ESG) principles through significant investments in Sarawak Biodiversity Centre (SBC) and Sarawak Bio Industrial Park (SBP) as follows:

- (a) RM1.5 million for SBC to document traditional knowledge with Indigenous communities that exemplify inclusivity and equitable benefit-sharing; and
- (b) RM3.3 million to kickstart the construction of SBP, which will span 26 acres, thereby supporting a circular economy and enhancing environmental resilience.

*Forest Management Certification*

Timber continues to play a pivotal role in the socio-economic development of Sarawak. To promote the sustainability of forest resources, protect the environment, and ensure social security within forest operations, the government mandates that all long-term forest timber licenses and qualifying forest plantations must secure forest management certification. Presently, Sarawak boasts 25 certified natural forests encompassing 2.33 million hectares, along with eight (8) certified forest plantations covering 124,090 hectares.

Sarawak has set a target to certify three million hectares of natural forests and 178,000 hectares of qualifying forest plantations. This initiative aims to implement sustainable forest management practices that adhere to rigorous international standards, thereby enhancing transparency and accountability in forest management and fostering global market confidence in Sarawak's forest products.

*Forest Landscape Restoration Programme*

Forest Landscape Restoration Programme is a key priority for Sarawak to achieve its environmental sustainability goal. This programme will contribute to sustainable development

through restoring the ecological, social, economic values and functionalities of degraded forest landscapes.

Implementation of this programme is in line with the National “*Greening Malaysia Programme Through 100 million Tree Planting Campaign 2021-2025*”, and Sarawak’s target to plant 35 million trees by 2025. As of June 2024, this target has been exceeded.

We will continue to focus on strengthening diverse restoration strategies, including intensifying tree plantings with an allocation of RM4.1 million to be provided next year.

*Totally Protected Area and Wildlife Protection*

Totally Protected Areas (TPAs) in Sarawak are forested regions established aim at conserving wildlife and their habitats. A sum of RM2.8 million will be set aside next year to gazette a land area of 1 million hectares as TPAs by 2025. As a measure to preserve forests and wildlife in Sarawak, we will allocate RM62 million to the Sarawak Forestry Corporation for its operation and another RM20 million for its development projects.

**STRATEGIC THRUST EIGHT:  
STRENGTHENING PUBLIC SERVICE DELIVERY AND CAPACITY**

*Initiative One: Enhancing Government Capability and Capacity*

*Enhancing State Civil Service Capability*

Tuan Speaker, the capability of State Civil Service (SCS) is fundamentally connected to fostering a high-performance culture which ensures that our SCS is knowledgeable, highly effective, adaptable, and innovative. Therefore, under this Budget, RM18.5 million will be allocated for civil service training and development initiatives which include:

- (a) Competency-based Training for support staff to enhance their skills;
- (b) Executive Leadership Programmes for top management to cultivate strategic thinking also critical thinking and leadership skills essential for navigating complex challenges;
- (c) Tailored Programmes for Emerging Leaders to develop future leaders through targeted training, ensuring a strong leadership pipeline; and
- (d) Upskilling and Reskilling Programmes to ensure our workforce can adapt and thrive in an evolving working environment.

*Enhancing SCS Well-being*

Acknowledging the significance of SCS's well-being, we will implement a series of initiatives in 2025 aimed at promoting a holistic development of our employees' well-being. These initiatives will be provided with a budget of RM1.8 million.

My Administration is also committed to addressing the shortage of government housing for civil servants. *Kesian Tuan Speaker, kalau di luar bandar, dia punya housing facilities are not up to date.*

In this regard, we will construct new housing and facilities for civil servants throughout Sarawak, with a scheme value of RM3.55 billion. Construction is expected to commence in 2025 with an initial allocation of RM200 million.

*Initiative Two: New Sarawak Civil Service Scheme*

My Administration will also focus our attention on the welfare and well-being of SCS employees in light of the increasing cost of living. Aligning with the Federal Government Civil Service reforms, I am pleased to inform this House that the Sarawak Civil Service has adopted the recently announced



*Sistem Saraan Perkhidmatan Awam (SSPA)*. The adoption of SSPA will incur an amount of RM67 million in 2025 Budget.

*Special Allowance for Sarawak Civil Service*

In recognizing the contribution and dedication of the Sarawak Civil Service, I am pleased to inform that my Administration will further augment this initiative by providing a special allowance for the Sarawak Civil Service employees, with an initial annual financial impact of RM102 million next year over and above what you get from the recent federal commitment. In line with this reform, we will be introducing an enhanced Management Performance System for SCS towards creating a result-driven and world-class civil service. Therefore, I urge all our civil servants to continue with their dedication and relentless efforts in improving their productivity and delivering effective services to the *rakyat*.

*Initiative Three: Enhancing Governance Integrity*

We remain committed to implementing various initiatives that enhance and embed integrity within the SCS by implementing, among others, the following measures:

- (a) Empower Certified Integrity Officers (CeIOs) across various agencies, ensuring that they are equipped with the necessary tools, support, and framework to perform their responsibilities effectively.
- (b) Maintain oversight and coordination of the essential functions performed by the Integrity Units in different agencies; and
- (c) Establish the Sarawak Ombudsman which plays a crucial role in addressing issues of maladministration within public service in investigate complaints, accountability, transparency, and fairness, ensuring that public officials uphold the highest ethical standards.

*Initiative Four: Accelerating Digital Transformation of Government Services*

Our SCS will continue to improve service delivery system by streamlining processes, fostering inter-agency collaboration, reducing bureaucracy, implementing regulatory experiments, leveraging behavioural insights, enhancing service delivery, and ultimately improving ease of doing business.

For this purpose, RM21 million will be allocated to develop and enhance various government ICT projects across key sectors while RM107 million will be provided for the maintenance of the systems in 2025.

**TRANSFORMING SARAWAK INTO AN ECONOMIC POWERHOUSE AND GREEN HUB**

*Sarawak Gas Roadmap*

Tuan Speaker, Sarawak Gas Roadmap, which was launched in 2019, is a 10-year roadmap aimed at harnessing our natural gas resources to drive socio-economic transformation. The roadmap focused on maximizing the domestic utilization of natural gas through gas-based infrastructure development and promoting industrial growth with value-added activities.

With the appointment of PETROS as Sarawak's Gas Aggregator under the Distribution of Gas Ordinance in February this year, Sarawak through PETROS will increase its domestic gas utilization from the current 6% to about 30% by 2030. As the roadmap progresses and PETROS fully operationalises its role as Gas Aggregator, Sarawak will be able to position itself as a key economic powerhouse both within Malaysia and the region.

### *Sarawak Energy Transition Policy*

We are set to complete Sarawak Energy Transition Policy (SET-P), which aims to guide the state towards a secure, equitable, and clean energy future by 2050. This policy focuses on four key sectors: power, transportation, industry, and buildings.

The SET-P adopts a multi-dimensional strategy that integrates policy, regulation, technology, infrastructure, and community engagement. This transition will be driven by eight energy-related pillars that is, Renewable Energy (RE), Hydrogen, Energy Efficiency, Green Mobility, Synthetic Fuels, Bioenergy, Natural Gas, and Carbon Capture, Utilization, and Storage (CCUS).

For instance, in the power sector, the SET-P aims to achieve a generation capacity of 10 gigawatt by 2030 while at the same time maintain a grid carbon emission intensity of 0.17 tonnes of CO<sub>2</sub> per megawatt-hour of energy generated. This will involve maintaining a capacity mix of approximately 60% renewable energy, primarily sourced from hydroelectric dams, natural gas, solar, and bioenergy.

### *Sarawak Hydrogen Economy Roadmap*

Tuan Speaker, the Sarawak Hydrogen Economy Roadmap is a strategic roadmap leveraging on our wealth of renewable energy resources, abundant natural gas reserves, and significant carbon storage capacity. It will provide a comprehensive framework addressing various facets of the hydrogen industry, including the entire value chain, regulatory and legal frameworks, and economic instruments essential for fostering long-term growth in the sector.

Over the past five years, Sarawak has positioned itself as one of the major players in the hydrogen economy in Southeast Asia. The region has attracted substantial foreign direct investment totalling USD4.3 billion, largely from Japan and South Korea. The recent establishment of the Sarawak Hydrogen Hub in Bintulu is poised to further attract foreign investors to participate in clean hydrogen production and its downstream value chain.

### *Sarawak Aerospace Industry Development Roadmap*

As Sarawak aspires to be the hub for space technology in the region, we will formulate a Sarawak Aerospace Industry Development Roadmap focusing on sustainable growth and technological advancement in the space industry. As this industry is new to Sarawak, the Roadmap will be framed with key elements among others, as follows:

- (a) regulatory and policy framework which will set the governance in place;
- (b) research, development, and innovation aspects to bring ourselves up to speed to the forefront of this industry;
- (c) development of infrastructure;
- (d) workforce development and skills training; and
- (e) collaboration and partnerships with other countries and aerospace players.

### **SARAWAK PUBLIC FINANCIAL TRANSFORMATION PROGRAMME**

Tuan Speaker, we will continue to strengthen Sarawak's public financial management to ensure efficient utilization of resources that will contribute directly to Sarawak's development milestones set under PCDS 2030 and beyond. We have begun this transformation journey, and presently we are embarking on two major ongoing initiatives, namely transformation of State-Owned Enterprises and Results-Based Budgeting. For 2025, RM15.2 million will be set aside for these two initiatives.

## **IMPLEMENTATION OF INTEGRATED RESULTS-BASED MANAGEMENT**

As we are vigorously implementing various initiatives under the five-year Plan, it is important for us to formulate macroeconomic frameworks, policies, strategies, and key initiatives with measurable outcomes to monitor and evaluate the impact of these initiatives. Thus, a Whole-Of-Government performance measurement approach needs to be adopted. Towards this, an Integrated Results-Based Management (IRBM) will thus be initiated.

IRBM is a strategic framework focused on achieving measurable outcomes through an integrated approach to planning, results-based budgeting, monitoring, and evaluation across all levels of government. IRBM emphasizes linking resources directly to specific, impactful results. This approach fosters accountability, promotes evidence-based decision-making, and enables the government to achieve tangible outcomes rather than merely completing specific tasks.

The key components of IRBM are:

- (a) Integrated Development Planning
- (b) Results-Based Budgeting System
- (c) Results-Based Personnel Performance System
- (d) Results-Based Monitoring and Evaluation System
- (e) Results-Based Management Information System

We have recently embarked on the implementation of Results-Based Budgeting, one of the key components of IRBM that will transform public sector governance by directly tying budget allocations to measurable outcomes.

## **CONSOLIDATION AND RESTRUCTURING OF SARAWAK EQUITY INVESTMENTS**

Tuan Speaker, I wish to inform this august House that we will be undertaking a study to explore the possibility of restructuring our equity investments and strategic assets to be under a new strategic investment entity. Presently, we are proactively investing in various strategic sectors of the economy such as energy, banking, airline, plantations, telecommunication, mining, oil and gas, media, healthcare, information technology and hi-tech industries.

The proposed consolidation of this array of investments has the potential to bring about higher professionalism to Sarawak's ownership role by pooling specialized capabilities under the new entity. It will also anticipate to promote greater governance, coherence and consistency in managing the State's assets, by having a centralized control and an oversight for accountability in its operations as well as performance monitoring. Ultimately the aim is to ensure that every investment we make will eventually give optimum returns to the State.

## **REVENUE REENGINEERING**

Tuan Speaker, my administration will continue to pursue the revenue re-engineering initiative, focusing on strategies to broaden Sarawak State revenue base and at the same time improving the systems for more efficient revenue management and collection through digitalisation.

We must vigorously pursue innovation in various sectors to uncover and implement new methods for generating additional revenue. This systematic approach in revenue re-engineering is essential to enable us to meet our obligations and expenditures both the ongoing as well as the potential future commitment. Therefore, I would like to urge all Controlling Officers to continue with their efforts to explore new revenue sources especially in the new economy.

## **FEDERAL FUNDING AND 2025 FEDERAL BUDGET**

In the recent tabling of the 2025 National Budget, the Federal allocation designated for development in Sarawak rose from RM5.8 billion to RM5.9 billion increase of RM0.1. I would like to extend my appreciation to the Federal Government for this increase, although this amount is still far from meeting our development needs to help bridge the disparities between Sarawak and Peninsular Malaysia. Considering Sarawak's substantial contribution to national economic development and Federal coffers, particularly through revenues generated from oil and gas, I urge the Federal Government to consider allocating a significantly larger budget to Sarawak in its future financial plans.

## **CONCLUSION**

Tuan Speaker, *now my conclusion*. Sejak tujuh tahun yang lepas, kita telah mencapai banyak kejayaan dan kemajuan. Kita akan terus berusaha untuk meningkatkan kualiti hidup rakyat dan menyediakan landasan pembangunan yang ampuh agar Sarawak akan menjadi tempat yang lebih baik untuk anak cucu kita dan generasi yang akan datang. Ini dapat kita lakukan melalui modenisasi dan transformasi perkhidmatan awam yang berterusan agar jentera Kerajaan dapat menyediakan perkhidmatan kepada rakyat dengan lebih berkesan. Saya yakin Sarawak akan terus mencapai kemajuan dan akan menjadi kuasa ekonomi baru di Malaysia jika kita terus melaksanakan dasar-dasar yang jelas dan progresif, dapat mengekalkan kestabilan politik, mengeratkan perpaduan dan kesatuan di kalangan rakyat berbilang kaum dan agama serta mengamalkan pentadbiran yang adil dan saksama untuk seluruh rakyat jelata. Inilah formula kejayaan Sarawak yang mesti kita pertahankan sampai bila-bila. Maka, Kerajaan GPS di bawah pimpinan saya akan terus komited dan bertekad untuk memastikan visi kita untuk membawa kemakmuran dan melonjak Sarawak ke era yang lebih gemilang menjelang 2030 dapat kita capai akhirnya.

Tuan Speaker, pada kesimpulannya, Belanjawan 2025 ini menunjukkan komitmen tinggi Kerajaan GPS untuk memastikan ekonomi Sarawak terus berkembang pesat dan pada masa yang sama, membantu rakyat menangani kos sara hidup dan dapat bersama-sama menikmati limpahan pembangunan. Kita akan terus memelihara alam sekitar dan terlibat sama dalam menangani cabaran perubahan iklim agar pembangunan yang kita capai adalah mampan (*sustainable*), terangkum (*inclusive*), dan saksama (*equitable*).

This year's Budget, Tuan Speaker, is the biggest budget ever tabled in this august House and is a clear testament to the Government's strong commitment towards advancing Sarawak development agenda. We want to build a better Sarawak— not just for a few, but for all Sarawakians. We want to ensure that every Sarawakian can experience well-being and a dignified life without ever feeling marginalised. We want to build Sarawak that is vibrant and inclusive, fair and thriving, resilient, harmonious, and united. Of course, the road ahead towards a better Sarawak will not be easy. There will be a lot of challenges and forces that may pull us apart. But, as long as we are all in this together, and we all have a part to play, no one will be able to divide and rule us. Let us turn our challenges into opportunities, and our constraints into strengths. We, in the GPS Government, will do more to provide opportunities and assurances at every stage of life, and everyone in our society should contribute towards our shared goals and aspirations in our own way – *Mengikut Acuan Kita Sendiri, Nitih Cuan Kitai Empu*.

Saya berdoa moga-moga Allah memberikan keberkatan kepada usaha kita dan memberi kita taufik dan hidayahNya untuk kita melonjak Pembangunan Sarawak ke arah yang lebih baik. Sekian, terima kasih.

**Timbalan Premier; Menteri Kewangan dan Ekonomi Baru Kedua; Menteri Infrastruktur dan Pembangunan Pelabuhan; dan Ahli Dewan Undangan Negeri N.37 Bukit Saban (YB Datuk Amar Douglas Uggah Embas):** Tuan Speaker, I beg to second.

**USUL UNTUK MERUJUK RESOLUSI ANGGARAN PERBELANJAAN PEMBANGUNAN BAGI  
TAHUN 2025 KEPADA JAWATANKUASA PERBEKALAN**

SUPPLY (2025) BILL, 2024

**Premier Sarawak; Menteri Kewangan dan Ekonomi Baru; Menteri Sumber Asli dan Pembangunan Bandar; Menteri Tenaga dan Kelestarian Alam Sekitar; dan Ahli Dewan Undangan Negeri N.26 Gedong (YAB Datuk Patinggi Tan Sri (Dr) Abang Haji Abdul Rahman Zohari bin Tun Datuk Abang Haji Openg):** Tuan Speaker: I beg to move that the following resolution be referred to the Committee of Supply, *“That this Dewan resolves to approve the Development Estimates, 2025 as contained in Command Paper No. 13 of 2024 laid on the Table on 11<sup>th</sup> November 2024.”*

As presented in Command Paper No. 13 of 2024, the total development expenditure for 2025 amounts to RM10,867 million. Out of this amount, RM10,725 million will be financed by State funds while the balance RM142 million will be financed by Federal Government through reimbursable loans and grants.

The sum of RM10,867 million as proposed has been allocated on the basis of projected expenditure commitments and requirements for approved development activities during the year. The proposed allocations for the major sectors are as follows:

- (a) A total of RM7,228 million is allocated under the economic sector for the following programmes:
  - (i) RM4,597 million is for commerce and industry for purposes such as State corporate investment, development agencies projects and programmes, tourism industry development and promotions, State industrialization, conservation and protection of heritage collection and development of human resources;
  - (ii) RM1,490 million is for transport which includes roads, bridges, riverine infrastructure and ports, land and riverine transportation, aviation services and various special development projects under *Projek Rakyat*;
  - (iii) RM408 million is for energy and public utilities for upgrading and expansion of water supply and electricity connectivity especially to the rural areas, which includes a sum of RM89 million to Kuching Water Board and RM90 million to Sibu Water Board;
  - (iv) RM181 million is for agriculture development for purposes such as crop industry development and research, mechanisation and agriculture infrastructure, livestock, veterinary services, agriculture education and promotion, inland fisheries, and aquaculture development;
  - (v) RM52 million is for digital economy initiatives;
  - (vi) RM304 million is for scientific research and development which includes establishment of Sarawak Science Centre and Sarawak Infectious Disease Centre;
  - (vii) RM57 million is for feasibility studies on various State development planning and policy formulation;
  - (viii) RM137 million for environment which includes urban drainage and flood mitigation, river and coastal engineering, forestry research and development, forestry management as well as environmental sustainability; and
  - (ix) RM1.5 million is for development of mineral industry.

- (b) A total of RM3,135 million is allocated under social sector for the following programmes:
- (i) RM2,163 million is for village and community development for the implementation of various rural transformation projects, minor rural projects, urban development and residential schemes, and family development;
  - (ii) RM425 million is for housing mainly for the various *kampung* redevelopment, construction of affordable houses under Housing Development Corporation and *Program Penambahbaikan Rumah Miskin Sarawak* (PPRMS);
  - (iii) RM284 million is for local authorities and social welfare services which includes urban sewerage and waste management as well as landfill development;
  - (iv) RM207 million is for education and training of our Sarawakian students;
  - (v) RM31 million is for culture, youth and sport which includes upgrading of various sports and social facilities throughout the State; and
  - (vi) RM25 million is for our health which includes upgrading of dilapidated health facilities throughout the State and construction of Sarawak Cancer Centre.
- (c) A total of RM504 million is allocated under general administration sector construction of government offices and service quarters, schools, as well as implementation of government ICT projects.

Tuan Speaker, I beg to move.

**Timbalan Premier; Menteri Kewangan dan Ekonomi Baru Kedua; Menteri Infrastruktur dan Pembangunan Pelabuhan; dan Ahli Dewan Undangan Negeri N.37 Bukit Saban (YB Datuk Amar Douglas Uggah Embas):** Tuan Speaker, I beg to second.

**Tuan Speaker:** Ahli-ahli Yang Berhormat, the debate on the Supply (2025) Bill, 2024 stands adjourned until Wednesday, 13<sup>th</sup> November 2024. We have break. Dewan resumes at 2.30 p.m.

*(Mesyuarat ditangguhkan pada pukul 12.22 tengah hari)*

*(Mesyuarat dimulakan pada pukul 2.33 petang)*

## **RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG KEDUA**

### **DISTRIBUTION OF GAS (AMENDMENT) BILL, 2024**

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** Tuan Speaker, I beg to move the Distribution of Gas (Amendment) Bill, 2024 to be read a second time.

#### *Introduction*

Tuan Speaker, Sarawak has taken proactive steps in diversifying its energy portfolio. Since 2017, Sarawak has embarked on the development of hydrogen-related projects, beginning with the implementation of pilot trials for hydrogen-powered buses. This marks a milestone in the state's transition to clean energy solutions.

Building on this momentum, Tuan Speaker, Sarawak continues to position itself at the forefront of the clean energy transition through the development of two potential hydrogen hubs which are

located at SEDC Petchem Industrial Park (SPIP), Tanjung Kidurong, Bintulu and Rembus H2 plant at Kota Samarahan.

These hubs are poised to host two international partners, namely the H2ornbill project by the Japanese consortium and H2biscus project by the Korean consortium, both currently in the Front-End Engineering Design stage. These partnerships will facilitate Sarawak's export of approximately 200,000 tonnes of green hydrogen annually to Japan and South Korea by the year 2028. Additionally, 9,000 tonnes of green hydrogen will be made available for local consumption annually.

The Rembus H2 plant in Kota Samarahan, led by SEDC Energy Sdn Bhd., will serve as the primary hydrogen supply and refuelling hub for the Kuching Urban Transportation System (KUTS) project. With a targeted production rate of 1,825 tonnes per annum, Rembus will play a pivotal role in fuelling the region's hydrogen-based transportation initiatives.

These strategic initiatives underscore Sarawak's commitment to advancing its hydrogen economy and achieving long-term sustainability goals. Therefore, as the technology related to hydrogen generation develops, it is imperative to ensure the safe generation, storage, transportation, and utilization of this gas. While existing federal regulations address various aspects of gas safety, a comprehensive review of the Sarawak Distribution of Gas Ordinance, 2016 is necessary to account for the distinct characteristics of hydrogen. This review also empowers the Majlis Mesyuarat Kerajaan Negeri to make regulation to address critical safety considerations, including flammability, storage pressures, and risk of leakages.

#### **SALIENT FEATURES OF THE AMENDMENT BILL**

Tuan Speaker, may I know touch on salient features of the Amendment Bill. This Amendment Bill is introduced to establish a legal framework to regulate the distribution of hydrogen generated in Sarawak using feedstocks produced, obtained or imported into Sarawak, premises to be used for the generation or storage of hydrogen, the transportation of hydrogen for distribution and delivery to consumers in Sarawak and for export. In doing so, this Amendment Bill seeks to amend the Principal Ordinance to incorporate, among others, the following:

##### ***A. Definition of "gas"***

The definition of "gas" is expanded to include hydrogen as one of the type of gases to be regulated under the Principal Ordinance.

##### ***B. Introduction of New Part IVA***

This Amendment will incorporate new provisions under new Part IVA to specifically regulate activities in relation to hydrogen, a gas which is newly included in the definition of "gas" in the Principal Ordinance. The Minister responsible for the implementation and administration of Part IVA is the Minister having responsibility for energy and environmental sustainability.

##### ***C. Appointment and Functions of Regulator***

Part IVA will be administered by a Regulator, assisted by appointed officers, all of whom will be appointed by the Minister.

The Regulator shall have the functions to:

- (a) Issue licenses for activities such as:
  - (i) hydrogen generation using any of the feedstocks or a combination of:
  - (ii) the building or maintaining a hydrogen generation facility;

- (iii) the use of any premises, building, installation or land for the storage of hydrogen;
  - (iv) the distribution, transportation conveyance of hydrogen within Sarawak or for export; and
  - (v) the sale, retail and utilization or use of hydrogen, in its original, blended or hydrogenated form as a fuel for transportation, as a fuel for generation of electricity, and other industrial application or processes.
- (b) Tuan Speaker, the second function of the regulator promote the economic development of Sarawak's hydrogen industry and its potential export, and
- (c) Third function is to promote the investment in the generation and utilization of hydrogen in Sarawak.

*D. New Offences and Penalties*

Now let me touch on New Offences and Penalties. In addition, this Amendment also introduces new offences and penalties in relation to the carrying out of any unauthorized activities relating to hydrogen where any activities in relation to hydrogen generation, storage, distribution or utilization carried out without licence will constitute an offence punishable by fine of a minimum amount of RM500,000 up to RM1 million and or imprisonment up to five years.

*E. Financial Penalty*

Tuan Speaker, now let me touch on Financial Penalty. Further, this Amendment Bill also empowers the Director or Regulator to impose financial penalty which may be recovered as a civil debt and to be paid into the State Consolidated Fund. Under this new provision, any non-compliance with the Ordinance or its regulations will incur a penalty in an amount not exceeding RM20 million. Repeated non-compliance will also face a penalty of ten times the original financial penalty imposed by the Director or by the Regulator.

*F. Imposition of Rate, Levies, etc. on Hydrogen*

Tuan Speaker, let me now touch on the Imposition of rates, levies, etc on hydrogen. Additionally, this Amendment Bill will empower the Majlis Mesyuarat Kerajaan Negeri to impose state rates, levies, taxes or charges on hydrogen-related activities, including on feedstock imports, facility operations, sales, exports, distribution and transportation of hydrogen.

*G. Extension of Enforcement Authority and Protection to Regulator*

Another salient point to be highlighted here is the introduction of new provision which extends enforcement authority to the Regulator and grants the same protection accorded to the Director or authorized persons to the Regulator and appointed officers.

As a conclusion, Tuan Speaker, all the matters covered under the Amendments are ancillary or subsidiary to the Legislative powers on the distribution of gas conferred onto the Dewan Undangan Negeri by the Borneo States (Legislative Powers) Order, 1963 made by the Yang di-Pertuan Agong pursuant to Article 95(c) of the Federal Constitution.

With the passing of this Amendment Bill, the Principal Ordinance is enhanced to support Sarawak's clean energy transition by enabling and promoting hydrogen development, generation, distribution and use. With this Amendment Bill in place, it would empower Sarawak to regulate the hydrogen activities and underscore Sarawak's commitment to advancing its hydrogen economy and having a transparent and investor friendly regulatory framework to develop the hydrogen and related clean energy solutions and industries in Sarawak. I, therefore, Tuan Speaker, beg to move.



**Tuan Speaker:** Another Honourable Minister to second?

**Menteri di Jabatan Premier Sarawak; dan Ahli Dewan Undangan Negeri N.60 Kakus (YB Dato Sri John Sikie anak Tayai):** Tuan Speaker, I beg to move.

**Tuan Speaker:** Now, I call upon the Honourable Members of this august House to debate on the Second Reading of the Bill. Honourable Member for Daro.

**YB Encik Safiee bin Haji Ahmad:** Assalamualaikum Warrahmatullahi Wabarakatuh.

**Tuan Speaker:** Waalaikumsalam.

**YB Encik Safiee bin Haji Ahmad:** Salam Sejahtera, Salam Sarawakku Sayang dan Salam Sarawak Maju Makmur. Terima kasih, Tuan Speaker, kerana telah memberi peluang kepada saya untuk turut sama mengambil bahagian dalam perbahasan *Distribution of Gas (Amendment) Bill, 2024* yang telah dibentangkan oleh Menteri Utiliti dan Telekomunikasi dan Ahli Dewan Undangan Negeri bagi N.27 Sebuyau, Yang Berhormat Dato Sri Haji Julaihi bin Haji Narawi.

Tuan Speaker, ekonomi hijau merupakan strategi ekonomi yang bertujuan untuk meningkatkan kehidupan manusia dan masyarakat di samping mengurangkan masalah alam sekitar dan ekologi. Dalam ekonomi hijau, kerajaan melaksanakan sekular ekonomi dengan menggunakan sumber yang lebih efisien dan produktif dalam usaha meningkatkan pendapatan negeri atau negara tanpa perlu merosakkan alam sekitar atau melakukan perkara yang boleh menyebabkan bumi kita panas, tidak selesa dan tidak selamat untuk kehidupan manusia.

Sehubungan itu, langkah Kerajaan Sarawak dalam memperkenalkan dasar ekonomi hijau adalah sangat tepat pada masanya di samping cabaran global masa kini seperti iklim yang tidak menentu, pemanasan global, pencemaran oleh gas rumah hijau dan sebagainya. Langkah Kerajaan Sarawak dalam memperkenalkan hidrogen sebagai sumber tenaga baharu yang lebih efisien dan bersih pencemaran amatlah dipuji dan disokong oleh semua rakyat Sarawak.

Tuan Speaker, since the announcement of the past Post COVID-19 Development Strategy 2030 or PCDS 2030 in July 2021 by YAB Premier of Sarawak, we have seen the positive outcome of each implementation gaining global recognition in particularly for Sarawak's efforts in environmental sustainability through the exploration of green energy such as hydrogen.

The passes of the jurisdiction of the Distribution of Gas (Amendment) Bill, 2024 have marked a crucial step for the Sarawak Government in demonstrating its ongoing commitment to effective governance. It affirms Sarawak's position in energy sector which is a primary focus on economy empowerment. This is in line with the PCDS 2030 goals of fostering energy, self-reliance while simultaneously driving socioeconomic development, generating skill jobs and creating new opportunities for our people.

Tuan Speaker, why hydrogen? Referring to the World Economic Forum 2023, it was said that hydrogen is the simplest and the most abundant element in universe has the potential to be the fuel for the future. This is an energy carrier that can store and deliver energy in any suitable forms. It is pure in form, hydrogen is a colourless, odourless, and a non-toxic gas. It is high in energy, yet an engine that burns pure hydrogen produces almost no pollution making it a desirable source of power. In general terms, hydrogen can be used as a fuel in two main ways; it can be burned to produce heat, or it can be fed into hydrogen fuel cell to generate electricity.

The good news is that, once blue or green hydrogen has been produced, it has a variety of different implications:

- (a) Transport

Hydrogen is already used to fuel busses and other forms of public transportation especially in Japan. It can also power freight truck and train, while hydrogen-based fuel such as ammonia can be used in aviation and shipping. More widespread use of hydrogen to power vehicles will depend on price of hydrogen fuel cells becoming cheaper and hydrogen refuelling station become more common.

(b) Power generation.

Hydrogen can be used for turning renewable energy sources into a fuel that can be stored and transported for long distances. Hydrogen and ammonia can also be used in gas turbine and coal fire power station to reduce their emissions.

(c) Heating building.

Hydrogen has huge potential to replace natural gas for heating domestic and commercial buildings via existing natural gas infrastructure. Hydrogen boiler and domestic hydrogen fuel cells require further development but could play important role in the future.

...(Inaudible)... Hello? Hydrogen is currently used in a wide range of important industry processors, this includes refining petrol, manufacturing steel, creating metals and producing range of chemicals. Tuan Speaker, the core objective underlying this Amendment encompasses:

- (a) Facilitate the development, generation, distribution and use of hydrogen as part of Sarawak clean energy transition;
- (b) Establish legal provision for appointment of regulator to oversee hydrogen activities in Sarawak;
- (c) Incorporate new offenses and penalties associated with hydrogen related activities;
- (d) Allow the Majlis Mesyuarat Kerajaan Negeri to impose rates, levies, taxes or charges of hydrogen activities through State Law.

*Importance and Functions of Regulator*

Tuan Speaker, to ensure the effectiveness and success of the proposed amendments to this Bill, it is essential to establish an official designated entity responsible for overseeing the comprehensiveness regulations of hydrogen supply and demand economic in Sarawak. The Regulator is a critical entity which will enable the Sarawak Government to efficiently oversee and administer the sustainable growth and regulation of our beginning hydrogen industry. The Regulator will ensure that Sarawak is well positioned as a leader in hydrogen production, distribution and export by enacting policies and providing of a side that drive both industries development and economic prosperity.

Entrusting the Regulator with the function of issuing licences for key hydrogen related activities which includes but are not limited to:

(a) Hydrogen generation

Licensing will encompass hydrogen production from a variety of feedstock, ensuring compliance with environmental and safety standards while encouraging innovation and production strategies.

(b) Infrastructure development

The Regulator has the right to grant permit for the construction, operation and maintain of hydrogen production facilities supporting the development of the robust and the resilient hydrogen infrastructure across Sarawak.

(c) Storage

Licensing will include the use of facilities for safe and secure storage of hydrogen, minimizing the risks and ensuring the ability for various uses.

(d) Distribution and transport

The Regulator will be responsible to oversee licenses for the distribution transport and export of hydrogen facilitating seamless integration into both regional and global markets and positioning Sarawak as a prominent hydrogen exporter.

(e) Commercialization and utilization

The Regulator serves the right to issue licenses for the commercial sales and use of hydrogen which focus on key sector like transportation, power or electrical generation, industrial applications, supporting our transition to low carbon economy.

Beyond regulatory responsibilities, the Regulator also will take an active role in promoting economic development. This entity will work to advance the growth of Sarawak's hydrogen industry by encouraging innovation, attracting investment and enhancing hydrogen export potential. Through strategic oversight and focus promotion, the Regulator will help build a robust sustainable hydrogen sector that create job, booster local economy, and positioned Sarawak as a key competitor in global energy transition.

*The Benefits of Hydrogen Economy for Sarawak*

Tuan Speaker, hydrogen economy is said to bring transformative benefits to Sarawak by advancing to this new sector. We stand ready not only to drive substantial economic growth of optimizing market dynamics and ensuring prosperous economy of our region apart from continuing our constant commitment towards environmental sustainability. Please allow me to elaborate for that.

(a) Investment and employment opportunities

With new investment falling into Sarawak's hydrogen industry, we are positioned to create numerous job opportunities in hydrogen production, distribution, and infrastructure development providing our workforce with skill development and long-term employment to uplift the living standards and commodities. Hydrogen economy align seamlessly with Sarawak's PCDS 2030 allowing us to attract new investment, booster local industries and guide Sarawak towards a sustainable and prosperous future.

(b) Empowering local businesses

The hydrogen economy will actively involve Sarawakians businesses in the supply chains for manufacturing and maintenance of building hydrogen infrastructure, this approach ensures that economic gains remain within our border reinforcing our economy to local and even growth.

(c) Positioning Sarawak as a leading exporter.

Sarawak aspires to become a major exporter of green hydrogen to countries like South Korea and Japan. By establishing this expert capability, we will boost both state and national economic growth positioning Sarawak as a global leader in clean energy and generating ongoing revenue that benefits all Malaysians.

Acknowledging the global and local concern on climate change and the importance of reliance on green and clean energy instead of fossil fuels. Through the amendment of this Bill, it will prove Sarawak's commitment in contributing to sustainable goals and prosperity through reliable and renewable energy also making Sarawak an exemplary nation in the eyes of the world especially in Southeast Asia.

### *Challenges and Solutions*

Tuan Speaker, with all these wonders and benefits that sounds very convincing and futuristic, I believe recognizing the possible challenges that may be faced by the Sarawak Government should also be highlighted in this august House.

I came across to a very interesting point by John Scott, the Head of Sustainability Risk at Zurich Insurance Group and I quote, *"hydrogen is clearly valuable and versatile and require significant investment to rapidly scale up electrolyzer capacity for green hydrogen. The acceleration in the implementation of industrial scale CCUS required for blue hydrogen and in parallel the development of new hydrogen transport infrastructure"*.

This highlights that building a low emission hydrogen production plant requires a high level of investment in terms of infrastructure involvement of technologies and also efficient governance and regulations. This is also supported by the International Energy Agency (IEA) in their statement that says equipment and financial cost are increasingly putting project at risk. As IEA Executive Director, Dr Fatih Birol notes greater progress is needed on technology, regulation and demand creation to ensure low emission hydrogen can realize its full potential.

Tuan Speaker, the passing of this Bill represents the significant step forward in Sarawak's economic empowerment by establishing a clear policy for the self-production of hydrogen as a primary energy source that we are aligning with the PCDS 2030 goals in advancing our pursuit of energy self-reliance. Moreover, this legislation will drive Sarawak's social economic development by attracting both local and international investments, creating skilled jobs and expanding opportunities for our people.

The growing awareness of the importance of green energy within Sarawak's community has also led to an increase focus on developing technical expertise and interpersonal skills ensuring that Sarawakians are well prepared for the workforce.

This contributes directly to the aspiration of the PCDS 2030 to improve household income. To bring this to a close, with Sarawak's continuous commitment and pursue of renewable energy since 2017 led by our far-sighted leader Yang Amat Berhormat Premier Sarawak, through various hydrogen initiatives as shared by the Honourable Minister for Utility and Telecommunication and the critically of establishing efficient governance on production, storage, transport and use of hydrogen. Let us unite in support of this transformative legislation which will definitely enhance the prosperity and well being of our beloved state.

Tuan Speaker, sebagai penutup saya ingin merakamkan ucapan tahniah dan syabas kepada Kerajaan Sarawak yang telah mengambil langkah yang tepat dalam mengetengahkan Dasar Ekonomi Hijau Sarawak sekali gus merangsang kemajuan ekonomi negeri ke arah Sarawak maju makmur.

Saya percaya dengan pindaan terhadap undang-undang ini mampu membuka lebih besar dalam industri hidrogen di Sarawak di samping meningkatkan sosioekonomi negeri. Dengan ini, Tuan Speaker, saya menyokong sepenuhnya *Distribution of Gas (Amendment) Bill, 2024*. Sekian, terima kasih.

**Timbalan Speaker:** Terima kasih, Ahli Yang Berhormat bagi Daro. Next, I would like to call upon Ahli Yang Berhormat bagi Tellian, please.

**YB Encik Royston bin Valentine:** Terima kasih, Tuan Speaker. Selamat *Behabei*, Salam Sarawakku Sayang, Salam Sarawak Maju Makmur.

Tuan Speaker, terima kasih atas ruang dan peluang yang diberikan untuk saya turut serta dalam perbahasan *Distribution of Gas (Amendment) Bill, 2024* yang merupakan langkah penting dalam perkembangan industri tenaga di Sarawak. Tahniah juga diucapkan kepada Ahli Yang Berhormat bagi Sebuyau merangkap Menteri Utiliti dan Telekomunikasi, Menteri yang bertanggungjawab dalam membawa usul untuk pindaan ini.

Tuan Speaker, apa yang saya lihat, pindaan utama ordinan ini adalah melibatkan penambahan Bahagian 5A yang baharu khusus untuk hidrogen, yang mana ordinan asal hanya terpakai kepada gas asli. Maka pindaan ini memperluaskan skopnya untuk merangkumi sumber hidrogen. Ini bermakna aktiviti seperti penjanaan hidrogen, penggunaan tanah dan premis untuk kemudahan penjanaan hidrogen dan pengedaran hidrogen kini dikawal selia di bawah ordinan ini.

Pindaan ini bukan sahaja bertujuan untuk memperbaharui undang-undang sedia ada tetapi juga untuk memastikan bahawa Sarawak sentiasa berada di hadapan dalam penggunaan dan pengeluaran hidrogen sebagai sumber tenaga alternatif selain daripada bahan bakar fosil yang ketika ini didapati memudaratkan keadaan alam sekitar yang menjurus kepada perubahan iklim dunia yang tidak stabil.

Tuan Speaker, pindaan ini juga memperkenalkan kuasa untuk membuat peraturan berkaitan pelbagai aspek hidrogen termasuk prosedur permohonan lesen, spesifikasi dan piawaian untuk penjanaan hidrogen, kualiti hidrogen, keselamatan dan penyahtauliah kemudahan penjanaan hidrogen. Pindaan ini merangkumi beberapa aspek utama yang akan memperkukuhkan pengawalan dan pengurusan sumber gas dan hidrogen di Wilayah Sarawak ini. Sebagai contoh, pindaan kepada Seksyen 1 yang menambah subseksyen baharu mengenai hidrogen menunjukkan komitmen Kerajaan Negeri Sarawak untuk mengawal selia pengeluaran dan penggunaan hidrogen dengan lebih berkesan ini termasuklah penghasilan hidrogen menggunakan bahan mentah yang diperoleh dari Sarawak, penggunaan tanah dan bangunan sebagai fasiliti penghasilan hidrogen dan pengedaran hidrogen samada kepada pengguna mahupun untuk dieksport.

Hidrogen dilihat sebagai sumber tenaga masa depan yang bersih dan boleh diperbaharui dengan mengintegrasikan hidrogen ke dalam sistem tenaga kita, kita bukan sahaja dapat mengurangkan kebergantungan kepada bahan bakar fosil tetapi juga menyokong usaha untuk mencapai matlamat kelestarian alam sekitar di samping mengelak daripada berlakunya perubahan iklim yang lebih buruk pada masa akan datang.

Tuan Speaker, pindaan ini memberi penekanan kepada keselamatan dalam penghasilan dan penyimpanan hidrogen yang merupakan aspek kritikal dalam memastikan keselamatan awam sentiasa terjaga. Pindaan ini juga memperkenalkan definisi baharu seperti fasiliti penghasilan hidrogen dan penghasilan hidrogen itu sendiri. Ini akan membantu dalam memberikan penjelasan tentang aktiviti yang memerlukan lesen dan syarat-syarat yang perlu dipatuhi oleh pemohon lesen dalam segala urusan yang berkaitan. Dengan adanya definisi yang jelas kita dapat memastikan bahawa semua pihak yang terlibat memahami tanggungjawab masing-masing. Salah satu aspek penting dalam pindaan ini adalah mengenai proses permohonan lesen.

Dengan memperkenalkan Seksyen 19(b) tiada individu atau entiti boleh menjalankan aktiviti berkaitan hidrogen tanpa lesen yang dikeluarkan oleh "*regulator*" yang telah diberikan tanggungjawab untuk mengendalikan hal ini. Proses ini akan memastikan bahawa semua aktiviti berkaitan hidrogen dilakukan dengan mematuhi peraturan yang ketat dan tersusun. Sekali gus melindungi kepentingan awam dan alam sekitar yang sentiasa menjadi keutamaan Kerajaan Sarawak.

Manakala Seksyen 19(c) dalam pindaan ini pula menetapkan keperluan khas yang perlu dipatuhi oleh pemohon untuk mendapatkan lesen berkaitan aktiviti penghasilan dan pengedaran

hidrogen. Seksyen ini bertujuan untuk memastikan bahawa semua operasi berkaitan hidrogen dilakukan dengan mematuhi peraturan yang telah digariskan demi keselamatan, kesihatan dan perlindungan alam sekitar sambil membolehkan perkembangan mampan industri hidrogen di Sarawak. Dengan memastikan pematuhan kepada keperluan ini Kerajaan Sarawak akan dapat mengawal selia aktiviti pengeluaran dan pengedaran hidrogen dengan lebih berkesan sekali gus menyokong matlamat kelestarian dan inovasi dalam sektor tenaga mesin.

Tuan Speaker, seterusnya Seksyen 19(f) dalam *Distribution of Gas (Amendment) Bill, 2024* ini menetapkan peruntukan mengenai pelaksanaan levi, caj dan bayaran lain yang berkaitan dengan aktiviti penghasilan dan pengedaran hidrogen di Sarawak. Seksyen ini memberi kuasa kepada Majlis Mesyuarat Kerajaan Negeri untuk mengenakan pelbagai jenis levi dan caj bagi memastikan pengawalan yang berkesan terhadap industri hidrogen. Tujuan Seksyen 19(f) ini adalah dengan jelas untuk yang pertama adalah pengawalan ekonomi. Seksyen ini bertujuan untuk mengawal dan memantau aktiviti berkaitan hidrogen dengan menetapkan kadar levi yang sesuai. Ini membantu dalam memastikan bahawa semua pihak yang terlibat dalam penghasilan dan pengedaran hidrogen mematuhi peraturan yang telah ditetapkan.

Yang kedua adalah untuk pendapatan kerajaan. Dengan mengenakan levi, Kerajaan Sarawak dapat menjana pendapatan tambahan yang boleh digunakan untuk pembangunan infrastruktur dan program-program berterusan berkaitan tenaga bersih di Sarawak.

Yang ketiga, penyelarasan aktiviti. Levi yang dikenakan juga berfungsi untuk menyelaraskan aktiviti pengeluaran dan penggunaan hidrogen. Memastikan bahawa semua operasi dilakukan dengan cara yang selamat dan teratur.

Tuan Speaker, Seksyen 19(f) juga menyatakan bahawa levi boleh dikenakan ke atas beberapa perkara, iaitu pertama "*feedstocks*". Levi yang dikenakan ke atas bahan mentah yang dihasilkan atau diperolehi dalam Sarawak atau yang diimport ke wilayah ini untuk tujuan penghasilan hidrogen. Ini termasuk juga elektrik yang digunakan dalam proses penghasilan hidrogen itu sendiri.

Yang kedua ialah fasiliti penghasilan hidrogen, penggunaan fasiliti untuk penghasilan hidrogen juga tertakluk kepada levi. Untuk memastikan bahawa semua operasi di fasiliti tersebut mematuhi standard keselamatan dan peraturan yang ditetapkan.

Yang ketiga, penggunaan tanah dan premis. Levi akan dikenakan bagi penggunaan tanah dan bangunan sebagai fasiliti penghasilan hidrogen. Ini adalah bagi menggalakkan penggunaan ruang yang efisien dan lebih bertanggungjawab.

Yang keempat, jualan dan eksport hidrogen. Aktiviti jualan runcit atau eksport hidrogen ke luar Sarawak juga akan dikenakan levi. Ini bertujuan untuk membantu kerajaan mengawal aliran sumber tenaga ini di pasaran secara lebih teratur dan sistematik.

Yang kelima, pengedaran hidrogen. Pengedaran hidrogen di dalam Sarawak ini adalah untuk tujuan eksport akan dikenakan levi bagi memastikan semua proses dilakukan secara patuh dan selamat.

Tuan Speaker, penggunaan levi ini juga sudah pasti membawa banyak kelebihan bukan sahaja dalam bentuk pendapatan kepada kerajaan malahan secara tidak langsung ia turut membantu kerajaan dalam aspek-aspek seperti yang berikut:

- (a) Kepatuhan perundangan – Penggunaan levi ini akan mendorong syarikat-syarikat untuk mematuhi undang-undang dan peraturan berkaitan dengan keselamatan dan perlindungan alam sekitar; dan
- (b) Pembangunan industri hijau – Dengan adanya sistem levi yang jelas, industri hidrogen di Sarawak dapat berkembang dengan lebih teratur sekali gus menyokong usaha kerajaan untuk menjadi pusat pengeluaran tenaga bersih di rantau asia ini; dan

- (c) Peningkatan kesedaran – Pengenalan levi juga secara tidak langsung akan dapat meningkatkan kesedaran dalam kalangan pemain industri mengenai tanggungjawab mereka terhadap alam sekitar dan masyarakat secara amnya.

Seksyen 19(f) ini juga adalah langkah penting dalam memastikan industri hidrogen di Sarawak berkembang dengan baik, selamat dan mampan. Dengan adanya peruntukan dalam seksyen ini, Kerajaan Sarawak sudah pasti dapat mengawal selia aktiviti berkaitan hidrogen secara lebih berkesan sambil memastikan manfaat ekonomi dapat dinikmati oleh semua pihak yang terlibat secara langsung mahupun tidak langsung dalam industri tenaga ini.

Tuan Speaker, sebagai penutup, saya ingin menekankan bahawa pindaan kepada *Distribution of Gas (Amendment) Bill, 2024* adalah langkah strategik untuk memajukan industri tenaga di Sarawak. Ia bukan sahaja akan meningkatkan keselamatan dan keberkesanan pengurusan sumber tenaga kita tetapi juga membuka peluang baharu untuk inovasi dalam sektor tenaga hijau yang kerajaan kita terajui pada masa ini sehinggalah Sarawak diiktiraf di peringkat dunia sebagai wilayah yang sangat komited dalam menerokai sumber tenaga baharu ini. Secara ringkasnya, pindaan kepada *Distribution of Gas (Amendment) Bill, 2024* ini merupakan langkah penting dalam mengawal selia industri hidrogen di Sarawak. Yang menyediakan rangka kerja perundangan yang komprehensif untuk memastikan pembangunan mampan industri ini.

Maka dengan itu, saya ingin menyeru semua Ahli Dewan untuk menyokong pindaan ini demi masa depan Sarawak yang lebih lestari, cerah, maju dan Makmur. Tellian menyokong penuh pindaan ini. *Nyak jak jakuk aku*. Sekian, terima kasih.

**Timbalan Speaker:** Terima kasih, Ahli Yang Berhormat bagi Tellian. Seterusnya, Ahli Yang Berhormat bagi Bukit Assek. Silakan.

**YB Encik Chieng Jin Ek:** Thank you, Tuan Speaker. Thank you for giving me the opportunity in participating the debate on the Distribution of Gas (Amendment) Bill, 2024. This amendment to the Distribution of Gas Ordinance, 2016 which is the Principal Ordinance is a significant step forward for Sarawak as we strengthened our commitment to becoming leader in clean energy, especially in hydrogen.

Hydrogen is increasingly recognized as the green energy. It plays a vital role in our global efforts to combat the climate change, reduce emissions and ensure a sustainable future for the generations to come. As a nation that transitions away from fossil fuels towards renewable sources, Sarawak has established itself as a leader in the region and on the global stage particularly in hydrogen production.

Tuan Speaker, Sarawak's abundant hydropower resources provide us with a unique advantage, enabling us to build a green hydrogen hub that not only supports economic growth but also aligns with Malaysia's National Energy Transition Plan. And by amending this ordinance, we are taking the critical steps needed to regulate the hydrogen production, distribution, and related activities within our state and this strategic move will help us safeguard our resources, ensure safety, and maximize the benefits of Sarawak's emerging hydrogen economy.

And this amendment is historic, introducing this first law specifically focused on hydrogen. And with this regulatory framework, Sarawak will be better positioned to attract investment, drive innovation, and support advancements in hydrogen technologies. From electrolyzers to fuel cells and energy storage systems, the hydrogen sector holds vast potential for economic growth, for the job creation, and sustainable development.

And furthermore, the Distribution of Gas (Amendment) Bill, 2024 is critical to achieving our net-zero emissions goal. And with tailored regulations for hydrogen, Sarawak can safely manage and expand its hydrogen economy while upholding environmental and safety standards. And this

amendment supports our ongoing initiatives in carbon capture, utilization and storage (CCUS), and further positioning Sarawak as a model for sustainable economic growth.

And with that, Tuan Speaker, I fully support the Distribution of Gas (Amendment) Bill, 2024. Thank you.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Bukit Assek. I would like to call upon Ahli Yang Berhormat bagi Kota Sentosa, please.

**YB Encik Yap Yau Sin:** Thank you, Tuan Speaker for the opportunity to debate the Distribution of Gas (Amendment) Bill, 2024. It cannot be denied that hydrogen will play and continue to play a crucial role in decarbonizing our industrial sectors, enable the transport of energy to resource-constrained regions, and enable a clean and resilient energy system.

The clean hydrogen industry is facing headwinds. Costs and cost expectations have risen substantially, particularly for renewable hydrogen. However, the cost of producing renewable hydrogen is expected to decline to 2.5 to 4.0 USD/kg towards 2030, driven by advancements in electrolyzer technology, manufacturing economies of scale, design improvements, and reduction in renewable power cost.

The Sarawak government's hydrogen production ambition is a front runner in the global race to scale up hydrogen production to boost energy security, within our energy mix. The amendment shows that Sarawak is fully focused and committed on making Sarawak as an important hub of renewable hydrogen production. The global energy crisis has spotlighted the importance of hydrogen.

Tuan Speaker, low carbon hydrogen will play an important role in Sarawak and Malaysia's energy security and achieving net zero, as a key enabler of a low carbon and renewable-based energy system. Produced using home-grown, clean renewable energy, hydrogen technologies can make Sarawak's energy system more flexible, resilient and independent, and could lead to billions of savings by 2030.

Sarawak have a clear ambition for the Sarawak's hydrogen economy. Aligning policy development with the wider efforts to decarbonise our economy, Sarawak can aim to harness the industrial opportunities that the growing hydrogen sector presents. Sarawak can become a global leader in the production and use of low carbon hydrogen by drawing on strong domestic expertise and favourable geology, geography and infrastructure.

Tuan Speaker, Sarawak can use hydrogen to decarbonise and provide greener energy across power and transport. We can also store it for long periods of time for use when demand is high. The hydrogen economy offers another avenue for reskilling across industry as we transition towards net zero and provides new opportunities across our industrial parks in the planning and construction of new infrastructure to produce, transport, store and use this home-grown super-fuel. The infrastructure projects and associated supply chains needed for hydrogen production could create new high paying job opportunities and attract private investment thus further boosting Sarawak's economic growth.

Tuan Speaker, with the amendment, the Sarawak government can help stimulate hydrogen demand in industrial sectors by funding innovation and deployment of hydrogen technologies across multiple applications by providing for industrial manufacturers seeking to deploy decarbonisation technologies, including providing study project support and upfront capital investment support for hydrogen off takers to implement hydrogen fuel switching projects on their industrial sites.

Tuan Speaker, the amendments will enable Sarawak to have a legal framework to use standards and regulations as another way to support hydrogen use in industrial manufacturing and in making strategic decisions on the role of hydrogen in our economy. As such the amendments



proposed is a pre-emptive and concerted action of the Sarawak government to support clean hydrogen growth, facilitating additional decarbonization.

The regulatory framework overall for hydrogen industry is still evolving in Malaysia. As such, Sarawak must take the lead in legislation for potential revenue production tax credits from the hydrogen industry and in providing financial support for the hydrogen hubs, facilitate renewable hydrogen policies which are at an early stage and have not yet fully impacted the market. On that closing remark, I fully support the Distribution of Gas (Amendment) Bill, 2024. Thank you.

**Timbalan Speaker:** Thank you Yang Berhormat Kota Sentosa. Seterusnya, saya mempersilakan Yang Berhormat Lingga, please.

**YB Puan Dayang Noorazah bte Awang Soh:** Bismillahirrahmannirrahim. Assalamualaikum Warahmatullahi Wabarakatuh. Salam Sejahtera dan Salam Sarawak Maju Makmur.

First, I would like to thank Tuan Speaker for giving me the opportunity to participate in the Debate on the Second Reading of the Distribution of Gas (Amendment) Bill, 2024 presented by the Honourable Minister for Utilities and Telecommunications and concurrently the Member for the N.27 Sebuyau State Legislative Assembly.

Tuan Speaker, Sarawak is forging ahead with its plan to create ASEAN's first green hydrogen economy. It aims to start exporting hydrogen that is produced using renewable energy by 2030.

According to Offshore Article on 29<sup>th</sup> February 2024, Clean energy solutions provider Gentari, through its subsidiary Gentari Hydrogen, has signed a Heads of Agreement (HOA) with SEDC Energy (SEDCE) for the joint development of a centralized hydrogen production hub in Sarawak's Bintulu, Malaysia.

While recently on September 21<sup>st</sup>, in Dayak Daily news article, Sarawak Hydrogen Economy Roadmap has secured USD4.2 billion in strategic partnerships, driving the development of hydrogen plants, support infrastructure, and innovations like the Autonomous Rapid Transit (ART) System to sustainably produce green energy for both domestic and international markets. With all these strategic plans, it is timely for the Sarawak Government to have a specific ordinance on hydrogen.

Tuan Speaker, the objective of the Distribution of Gas (Amendment) Bill, 2024 is to amend the Distribution of Gas Ordinance, 2016 ("the Principal Ordinance") by adding new sections and subsections related to hydrogen which will emphasize the provisions for appointment of regulator, licensing, additional duties and functions of regulator, offenses and penalties, extension of power to regulator on enforcement and other amendments.

Tuan Speaker, referring to Distribution of Gas (Amendment) Bill, 2024, Section 19A: Appointment of Regulator, plays a very significant role to carry out the responsibility in regulating the licensing of hydrogen-related activities in Section 19B, 19C, 19D, 19E, 19F and 19H to realize the GPS Government's objectives especially to expand the Hydrogen economy both domestically and internationally. Accordingly, with the regulation of hydrogen activities, it can help to protect Sarawak's rights to upsurge the state's income sources in line with the goals of PCDS 2030.

Tuan Speaker, an ordinance for hydrogen is very crucial and play an important role because it helps to:

- (a) Promote hydrogen use where a legal framework can help to increase the use of hydrogen in energy system, which can be beneficial for a country's sustainable development; and
- (b) It helps to create an organized supply chain. A legal framework can help to create an organized structure for the hydrogen supply chain, which includes production, transportation, storage, and utilization.

We know that the road from project planning via approval processes to execution is fraught with complexities. The Distribution of Gas (Amendment) Bill, 2024 is a promising step forward to address these on-the-ground challenges. By supporting this Amendment Bill, it would give the Sarawak Hydrogen Economy Roadmap priority in legal considerations and approval procedures by classifying them as developments of paramount public interest and with security relevance.

Time will tell if the measures are sufficient, some details need to be discussed and there may be adjustments during the legislative process, but this Bill is an important step forward.

Tuan Speaker, with today's technology, the Sarawak Government should always be attentive and equipped for the development of green-based technology specifically hydrogen because electrolyzer technology will continue to grow rapidly and drive economic growth.

We also do believe adapting new and latest technology will be another important building block for the hydrogen technology produced by Sarawak. Research and development, as well as funding through government programs, are essential to maintain the advantages of hydrogen technology.

If we want to meet our ambitious hydrogen generation goals, stay at the forefront of the transition towards a sustainable economy and profit from the growth it will spur, we need to act now. So, therefore Lingga fully support the Distribution of Gas (Amendment) Bill, 2024. Thank you.

**Timbalan Speaker:** Thank you, Yang Berhormat. With respect may I call upon Yang Berhormat Tupong, please.

**YB Dato Fazzrudin bin Haji Rahman:** Terima kasih, Tuan Speaker. Bismillahirrahmaanirrahim. Assalamualaikum Warahmullahi Ta'ala Wabarakatuh. Salam Sejahtera, Salam Sarawak Maju Makmur.

## OUR HYDROGEN FUTURE

Tuan Speaker, thank you for allowing me to participate in the debate for the Distribution of Gas (Amendment) Bill, 2024 in this august House. I wish to record my appreciations to the Sarawak Government and the Minister for Utilities and Telecommunication which is also the Member for Sebuyau for tabling this Bill.

This is a significant milestone in our approach towards energy diversification particularly in hydrogen economy in our effort to promote sustainable energy production. It is high time that we legislate a law to regulate this new industry, its process and the businesses participating in it. While there are stakeholders who are keen to participate, one aspect that we must not overlook is safety. This translates to the generation, storage, transport, and the use of hydrogen.

Since 2017 until now, we have grown our hydrogen industry by leaps and bounds. The YAB Premier and the Honourable Member for Gedong have proven to be farsighted when he introduced Sarawak's hydrogen economy and from the outset, he identified our potential and the tangible returns to Sarawak. Today we are among the pioneers of the hydrogen economy and Sarawak's experience in managing our hydrogen production and application is sought after by other countries.

In the past few years, the YAB Premier has been invited to speak around the world to share our knowledge as well as leadership in this new economy. Just last week, the Sarawak delegation went to Abu Dhabi for its International Petroleum Exhibition and Conference, where the YAB Premier was among the panellists. Before that it was Australia, Korea, Poland, Japan, Netherlands and Singapore among others.

Through hydrogen, we have put Sarawak on the world map. Through hydrogen, we have become among the global leaders of the new economy and through hydrogen we are safeguarding our future for this generation and the next.

## **SOLUTION TO OUR CHALLENGES**

Tuan Speaker, there is always this question on the back of the mind of critics, *“Why are we focusing on hydrogen economy – this astronomical undertaking – when there are still other things that must be addressed?”*.

I understand the sentiment and so does the leaders in GPS. But let me say that the hydrogen economy is one of the solutions to our challenges and I will tell you why. The hydrogen economy will be a revenue stream for Sarawak, if not the revenue stream of the future. What does this mean? It means we will be able to continue funding the rural development ensuring basic facilities are provided and continue to be improved upon. This will narrow the urban rural development gap and ensure that no one will be left behind.

Through this new industry we are able to create more jobs for the people and tap local talents allowing them to obtain high paying jobs and uplift their living standards and raise the household income. In terms of stimulating the local economy the industry will provide opportunities in its supply chain. This includes manufacturing, maintenance and infrastructure development for hydrogen production and refuelling.

It is clear that this is not some vanity project as certain quarters might think and continue to say otherwise. This aligns with our vision, our target and the end goal of positioning Sarawak as a developed and a high-income region by 2030 with our development gap being bridged, our household income being raised, and the local economy being spurred.

## **SAFEGUARDING OUR RESOURCES**

I spoke about how we have made tremendous progress in the hydrogen economy, and I spoke about how important it is to the development in Sarawak. Against this background, we must move to safeguard this precious resource through this Amendment Bill which provides a legal provision for regulation as well as the authority to impose levies or taxes on hydrogen activities. We simply cannot, I repeat, cannot be caught with our pants down when it comes to the time that other quarters are thinking of taking away our resources for their own gain. We have seen it happen before and we don't want to see it happen again, *“once bitten, twice shy”*. We should remember this.

Hydrogen is also covered under the State Law which is the Distribution of Gas Ordinance 2016 (DGO), a law which was passed in pursuant to the Borneo State Legislative Power Order 1963, made by the Yang di-Pertuan Agong under the Article 95(c) of the Federal Constitution. It doesn't come anymore clearer than that. Which means all parties must respect the rule of law. Without the respect to the rule of law *arum bulaknya gunung yang kukuh pun boleh runtuh*, Tuan Speaker. This amendment will ensure that all that we have worked for; the hydrogen that we produce will continue to belong to Sarawak, benefitted by Sarawakians and its revenues used to fund initiatives to serve our people better. No question about it.

We are not being parochial, but Sarawak's interests must come first, Sarawakians must come first, Sarawak first and a successful Sarawak will contribute to a successful Malaysia.

## **SARAWAK HYDROGEN ROADMAP**

Tuan Speaker, the YAB Premier announced this morning that Sarawak is set to establish a hydrogen development roadmap. And it aims to position Sarawak to be a key player in the clean energy market where the focus of the roadmap is ensuring its supply.

In Sarawak, we have embarked on a number of projects for hydrogen production supply distribution and application. Amongst that was mentioned by the Yang Berhormat Sebuyau, the H2ornbill and the H2biscus Project carrying a potential FDI of USD3.2 billion and the potential local investment of USD800 million.

My point is that the roadmap will ensure a clear investment path as well as participation in Sarawak's hydrogen industry. Positioning hydrogen as the alternative fuel. This means there is vast potential for monetization and further booster Sarawak's revenue stream. Besides that, it would of course entice international investors to come to Sarawak as the roadmap would also provide a clear direction policies for them to evaluate strategize and make decisions.

Tuan Speaker, with more participation, there is a need for licensing and regulatory activities. Proper procedures must be drawn up to ensure everyone plays by the rules and not cut corners particularly in terms of safety and compliance. It is my hope that with this Bill, we will be able to fully realise our hydrogen potential and the development of this new industry.

With that, I beg to support the Distribution of Gas (Amendment) Bill, 2024. Thank you. Assalamualaikum Warahmatullahi Wabarakatuh.

**Timbalan Speaker:** Waalalaikumsalam, Yang Berhormat Tupong. Next on the list is Yang Berhormat Murum, please.

**YB Encik Kennedy Chukpai Ugon:** Thank you, Tuan Speaker. Thank you for the honour and the opportunity given to debate on the Distribution of Gas (Amendment) Bill, 2024 tabled by the Yang Berhormat Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri Sarawak N.27 Sebuyau for the second reading.

Tuan Speaker, today, we convene to discuss a matter of profound importance – the Distribution of Gas (Amendment) Bill, 2024 which seeks to amend the Distribution of Gas Ordinance, 2016. This amendment is not merely a legislative updating; it marks a pivotal step towards embracing innovation in our energy sector, particularly in the rapidly evolving the field of hydrogen.

As the global community shifts toward sustainable energy sources, the demand for robust frameworks that accommodate alternative fuels becomes increasingly critical. Hydrogen has emerged as a leading contender in the pursuit of clean energy, offering a viable solution to reduce our carbon footprint and lessen our reliance on fossil fuels. However, the absence of regulatory provisions for hydrogen activities under the existing Distribution of Gas Ordinance creates a gap that could hinder our progress towards a sustainable energy future.

Tuan Speaker, this Bill aims to lay down comprehensive regulations governing the production, distribution and use of hydrogen. By doing so, we are not merely updating our legislative framework; we are proactively fostering an environment that encourage innovation and investment in hydrogen technologies. Key objectives of this amendment include:

- (a) **Regulatory Clarity:** Establishing clear guidelines for hydrogen distribution that ensure safety and integrity in operations;
- (b) **Promoting Infrastructure Development:** Enabling the necessary infrastructure to support hydrogen production and distribution, thus paving the way for its integration into our energy matrix;
- (c) **Environment Benefits:** Supporting the transition towards cleaner energy by facilitating the adoption of hydrogen as a viable alternative to traditional fossil fuels; and
- (d) **Economic Growth:** Positioning our region as a leader in the hydrogen economy, creating jobs, and stimulating economic opportunities.

Tuan Speaker, I acknowledge that some may express concerns regarding the technicalities and environmental implications of hydrogen distribution. However, it is vital to note that this Bill incorporates rigorous safety standards, best practices, and stakeholder consultations, ensuring that risks are mitigated effectively. The use of hydrogen, when managed correctly, poses fewer risks compared to the environmental hazards associated with the fossil fuels.

Tuan Speaker, in conclusion, the Distribution of Gas (Amendment) Bill, 2024 is a forward-thinking piece of legislation that not only regulates hydrogen activities but also opens doors to innovation in energy. By voting in favour of this Bill, we are making a commitment to sustainability, economic development and technological advancement.

Let us seize this opportunity to shape a cleaner, more resilient energy future that aligns with our commitment to protect the environment and advancing our economic interests. Together, we can ensure that our region remains at the forefront of the hydrogen revolution. With that, I beg to support the Motion for the passing of the Distribution of Gas (Amendment) Bill, 2024. Sarawak Maju Makmur. Thank you.

**Tiimbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Murum. Next, Ahli Yang Berhormat bagi Tanjong Datu. Silakan.

**YB Encik Azizul Annuar bin Pehin Sri Haji Adenan:** Thank you, Tuan Speaker, for allowing me to debate on the Distribution of Gas (Amendment) Bill, 2024. Bismillahirrahmannirrahim. Assalamualaikum Warrahmatullahi Wabarakatuh. Salam sejahtera, Salam Segulai Sejalai. Honourable Members of this august House, first of all, I would like to congratulate the GPS State Government led by the Yang Amat Berhormat Premier for his wisdom and quick thinking to table this Amendment Bill, and I would like to also applaud the Honourable Minister for N.27 Sebuyau, Minister for Utility and Telecommunication for presenting this Bill.

I would like to then also congratulate fellow members, fellow colleagues, and the speakers before me for their respective debates on the Bill. Although most of us share similar points, this shows the collective support towards the amendment of this Bill by us backbenchers and I believe this has also brought out the inner hydrogen expert in all of us backbenchers.

Tuan Speaker, based on a 2022 speech by the Yang Amat Berhormat Premier, Member for Gedong and which I quote, *"I believe the time for hydrogen has arrived. After several decades of waiting for the potential of hydrogen as an energy carrier, hydrogen is now ready to assume a leading role in the global energy and economic transition. Almost 90% of global GDP has put forward hydrogen support policies or initiatives. Furthermore, the global hydrogen market is picking up speed, with clean hydrogen production is more than doubled since January 2021. By 2050, the world's economies and energy systems will look greener and this also a projected reduction in renewable energy and electrolyser costs, as well as the need for deeper decarbonisation of all economic sectors, which will drive the emergence of a global market for green hydrogen and its derivatives"*.

Fast forward to 2024, Sarawak is now on track to becoming the largest green hydrogen producer in the ASEAN region and I believe as shared as my fellow colleagues and Honourable Members of this august House, Sarawak is also forming several partnerships for green hydrogen projects said in be worth a total of USD4.2 billion (RM20.7 billion), which includes the development of hydrogen plants in Bintulu and Rembus Depot near Kuching.

However, Tuan Speaker Sir, technology is never completely risk-free. The dangers associated with hydrogen technologies can be compared of those of other energy technologies, and safety is our utmost concern and as relative concept, behavioural biases like the *'risk regulation reflex'* or *'a rush to judgment'*, and *'path dependency'* can also be present. Thus, dealing with these calls for open communication, clear information, and science-based decision-making.

Therefore, it is absolutely imperative that we approve this amendment to make provisions for the regulation of activities relating to hydrogen. This will not only give a better framework, but also to safeguard our rights in the production, storage, distribution and also use or utilization of our new resource, or if I may add, our new commodity. There has to be certain specific rules and regulations to address the production of hydrogen and its supply or value chain in the state. Few recommendations that I could mention here is we could start up with a four-step process which

begins with licensing i.e. certification, such as carbon footprint, project certification and also green electricity traceability, among others.

Then we can move on to the design and permits, which includes site assessment, environmental impact assessment and risk assessment. Step no. 3 will involve procurement which in other words to access a global and reliable supply chain which would involve transport, loading and unloading of hydrogen, whether in gas or liquid form and last but not least, is the construction phase which is to run the project safely and on time. This phase would entail factors such as Quality Assurance / Quality Control, safety supervision, commissioning and test run supervision among others and after these four processes have been done, then we could focus on the asset operations and its management.

In conclusion, Tuan Speaker, this amendment to this ordinance will act as a measure to ensure that the state has a say in all of the process that I have mentioned above. Notwithstanding, the revenue that we will get from production of hydrogen. We do not want any other entities or third parties to claim ownership or impose unwarranted demands on what we Sarawak have started and impact we are one of the pioneers in this ASEAN region. With that, once again I beg to support this Bill, Tuan Speaker. Thank you very much, Tuan Speaker.

**Timbalan Speaker:** Yang Berhormat Tanjong Datu. Next, Yang Berhormat Tamin.

**YB Ir. Christopher Gira @ Gira anak Sambang:** Tuan Speaker, first of all I would like to thank you for granting me the opportunity to participate in the debate on the Distribution of Gas (Amendment) Bill, 2024 in this respected august House. I would like to place my thank you to the Honourable Minister of Utility and Telecommunication for the table Distribution of Gas (Amendment) Bill, 2024.

Tuan Speaker, the introduction of this the Distribution of Gas (Amendment) Bill, 2024 is to interpret that Sarawak is on the transition towards a green energy economy in fulfilment of its commitment to attain net-zero carbon emissions by year 2050. In this perspective, hydrogen is regarded as a clean energy for the transportation and industrial application and usage.

As we all know our Sarawak Government has promoted the production of hydrogen and is seeking foreign collaboration and investment in hydrogen generation projects in Sarawak. Our YAB Premier has been invited as a main speaker to many international stages focusing on green energy. This proves that the global key players of green energy has acknowledge Sarawak's roles and its seriousness and commitment towards a green economy policy.

Tuan Speaker, Sarawak is forging ahead with its plan to create ASEAN's first green hydrogen economy. It aims to start exporting hydrogen that is produced using renewable energy by year 2030. Sarawak has abundant hydropower resources. Its total capacity for hydroelectric power is currently 3.5 gigawatts, and there are plans to add 1.3 gigawatts. Sarawak also actively developing its own hydrogen production and technology. In this context, Sarawak Energy Berhad (SEB) has built Southeast Asia's first integrated hydrogen production plant and refuelling station in 2019. Sarawak's interest in green hydrogen is twofold.

First, our Sarawak Premier strongly believes that hydrogen's versatility gives it the potential to decarbonise various local economic sectors. Second, its export strategy is important to achieving Sarawak's goal of becoming a high income status by 2030. Our YAB Premier has advanced this agenda in recent months. In early June of this year, Sarawak launched Southeast Asia's first electrolyser assembly distribution facility (SEA-DF). These are electrolysis systems using electricity to split water into hydrogen and water and the company will start exporting by the year end.

Tuan Speaker, Sarawak's ambition to be a green hydrogen economy needs to be understood in the context of global clean hydrogen developments. Clean hydrogen includes both blue and green hydrogen. Blue hydrogen is produce using fossil fuels with carbon capture while green hydrogen uses renewable energy and electrolysis, which does not produce carbon, CO<sub>2</sub> emissions. Sarawak's

success once achieved in the next two years will bolster Malaysia's hydrogen economy goals, marks a major milestone for the global green hydrogen industry and serve as important first steps towards clean hydrogen development and utilisation not only within Southeast Asia but also in worldwide.

Tuan Speaker, PETROS (Petroleum Sarawak Berhad) has been designated as the sole gas aggregator for Sarawak. The Distribution of Gas (Amendment) Bill, 2023 was passed in this august House on 21<sup>st</sup> November 2023. Now my question is, why PETRONAS keep delaying, delaying the handover of the responsibility to the PETROS? Those PETRONAS does not respect or recognise our law, which it already passed in this august House, or this is a plan strategy for them making more money which do not belong to them.

Tuan Speaker, for the conclusion, I am in full support of the Distribution of Gas (Amendment) Bill, 2024 tabled by our Honourable Minister for Utility and Telecommunication in this Honourable august House. Thank you.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Tamin. Seterusnya Ahli Yang Berhormat bagi Tebedu.

**YB Dr. Simon Sinang @ Sinang anak Bada:** Thank you, Tuan Speaker. Previously members for Daro, Kota Sentosa, Tellian, Lingga, Tupong, Tanjong Datu, Murum and the most recent one is Tamin. They have spoken loudly to support the Bill that was introduced by the Member for Sebuyau, which is the Minister for the Ministry of Utility and Telecommunication.

Let me start with this quote from Thomas Jefferson, *"The care of human life and happiness, and not their destruction, is the first and only legitimate object of good government"*.

The GPS Government in my opinion is a very good government. Our continuous pursuit to improve the quality of life of all Sarawakians via various initiatives that has positive impacts carried out by the GPS Government has been proven successful over and over again. Today, on the 11<sup>th</sup> of November 2024, we witnessed another important Amendment Bill being introduced by the Honourable Minister for Utility and Telecommunication Sarawak. Congratulations Sir, for your successful tabling of the Amendment Bill.

N.21 Tebedu, applaud and congratulate this momentous effort by this government, the GPS government led by the Right Honourable Premier and the very able Minister for Utility and Telecommunication Sarawak. The Bill, Distribution of Gas (Amendment) Bill, 2024, that was introduced by the Minister this morning is very timely and very appropriate. It should and it must be supported by every member of this august House for the following reasons:

*(I) Sarawak First – Jaga Sarawak, Intu Sarawak*

Tuan Speaker, the amendment to Section 1, Section 2, amendment to title under Part II, Section 3, Requirement for Licenses, Renewal of Licenses, Additional duties and functions of regulators, Amendment to Section 20, New Section 21A and Amendment to Section 32 are very thorough amendments that must be done to accommodate the great initiative by the Right Honourable Premier in a great effort in putting and placing the interest of Sarawak and Sarawakians first in line with our Sarawak slogan war cry, Sarawak First - *Jaga Sarawak, Intu Sarawak* and is also in line with the Sarawak Hydrogen Economy Roadmap.

*(II) Hydrogen – A Clean and Renewable Energy Source,  
Energy of the Future and for the Future*

Tuan Speaker, the Sarawak Government has envisaged that in the year 2050, Sarawak will achieve net zero carbon emission, promoting a cleaner safer environment, together with the world communities to protect our mother earth, the planet that we live in. The ambition and inspiration of

the Sarawak Government, utilising hydrogen as an alternative source of renewable energy is a sustainable solution and important road map to achieve that net zero carbon emission.

The setting of the Kuching Urban Transport System (KUTS) to implement the ART (Autonomous Rail Transit) by the Sarawak Metro is a grand development plan by the GPS Government. Trackless articulated electric vehicles powered by hydrogen fuel cell will be utilized. In this regard, hydrogen is greatly required. Hence, the amendment to the DGO Bill is a strategic move and must be approved and supported in this august House.

*(III) Hydrogen – As an important source of Revenue for Sarawak*

Tuan Speaker, Sarawak is so blessed. We have abundant supply of feedstocks such as water, biomass, natural gas, ammonia and other resources such as cheap and low electricity tariffs readily available for the hydrogen generation. It is a great loss for Sarawak and our nation if these resources are not monetized and converted as revenue for our people in Sarawak to increase the state's revenue.

The generation of hydrogen means the process of creating or producing hydrogen using feedstocks using the processes of electrolysis of water or reformation of natural gas into other chemical form such as gas, liquefied or solid form is an important new potential source of revenue for Sarawak. This will create new industries and highly paid jobs to all Sarawakians. The newly found commodity can be utilized domestically and exported to other countries. Exports of hydrogen to countries such as India and South Korea, including Japan will definitely contribute to our much-needed foreign exchange and increase our GDP value for the betterment of Sarawak's overall economy.

Tuan Speaker, let me conclude with this quote, *"all our dreams can come true if we have the courage to pursue them"*. With these arguments, rationales and justifications, Tuan Speaker, I beg or Tebedu begs to support the Distribution Gas (Amendment) Bill, 2024. With that, thank you.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Tebedu. I have on my list, Ahli Yang Berhormat bagi Tanjong Batu, Ahli Yang Berhormat bagi Balingian and Katibas, followed by Beting Maro. May I call upon the Ahli Yang Berhormat bagi Tanjong Batu.

**YB Encik Johnny Pang Leong Ming:** Thank you, Tuan Speaker. Salam Sarawakku Sayang, Salam Segulai Sejalai. Firstly, allow me to extend my heartiest congratulations to the Honourable Minister for Utility and Telecommunication, Yang Berhormat from N.27 Sebuyau, for his leadership and commitment in introducing the Distribution of Gas (Amendment) Bill, 2024. This forward-thinking amendment showcase his dedication in advancing Sarawak's energy sector and aligns well with our state's aspirations.

Tuan Speaker, I appreciate the opportunity to debate on the Distribution of Gas (Amendment) Bill, 2024, which represents significant advancement in Sarawak's gas and energy industry. This Bill aligns with our collective vision for a prosperous and sustainable future, as enshrined in Sarawak's Post COVID-19 Development Strategy (PCDS 2030) which aims to build an economically resilient, environmentally sustainable, and technologically advanced state.

This amendment introduces groundbreaking provisions for the regulation and development of hydrogen, often hailed as the *"fuel of the future"* due to its clean energy potential. Hydrogen, unlike conventional fossil fuels, produce only water when used, thus offering an environmentally sustainable alternative that can reduce emissions, improve air quality, and ultimately contribute to a cleaner Sarawak. This Bill will allow us to regulate the generation, storage, distribution, and utilization of hydrogen, paving the way for Sarawak to emerge as a leader in the clean energy transition within Malaysia and the broader region.



Tuan Speaker, Bintulu, as we know, is a key player in Sarawak's oil and gas sector and has long contributed to our state's economic growth. With the implementation of this Bill, Bintulu is well-positioned to expand its role by potentially hosting hydrogen generation and distribution facilities. This could create new employment opportunities, bringing investment into the region, and improve infrastructure. The installation of gas pipelines in Bintulu will not only stimulate local industries but also ensure that the people of Bintulu directly benefit from access to clean and reliable energy.

This Bill emphasises on the regulation of hydrogen infrastructure reflects our commitment to safety and sustainability. By setting rigorous standards for hydrogen generation facilities, as well as detailed requirements for storage, pipeline distribution, and vehicle transport, we prioritize the health and safety of our citizens, especially those in areas close to industrial zones, such as Bintulu.

Tuan Speaker, with the proposed amendments, the appointment of PETROS as the gas aggregator allows us to maintain greater control over our natural resources, directly supporting Sarawak's goal of becoming more self-sufficient. PETROS, as a Sarawak-owned company, is ideally suited to manage and optimize these resources responsibly, ensuring that the wealth generated is reinvested back into the state and our communities. This aligns closely with the vision of PCDS 2030, where Sarawak aspires the drive its own economic growth and be a net exporter of energy by 2030.

The regulatory framework established under this Bill not only addresses the growth of the hydrogen sector, but also sets clear standards for accountability, transparency, and compliance. The introduction of special requirements for licensing, oversight by a dedicated Regulator, and stringent enforcement provisions reflect the high standards that we expect.

This environmental, health, and safety criteria for licensing hydrogen facilities are particularly commendable, ensuring that development proceeds in a way that respects our natural environment and the safety of our citizens.

One of the highlights of this amendment is the provision that allows the Regulator to impose levies and rates on various hydrogen-related activities. This ensures that as the hydrogen industry grows, it remains financially accountable and contributes to our state's revenue. The revenue generated through these means can be channelled back into Sarawak's development programs, funding further initiatives under the PCDS 2030, and advancing Sarawak's goal of achieving high-income status through innovation and sustainable resource management.

Additionally, the Regulator's authority to ensure decommissioning plans for hydrogen facilities and pipelines, with a provision for security, reflects an important consideration for long-term environmental sustainability. These decommissioning measures ensure that, at the end of facilities or pipeline's life, the land and infrastructure are managed responsibly, avoiding environmental hazards and protecting our natural landscapes for future generations.

Tuan Speaker, in closing, this Bill is a forward-looking legislative measure that not only enables Sarawak to tap into the potential of hydrogen but also ensures that our actions today lay a strong foundation for the future. This Bill upholds the principles of sustainability, economic growth, and energy independence – all central to the vision of the PCDS 2030.

It reflects our ambition to position Sarawak as a leader in clean energy and shows our commitment to make meaningful progress towards a sustainable future. With that, I show my full support to this Bill with a shared commitment to a cleaner, more prosperous, and resilient Sarawak, for the benefit of all Sarawakians, particularly the people of Bintulu, who will see their town grow in importance as we embrace these new energy advancements. Sekian, terima kasih, Tuan Speaker.

**Timbalan Speaker:** Terima kasih, Ahli Yang Berhormat bagi Tanjong Batu. Ahli-ahli Yang Berhormat, we shall take a short break just for 15 minutes. Thank you.

*(Mesyuarat ditangguhkan pada pukul 4.16 petang)*

*(Mesyuarat dimulakan pada pukul 4.48 petang)*

*[Timbalan Speaker mempengerusikan Mesyuarat]*

**Timbalan Speaker:** Ahli-ahli Yang Berhormat, on my list are Katibas, Pending, Beting Maro, Pelagus and Meluan. Yang Berhormat Katibas, please. You want to speak after Pending? Alright.

**YB Encik Lidam anak Assan:** Tuan Speaker, thank you for allowing me to participate in this debate, on the Distribution of Gas (Amendment) Bill, 2024. Congratulations to the Minister for Utility and Telecommunication, Yang Berhormat Member for Sebuyau, for successfully tabling the Distribution of Gas (Amendment) Bill, 2024.

Tuan Speaker, the introduction of this Distribution of Gas (Amendment) Bill, 2024 is very timely and significant to the development of gas business and industry, more importantly in Sarawak's context. As Sarawak had experienced from the squabbles in the Petroleum Development Act, 1974 in the past, Sarawak should learn and move forward to a greater level of diligence in managing its natural resource particularly in gas business that seated within our Sarawak's territory.

This Bill as enacted by Sarawak aims to regulate and oversee the management and distribution and usage of our gas resources. This law is designed to ensure safety, efficiency, sustainability in the gas industry while we also addressing environmental concern and public wellbeing which most importantly our efforts to search for new stream of income in the new economy.

Tuan Speaker, the Amendment Bill is necessary to include hydrogen as part of our existing types of gas in the original definition of Distribution of Gas Ordinance. The amendment is necessary to ensure full autonomy in managing our own resources. This is to avoid disputes over control of this resource with other parties or any other laws in the future that can void Sarawak of its own resources especially, in particular gas gaining its economic important and technological application in the energy needs of the future.

As a result of this Amendment Bill, it will enable Sarawak to reap its own economic value and encouraging innovation to another level of industrial development especially in our State of Sarawak. Since Sarawak has its own hydropower, thus it will enable maximum production of green hydrogen to generate maximum income to propel Sarawak to the future as a sole gas aggregator in the country, with regards to Sarawak.

This Amendment Bill once enforceable will also enable spillover to our local industry through creating local business opportunities, local employments, and most importantly contribute to the wellbeing of our Sarawakians.

With the above merits, let us come together protecting the resources and protect our beloved Sarawak. Thus, Katibas supports the Bill. Thank you, Tuan Speaker.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Katibas. I think we give way to Ahli Yang Berhormat bagi Pending first, then Beting Maro, then Padungan, Pelagus, Meluan, and Opar. And that's it. Thank you.

**YB Puan Violet Yong Wui Wui:** Thank you, Tuan Speaker for giving me the opportunity to speak on this Amendment Bill. This Amendment Bill seeks to introduce new clauses *vis-a-vis* on all activities relating to hydrogen generation, storage, transportation and distribution.

It is important to ensure that whatever policies and laws that Sarawak introduces in governing hydrogen activities should not just safeguard our energy's future, but also for the sound economic development and safety of our people. Although this Amendment Bill outlines a framework for hydrogen's role in Sarawak's energy transition, it lacks a critical understanding of the local

challenges we face and risks prioritizing corporate or government interests over a broader public interest.

### *Hydrogen Generation: Green Promises but Dirty Realities*

In terms of hydrogen generation, it is seen as “*clean energy*” but in reality, it is dirty. We must acknowledge the current realities that blue hydrogen or what we call as low carbon hydrogen, which is primarily produced through steam methane reforming (SMR), remains the most common method. This process relies on natural gas and generates substantial carbon emissions. Even when the Sarawak Government implements the carbon capture and storage (CCS) technology, it is expensive and not foolproof. Can the Sarawak Government really justify pushing ahead with hydrogen production when its environmental benefits remain questionable? As we know, Sarawak is producing blue hydrogen through H2biscus project. And SEDC is also in collaboration with curve hydrogen in corporation to produce blue hydrogen.

Moreover, green hydrogen, produced through electrolysis powered by renewable energy, is often touted as the ideal. But in Sarawak, how feasible is this? Our dependence is on large-scale hydropower projects like the Bakun Dam has caused environmental degradation, displaced communities, and threatened biodiversity. Do we want to repeat these mistakes in the name of hydrogen production? This Amendment Bill lacks clarity on how we will balance environmental sustainability with hydrogen generation, as it provides no guarantees that we will not replicate the same destructive models we have seen in the past.

### *Storage: The Unseen Costs and Risks*

Hydrogen is notoriously difficult to store safely. How prepared is Sarawak to build a safe and high-pressure storage system? Hydrogen needs to be stored under extreme pressures or as a cryogenic liquid at -253°C. Sarawak has to ensure that there are rules and regulations in place to manage the technical challenges including long-term storage risks following the passing of this Amendment Bill. As we know, hydrogen can embrittle metals over time, causing storage systems to degrade and fail.

Are we prepared for the safety risks associated with hydrogen storage? A single hydrogen leak could cause catastrophic fires or explosions especially in a region like Sarawak, where communities are often located near industrial sites, this is not just environmental or economic issue, but a public safety concern.

We need a more detailed plan, particularly regarding inspections, monitoring, and public safety protocols. This Amendment Bill is alarmingly vague on these issues, putting too much trust in private licensee without a stringent regulatory oversight mechanism.

### *Transportation: A Logistical Nightmare*

As hydrogen has a low energy density by volume, it needs to be either compressed or liquefied for transportation, both of which are costly and require complex infrastructure. In Sarawak, where the road network is still developing, how practical it is to transport hydrogen safely over long distances?

Moreover, the Sarawak Government must consider the huge financial commitment to retrofit or build hydrogen specific pipelines. Are we ready to invest in the infrastructure needed to safely transport hydrogen from production sites to all its designated areas bearing in mind transportation risk is high as hydrogen is prone to leaking through existing pipelines, even small leaks can lead to explosions if not detected early.

*Distribution: Who Will Benefit?*

When we talk about hydrogen, Tuan Speaker, as the fuel of the future, we must also ask, who will benefit from this transition? We are unsure on how hydrogen will be distributed and what role local communities will play in this transition. There is a risk that hydrogen production, storage, and distribution will become a top-down process, controlled by a few corporations, leaving local communities with little say in how their resources are used or how the risks are managed.

Sarawak has seen this pattern before, particularly in the oil and gas sector, where local communities have often been sidelined, and the profits have not always flowed back to the people. This Amendment Bill fails to provide any clear guarantees that hydrogen development will benefit the wider population, or that local Sarawakian businesses and industries will have access to the hydrogen economy in a meaningful way. We need a clear provision for local content requirements, ensuring that Sarawak's own people and companies have a stake in this emerging industry.

*Safety and Accountability: Where is the Oversight?*

Tuan Speaker, I hope that the State Government will take serious consideration to the points which I raised above and with that I conclude. Thank you.

**Timbalan Speaker:** Thank you, Yang Berhormat Pending. Yang Berhormat Beting Maro next, please. Followed by Padungan.

**YB Tuan Haji Razaili bin Haji Gapor:** Thank you for giving Beting Maro the floor to participate in the debate for this Distribution of Gas (Amendment) Bill, 2024.

Tuan Speaker, I would like to congratulate Yang Berhormat Dato Sri Haji Julaihi bin Haji Narawi, Member for N.27 Sebuyau, Minister for Utility and Telecommunication for tabling this Bill to the Dewan this morning.

Tuan Speaker, Distribution of Gas (Amendment) Bill, 2024 marks watershed moment in Sarawak's journey toward energy sovereignty and sustainable development. The hydrogen economy represents one of the most promising frontiers in global energy transformation, and through this amendment, Sarawak positions itself at the vanguard of this revolution. This Distribution of Gas (Amendment) Bill, 2024 highlights three fundamental pillars.

Firstly, this amendment establishes a comprehensive regulatory framework for hydrogen that is unprecedented in scope and vision. For the first time the Sarawak Government introduced very clear definitions and regulations covering the entire hydrogen value chain, from generation to storage distribution and utilization. This framework encompasses:

- (a) The generation of hydrogen using feedstocks produced within or imported into Sarawak;
- (b) The establishment and operation of hydrogen generation facilities;
- (c) The distribution of hydrogen in various forms, including blended and hydrogenated states; and
- (d) The promotion and control of hydrogen use across transportation, electricity generation, and the industrial applications.

Secondly, Tuan Speaker, these amendments create a dedicated Regulator for hydrogen activities demonstrates our government's commitment to specialized oversight and industry development. This new authority will be empowered to:

- (a) Issue and manage licenses for hydrogen-related activities;
- (b) Enforce safety standards and environmental protections;
- (c) Promote the economic development of our hydrogen industry;
- (d) Ensure compliance with ministerial directives; and
- (e) Monitor and regulate the use of feedstocks for hydrogen generation.

Thirdly, the licensing framework introduced by this amendment creates a structured environment that will attract serious investors while maintaining strict control over our resources. This includes:

- (a) Clear procedures for license applications and renewals;
- (b) Specific requirements for hydrogen generation facilities;
- (c) Comprehensive safety and environmental protection measures;
- (d) Detailed provisions for decommissioning plans; and
- (e) Stringent controls over feedstock utilization.

Tuan Speaker, the strategic importance of this amendment extends far beyond regulatory control. It represents a crucial step in realizing Sarawak's vision of becoming a leading player in the global hydrogen economy. By establishing this regulatory framework now, Sarawak aimed to secure Sarawak's position as a pioneer in sustainable energy development, creating new opportunities for skilled employment among our youths, attracting substantial investments in clean energy infrastructure, ensuring the safe and efficient development of our hydrogen industry and protecting our natural resources for future generations.

The amendment also introduces robust enforcement mechanisms and penalties that reflect the seriousness of compliance in this sector. The provision for financial penalties of up to RM20 million demonstrates our commitment for maintaining the highest standards of operation and safety.

Tuan Speaker, this legislation is particular timely as we witness the global transition toward cleaner energy sources. The hydrogen economy presents unprecedented opportunities for Sarawak, including:

- (a) Development of new industrial clusters centered around hydrogen production;
- (b) A creation of high-value employment opportunities in the clean energy sector;
- (c) Enhancement of our energy security through diversification;
- (d) Attraction of international investments in the sustainable energy infrastructure; and
- (e) Positioning Sarawak as a regional hub for hydrogen technology and expertise

Moreover, this amendment empowers the Majlis Mesyuarat Kerajaan Negeri to impose appropriate levies and charges, ensuring that the benefits of our hydrogen resources flow directly to the people of Sarawak.

This approach aligns perfectly with our commitment to sustainable development that prioritizes the welfare of our citizens, the Sarawakians.

The safety provisions within this amendment are particularly noteworthy. By mandating comprehensive safety protocols and environmental protection measures, we ensure that the development of our hydrogen industry proceeds in a manner that safeguards both our people and our environment. The requirement for detailed decommissioning plans further demonstrates our commitment to responsible industry development.

Tuan Speaker, as we debate this amendment, we must recognise that we are not just discussing regulatory changes, we are laying the foundation for Sarawak's energy future. This legislation will enable us to harness hydrogen's immense potential while maintaining strict control over its development and distribution. It represents a balanced approach that prioritize economic development while ensuring environmental protection and public safety.

Establishing clear regulatory control over hydrogen activities through this amendment will also enhance investor confidence. By providing a stable and transparent regulatory environment, we create the conditions necessary for sustained investment in this crucial sector.

In conclusion, Tuan Speaker, I strongly support this forward-looking amendment. It demonstrates our government's vision and commitment to securing Sarawak's position as a leader in the global energy transition. Through this legislation, we are not only protecting our resources for generations to come but also creating new opportunities for economic growth and technological advancement. With that, *sekian, terima kasih*.

**Timbalan Speaker:** Terima kasih, Yang Berhormat Beting Maro. Next, I would like to call Yang Berhormat Padungan.

**YB Encik Chong Chieng Jen:** Thank you, Tuan Speaker, for allowing me to participate in the debate on the Distribution of Gas (Amendment) Bill, 2024.

Tuan Speaker, I have heard the Backbenchers debate, since this afternoon, on the Bill and on the hydrogen. It seems that hydrogen is a God-sent gift to humankind, to save our world. And that it's all praises about the Bill, about the government's policy in respect of the hydrogen development plan for Sarawak.

Being the only two Oppositions, the lawyers Opposition to the state and the T.Y.T of this House, myself and the elected Member for Pending, we are, we have a duty to give a balance view, a balance or alternative views about our hydrogen policy in the state. Yes, hydrogen is regarded as a clean form of, source of energy.

Alright, Tuan Speaker, this stems from the trend of decarbonisation, being made one of the largest human, humanity's biggest goal to be achieved by 2050. Nett zero carbon emission worldwide, and many countries have adopted that agenda. And that's why there is a hype to change, to switch from fossil fuels to hydrogen as the alternative fuel. The general perception is that hydrogen when combust in air with oxygen the by-product is energy and water. And water is clean. And therefore, it is a clean form of energy.

Tuan Speaker, hydrogen although is the most common element in the universe and plenty on earth, but you can't just pluck it from the air like we breathe the air in the atmosphere, or you can't just extract it from the earth like how you extract fossil fuels. It has to be extracted. Hydrogen molecule has to be extracted from some other molecules. And there are few processes at the moment that is being applied to extract hydrogen from other molecules. Right, there is the grey hydrogen, there is the green hydrogen, there is a blue hydrogen. It can be extracted from methane molecules; it can be extracted from water molecules through electrolysis.

Those extracted from methane molecules or some fossil fuel molecules. Those extracted from the fossil fuel molecules are regarded as grey hydrogen, the process. And those extracted from methane or natural gas molecules are regarded as blue hydrogen. And the hydrogen extracted from the process of electrolysis of water is regarded as green hydrogen. Which is the cleanest form of energy source. So, green hydrogen and the most sought-after commodity now for energy production. However, to produce hydrogen through electrolysis, there is also cost involved.

You see, Tuan Speaker, to produce 1 kg of hydrogen you need about 55 kilowatt per hour of electricity. Because electrolysis runs on electricity. So, you need electricity to break up the water molecules into oxygen and hydrogen, H<sub>2</sub>O.

You see, that requires about 55 kilowatts hours of electricity to produce one kilogram of hydrogen. But how much can one kilogram of hydrogen produce in terms of energy when it combusts in the air. It can only produce about 40 kilowatts per hour of energy. That one kilogram of hydrogen took about 55 kilowatts hours of energy to produce but it can only generate 40 kilowatts hours of energy. Therefore, the energy efficiency of hydrogen at its best i.e. green hydrogen, is about 75% which means there are certain electricity loss along the process because you have to convert the molecular form from water, you used the electricity to create hydrogen and after that you used the hydrogen to create, to generate the electricity. Through this combustion, there is a loss of energy

and that is about 25% of energy loss in the whole process of generation of hydrogen and that is what I say how I would turn it as the cost of production of green Hydrogen.

Bearing in mind what YB Pending has stated just now about how you are going to store it, how you are going to transport it. Today we are debating a Bill to regulate how any licensee is to be regulated to transport, store, sell, generate hydrogen. Just to let the Honourable Minister to have a peace of mind, I am supportive of this Bill. I will support this, Bill. I think it is the industry where you need regulation, you can't just leave it to any private sector to run it. But there are certain things that we want, we need to look at, certain Bill, alternative Bill about this hydrogen industry whether the Government should plunge in such a big scale and whether the Government is very successful in the whole hydrogen industry. So that is our view as a lawyer opposition in this House.

Now I come to the storage and the transportation. There are certain issues, there are certain disadvantages of this hydrogen, as compared fossil fuel and other fuels.

(a) Highly flammable.

According to a study, hydrogen gas ignition energy is 20 times smaller than that of natural gas or gasoline. That means that it is 20 times easier to explode to light up hydrogen than normal gasoline. That is why it is regarded as highly flammable.

(b) Transportation

You need to transport it at a very high-pressure condition and to store it, you need to store it in a very high-pressure condition. How high is the pressure? You need to transfer it in condition which is about 350 buses to 700 buses. What does that mean? 350 buses, it means 335,000 KPA.

Tuan Speaker, do you drive a Mercedes? The maximum tyre pressure for a Mercedes is about 350 KPA. Imagine to store, to transport hydrogen you need 350,000 which is 100 times the maximum pressure that your tyre can take. So that is the amount of pressure you need to store and transport hydrogen, and it must be kept in a condition, in liquid form and which is minus 250 degrees Celsius. Any accident will be a disaster. So that's why we say there must be stringent laws regulating the industry.

Tuan Speaker, I would like to seek clarification and queries from the Honourable Minister on the issue of the two Hydrogen H2biscus and Hydrogen H2ornbill investment that have come to Bintulu, and which is according to the Backbenchers' debate will create a lot of job opportunities, economic return to our state.

It was mentioned in his tabling the Bill, that these two plants will produce about 200,000 tons of hydrogen annually. I don't know whether that will be 200,000 tons, green hydrogen or blue hydrogen. Just now Pending was mentioning that it is a mixture of green and blue. But just to give the context to what is 200,000 tons of hydrogen to be produced.

Tuan Speaker, to produce 200,000 tons, let's say if it is by way of electrolysis and that per kilogram of hydrogen, you need 55 kilowatts hours. So, to produce 200,000 tons of hydrogen, the amount of electricity required per year is 1.2 gigawatts. It is approximately 1.2 gigawatts. That is the whole of Baram, the electricity generated from the whole of Baram just for these two plants. Is that what the government is installing for us? And with that, how much, what are the price of the hydrogen that are produced is sold to Japan or Korea? Whether it will recover the investment that we have put in, constructing the Baram Dam. Everything has a cost to it. So, in order to justify such a huge investment, to allow such a huge investment and the use of such amount of electricity in Sarawak. Mind you, Tuan Speaker, these are green electricity, very valuable form of commodity now, given that the carbonization term is the trend globally.

So, I would like to seek clarification and answer on how many Sarawakians were engaged for the construction of these plants what, their average wages paid, their positions, and the return from these plants so as to justify the government making such a hue and cry on the investment.

Lastly, not lastly, second last point. I heard many have said that Sarawak now is in the forefront of this hydrogen technology industry. But as a Sarawakian, I want Sarawakians to feel proud. We must take pride in what we do. But pride is one thing, *katak di bawah tempurung* is another thing. So, let me show some statistics in this House, to put some of the Members here in their places. This is about the statistics of, the number of green hydrogen production facility worldwide as of 2022. It goes by the country's ranking.

- (1) Australia – 96 plants green hydrogen production facilities in Australia as of 2022;
- (2) Germany – 50;
- (3) Spain – 50;
- (4) Netherlands – 48;
- (5) United Kingdom – 46;
- (6) USA – 37;
- (7) Russia – 36;
- (8) Portugal – 28;
- (9) China – 26; and
- (10) Chile – 22.

We are only two in the making.

So, there are a lot of progress worldwide in other countries about green hydrogen production facilities everywhere. Yes, it is good that our country catches on to this bandwagon and catch on to this global trend. But given my observation about the danger of hydrogen and the cost of hydrogen production, the government should have certain reservations in the implementation of the state's hydrogen development plan and not only looking at the bright side, hearing the beautiful stories about the hydrogen but omitting or just ignoring the downside of the hydrogen.

So, with those remarks, I support this Bill. And one last point. In all the policies, the laws that are passed in this House, I think common people on the street, Sarawakians interest must be put number one, must be safeguarded. I take this opportunity in respect to raise the issue, in respect of the LPG tongs.

Tuan Speaker, after PETROS took over as a sole distributor of LPG tongs, PETROS refuses to take back the yellow tongs now. We have received so many complaints, yellow tongs from Shell, owners of yellow tongs from Shell and My Gas, they are forced to keep their empty tongs in their house, because the dealers would not want to take it back, because PETROS would not accept it anymore.

Tuan Speaker, PETROS is given the rights to be the sole distributor of LPG in the state, that gives them a lot of profit, financial profit. Why make lives so difficult for the consumers, common people on the streets, common Sarawakians. You can ask our Member for Sibu, even Sibu members of public are calling us, where to take back, where to exchange the yellow tongs.

**Timbalan Speaker:** Can you make your point?

**YB Encik Chong Chieng Jen:** The government, our Minister in-charge to direct the PETROS to take back all the yellow tongs in exchange for the PETROS gas tongs. Don't put additional financial burden on the people. With that remark, I support the Bill. Thank you, Tuan Speaker.

**Timbalan Speaker:** Ok, Yang Berhormat Padungan. Next, we call upon Yang Berhormat Pelagus, followed by the Yang Berhormat Meluan, Yang Berhormat Opar, Yang Berhormat Balingian, and lastly Yang Berhormat Bukit Bangunan.



**YB Encik Wilson Nyabong anak Ijang:** Tuan Speaker, firstly, I would like to place my gratitude in granting me the opportunity to participate in the debate on Distribution of Gas Amendment Bill, 2024, in this respect august House.

I would like also to thank the Minister for Utility and Telecommunication, Yang Berhormat Dato Sri Haji Julaihi bin Haji Narawi, the Member of Sarawak Assembly for N.27 Sebuyau.

Tuan Speaker, we are debating on the Distribution of Gas (Amendment) Bill, 2024. Our YB Pending, he is talking about the process of hydrogen. He's not talking about the Bill. I think he tried his very hard to find out how the process is. Padungan, sorry. He is the extraction of how the hydrogen extracted the molecule, you know, regulate what he said. I think it's a long time for him to gist this technical thing. For us, let the industrial players do all these things and how to extract the hydrogen. He is too much not dealing with the Amendment Bill. He should look in the details one by one in the Amendment Bill is there any short coming then he should produce the good idea. He's talking about something different, ya.

Tuan Speaker, the Distribution of Gas (Amendment) Bill, 2024 aims to extend the existing regulatory framework under the Principal Ordinance to include all matters involving hydrogen gas in Sarawak. This amendment will empower authorities to oversee and regulate hydrogen-related activities, such as production, storage, transportation and distribution, ensuring these processes must meet safety requirements and operational standards. By applying the Principal Ordinance to hydrogen, Sarawak can manage this emerging industry under established legal structures, addressing the unique challenges and opportunities of hydrogen gas in line with the Sarawak Government's commitment to cleaner energy and economic growth.

The Bill includes a new provision on license renewals, specifically to the licensees will have no implied right to renewal of their license. This provision clarifies that each license renewal will be subject to a fresh review by the regulatory bodies, based on compliance with the current safety, environmental and operational standard.

Offences and penalties outlined in the Principal Ordinance will also apply to activities involving hydrogen gas, ensuring that regulatory compliance is maintained across all licensed gas-related operations. The penalties serve as deterrents and reinforce Sarawak's commitment to a safe, responsible management of hydrogen activities. Penalty amounts and durations can be specified within the ordinance to align with the severity of each offence.

Tuan Speaker, the Bill will include a provision granting the Director or designated regulatory authority the power in impose financial penalties on licensees for any breaches or non-compliance with the Principal Ordinance, including all activities related to hydrogen gas. The authority to impose penalties, the Director or the Regulator has the power to impose financial penalties on licensees for violations of ordinance including breaches of safety, environmental, operational or reporting standards. Penalty amount of financial penalties may be set base on the severity of the breach. Also, the Amendment Bill includes the provision extending protection and immunity to the Regulator and any officers appointed by them, in addition to the Director and authorized persons already covered under the Principal Ordinance and the Bill also grants the Sarawak Cabinet the authority to make regulations including those specifically addressing activities and matters related to hydrogen generation in Sarawak. This provision empowers the Cabinet to establish, amend and enforce regulations that support the safe and effectiveness development of the hydrogen industry within the framework of the Principal Ordinance. By granting the Sarawak Cabinet this regulatory power, by our Bill to ensure that the hydrogen industry operates within the structed and adaptable regulatory framework, promoting safety, sustainability and the responsible development of hydrogen as the key energy resources in Sarawak besides oil and gas.

Tuan Speaker, what that being said, I place my full support for the Distribution of Gas (Amendment) Bill, 2024. Thank you.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Pelagus. Next, will be Ahli Yang Berhormat bagi Meluan, please.

**YB Encik Rolland Duat anak Jubin:** Tuan Speaker, thank you for giving me the opportunity to debate on Distribution of Gas (Amendment) Bill, 2024. I rise today to speak in strong support of the proposed bill on the distribution of gas and more specifically, to emphasize the critical importance of ensuring that gas distribution license adhere to the regulations outlined within this Bill.

First and foremost, this legislation is designed with one primary goal in mind to protect the safety, health and well-being of our citizens. The distribution of gas is not only a matter of energy supply, it is a matter of public safety. Gas, when handled improperly or distributed irresponsibly, poses significant risks, risks that can result in devastating consequences. Whether there are leaks, or explosions, or other hazards, the potential for harm is real and is preventable through strong, enforceable regulations.

Tuan Speaker, this Bill provides the framework for holding gas distribution licensees accountable for their role in safeguarding public safety. By ensuring that licensees adhere to proper standards for maintenance, installation and monitoring, we are taking proactive steps to mitigate risks and prevent accidents before they happen. But this regulations can only be effective if they are followed and that is why it is imperative that we grant the regulatory body an authority to monitor, inspect and enforce compliance.

Licensing is not just a formality, it is a mean of ensuring that those who are entrusted with the distribution of such critical resource are qualified, capable, and committed to the following best practices. It is not just about setting rules but about creating an environment where adherence to those rules becomes standard, and not the exception. When a licensee fails to comply with the regulations, they jeopardize not only their reputation but more importantly, the safety and the security of the communities that they serve.

Tuan speaker, this Bill also recognizes the importance of fostering competition within the gas distribution sector. However, it does so with an understanding that competition should not come at the expenses of safety or service quality. While market forces drive innovation and efficiency, safety and regulatory compliance must always remains at the forefront. By mandating adherence to strict standards, we ensure that every player in this space competes on a level playing field one where customer safety and reliable service are never compromised.

Tuan Speaker, furthermore, this Bill aligns with our broader environmental and sustainability goals. By ensuring that gas distribution networks are efficiently managed and properly maintained, we reduce waste, minimize emissions and help prevent unnecessary energy losses. Regulatory compliance supports not only immediate safety but also long-term sustainability.

In closing, I urge the Members of the Legislature to support this important Bill by empowering regulatory bodies and ensuring that gas distribution licensees follow the law, we are investing in the safety of our citizens and the integrity of our energy infrastructure and the future of our communities. Let us pass the Bill and demonstrate our unwavering commitment to safety, accountability and responsible energy management. I hereby strongly support the Bill. Thank you.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Meluan. Seterusnya, Ahli Yang Berhormat bagi Opar, dipersilakan.

**YB Encik Billy anak Sujang:** Tuan speaker. Thank you for giving me the opportunity to participate in this debate. The tabling of this Distribution of Gas (Amendment) Bill, 2024 by the Honourable Minister for Utility and Telecommunication Sarawak in this august House is timely. This Bill aims to regulate activities related to hydrogen generation in Sarawak and I stand here, Sir, to advocate for this passage.

First and foremost, we must recognize the urgency of transitioning to sustainable energy source. The world is facing a climate crisis, the fossil fuels may no longer the preferred option for our energy needs. Hydrogen presents a remarkable opportunity as a clean energy carrier. By embracing this technology, Sarawak can lead the way in the energy transition, reducing greenhouse gas emissions and setting an example for others to follow.

Over the five over, the past five years, Sarawak has positioned itself as one of the major players in the hydrogen economy in Southeast Asia. The recent establishment of the Sarawak Hydrogen hub in Bintulu is poised to further attract foreign investors to participate in clean hydrogen production and its downstream value chain.

Moreover, the regulation of hydrogen generation will foster economic growth. Sarawak possesses vast potential for renewable energy resources, and by establishing a clear regulatory framework, we can attract investments in hydrogen technologies to invest in Sarawak. This will create job opportunities in research, production and distribution, stimulate local economies and position Sarawak as a hub for clean energy innovation in the region. The future of our economy lies in sustainable practices and this Amendment Bill is a step toward that future. This is in line with the Sarawak Hydrogen Economy Roadmap.

The environmental benefits of hydrogen cannot be overstated. By regulating the methods of hydrogen production, we can ensure that these processes are environmentally friendly. We have the opportunity to implement the best practices that minimize pollution and protect our natural resources. Let us take this opportunity to safeguard our environment for future generations.

Currently, energy security may not be a critical concern for Sarawak but investing in hydrogen as a local energy source can reduce our dependency on fossil fuels. This not only enhances our energy security but also stabilizes our energy prices and protects us from global market fluctuations.

Some may voice concerns about the complexity and the costs associated with regulations. However, we need to consider the long-term benefits. While the initial investment in regulatory structures may be significant, the economic, environmental, and social returns will far outweigh these costs. A well-regulated hydrogen market will foster competition and drive innovation, ultimately leading to a lower cost of energy for consumers.

Moreover, safety is paramount. This Bill includes provisions to ensure that hydrogen production and transportation adhere to stringent safety standards. We have a responsibility to protect our citizens, and this regulation will provide the oversight necessary to mitigate risks associated with hydrogen.

The environmental impact of hydrogen generation is closely tied to the methods employed. While some methods, like electrolysis powered by renewables, offer significant environmental benefits, others, such as steam methane reforming, pose challenges due to greenhouse gas emission. As the hydrogen economy develops, focusing on sustainable and low-emission production methods will be crucial for minimizing environmental impacts and achieving climate goals.

The Distribution of Gas (Amendment) Bill, 2024 is not merely a regulatory measure alone but it is a bold step toward a sustainable, secure, and prosperous future for Sarawak. Let us embrace this opportunity to lead in clean energy, drive economic growth, and protect our environment. I urge all Members of this august House to support this Bill for the betterment of Sarawak and its people.

In conclusion, Opar fully supports the Distribution of Gas (Amendment) Bill, 2024. Thank you very much.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat bagi Opar. Next one is Yang Berhormat Balingian, please.

**YB Encik Abdul Yakub bin Haji Arbi:** Thank you, Tuan Speaker. My deepest appreciation, Tuan Speaker, for allowing me the opportunity to participate in this esteemed House's debate on the Distribution of Gas (Amendment) Bill, 2024. Thank you, Minister for Utility and Communication for tabling this Bill and the Government of Sarawak under the leadership of the Yang Amat Berhormat Premier for putting this Bill into the amendment today. This Bill is of great importance, particularly as it addresses the evolving landscape of our energy infrastructure, and I am honoured to contribute to this discussion. Just now we heard from Pending and Padungan. I think a lot of the information was half-cooked information, but it was lucky that at the end of the day, they do support this Bill.

So, let us talk about the Distribution of Gas (Amendment) Bill, 2023 which was passed in the Sarawak Legislative Assembly on November 21<sup>st</sup>, 2023, introducing significant changes to how natural gas is distributed within the state. A key development is the appointment of Petroleum Sarawak Berhad (PETROS) as the exclusive gas aggregator for Sarawak.

Additionally, the new Bill strengthens regulations regarding hydrogen distribution, establishing stricter controls and licensing for the companies involved in the hydrogen supply chain. The Aggregator's role will be included in the development and expansion of the hydrogen infrastructure, such as pipelines, processing facilities, to ensure an adequate supply aimed to enhance the state's energy autonomy and support industrial growth by ensuring a steady and fair supply of hydrogen for both domestic and industrial need.

In this new Bill, hydrogen is to be included in the Distribution of Gas (Amendment) Bill, 2024. Hydrogen is increasingly recognized as a vital component in our broader energy transition strategy. It is often included in the hydrogen Bills, in the gas Bill, when it is blended into with natural gas, particularly as part of efforts to reduce our carbon footprint and work towards a more sustainable future. Hydrogen, when produced from renewable sources, is considered a low-carbon alternative to natural gas, making it an essential part of our decarbonization goals.

However, to ensure the successful integration of hydrogen into our energy system, we must first establish a robust legal framework that allows for its storage and distribution. The current state laws governing gas distribution are rather general, and we must adapt them to cater for specific needs of hydrogen. It is crucial that we introduce hydrogen under State law to ensure that there is a clear legal position governing its use and distribution.

To the end, I propose new provisions within this Bill to include penalties for non-compliance and to expand powers of regulator or appoint who is going to be a regulator in the future. This will ensure that all stakeholders involved in the production, storage and transportation of hydrogen adhere to safety standards and regulatory requirements. The state must grant the authority to regulate the entire gas production process from the point of production to the final delivery of the product to consumers. This is especially important as hydrogen, which is a new addition to the energy mix, requires stringent oversight to prevent any disruptions in the supply chain and to ensure safety and sustainability of the fuel.

To further clarify, I would like to highlight some key aspects of hydrogen's role in the broader energy transition:

**(1) Energy Transition and Decarbonization**

Hydrogen, particularly when produced from renewable sources, is viewed as a cleaner alternative to natural gas. Blending hydrogen with natural gas in the existing supply system is a crucial step towards reducing greenhouse gas emissions while avoiding significant infrastructure changes. This strategy helps in decarbonizing the energy grid without disrupting the current services.

**(2) Infrastructure Upgrades and Research**

To support the inclusion of hydrogen, utilities are investing in hydrogen compatible infrastructure and pilot projects. These initiatives are necessary to test the feasibility, safety and efficiency of blending hydrogen with natural gas in the existing pipelines. A portion of gas bill may go towards funding these research and infrastructure upgrades, which will ultimately benefit consumers by ensuring that the transaction is safe and reliable.

**(3) Future Proofing Energy Supply**

As global efforts to combat climate change intensify, hydrogen will play a pivotal role in the future proofing our energy supply. Governments and energy companies are keen on meeting long-term climate goal by transitioning towards cleaner fuels. By blending hydrogen with natural gas now we are preparing our energy infrastructure for future where hydrogen use will be more widespread.

**(4) Programmers and Testing Costs**

In this region where hydrogen blending is being tested there will inevitably be additional costs associated with mixing hydrogen with the natural gas supply. These costs may be reflected in the gas Bill, but they are an essential part of the research and testing process, allowing us to better understand how hydrogen can be integrated into our energy systems safely and efficiently.

In conclusion, the inclusion of hydrogen in our energy mix is not only timely but also crucial as we focus on green energy. I beg to support this Bill. Thank you.

**Timbalan Speaker:** Thank you, Yang Berhormat. I would like to call Yang Berhormat Bukit Begunan, please.

**YB Datuk Mong anak Dagang:** Thank you, Tuan Speaker for giving me the opportunity to participate in debate on the Distribution of Gas (Amendment) Bill, 2024. First, I wish to congratulate the Minister for Utility and Telecommunication which also a Member for Sebuyau for tabling the Distribution of Gas (Amendment) Bill, 2024 in this august House today. Tuan Speaker, as we all know hydrogen development in the state is the brainchild of our Yang Amat Berhormat Premier whose vision is to transform Sarawak into a centre of clean hydrogen energy set to utilize and harness and abundance of hydrogen power in the state natural resources.

According to a report by International Energy Agency the global hydrogen used rose to 95 million tons in 2022 and less than 1% of the total was low emission fuel. Hence, based on the report there is a used potential for the hydrogen development and for the industry to expend further. Demand for hydrogen derivatives technologies is also on the rise for its potential to decarbonize hard to abate sectors. So, because of the aggressive now the state's policy vision by the Yang Amat Berhormat to develop into hydrogen. It was reported that two ASEAN countries namely Japan and South Korea. Well, hydrogen is seen as crucial to the energy transition, have all they set their sights on Sarawak. Hence, the development either the blue or the green hydrogen is vast economic potentials in addition towards achieving a nett zero carbon by the year 2050.

Tuan Speaker, in view that hydrogen is relatively a new economic undertaking, the State do not have existing legislation to regulate in facilitate the development of the hydrogen industry. Therefore, the Distribution of Gas (Amendment) Bill, 2024 is indeed timely. In the passing will facilitate orderly development of the industry.

In Malaysia, I believe Sarawak is the pioneer in the industry. In Sarawak, may or is the first in Malaysia to introduce such legislation regulating the development of the hydrogen industry.

Distribution of Gas (Amendment) Bill, 2024 spelt out in details provision relating to the new definition of gas which include hydrogen, appointment of regulator including provision on licensing and so on.

Another input and provision legislating to the importation of feed stock into the state for the purpose of hydrogen generation so allowing the importation feed stock is indeed a good move, good provision to ensure sustainable and uninterrupted supply of raw material for hydrogen production. So, with a very short time observation, Tuan Speaker, I wish to support the Distribution of Gas (Amendment) Bill, 2024.

**Timbalan Speaker:** We have two more Ahli Yang Berhormat to make the speeches. I believe by virtue of Standing Order (9), if we exceed beyond 6.30 p.m., I think I rule now, and that is the Standing Order, that we have to we need to, we have to go beyond 6.30 p.m. In view of the forth coming reply from the Honourable Minister as well, so that is it. May I call upon Ahli Yang Berhormat bagi Batu Kitang.

**YB Dato Ir. Lo Khare Chiang:** Thank you, Tuan Speaker for the opportunity to debate on the Distribution of Gas (Amendment) Bill, 2024. I find the Honourable Member for Padungan and Honourable Member for Pending very entertaining but like the Honourable Member for Balingian says eventually they support the Bill. So, that's speaks for itself. Hydrogen is used for welding purposes as we all know and it came in pressurized steel cylinder so what's the big fuss about transporting hydrogen, you know, I don't understand, now Ahli Yang Berhormat Pending and specialize trailers today can transport hydrogen gas at high pressure making them suitable for short distance transportation between production, facilities and refilling stations. So, where is the problem of transporting hydrogen? And for longer distances, hydrogen can be liquified significantly reduce it volume and be transported in tankers, specially designed tankers.

And today in Sarawak we have ENEOS, Japanese company who is involved in manufacturing and producing hydrogen. Sumitomo Corporation, another Japanese company producing hydrogen here in Sarawak. Samsung Engineering, LOTTE Chemical, Korean companies investing and producing hydrogen in Sarawak. And if there is a problem in transporting hydrogen like what Ahli Yang Berhormat bagi Pending dan Ahli Yang Berhormat bagi Padungan said, these companies will not be coming all the way to manufacture and produce hydrogen and today hydrogen in Sarawak is primarily intended for export to international markets; and the main markets are Japan and South Korea as we all know. And by simple economic analogy, demand and supply, there is a demand in the world and so by targeting this major economist, Sarawak will position itself as a significant player in the global hydrogen market and contribute to global shift towards clean energy sources. I don't know what the Ahli Yang Berhormat bagi Pending and Ahli Yang Berhormat bagi Padungan is fussing about.

- (a) With the proposed amendment to the Distribution of Gas Ordinance, 2016, there will be a legal framework to ensure that it will make a huge impact to regulate hydrogen in Sarawak. In supporting this proposed amendment, Sarawak can oversee hydrogen that is locally produced, imported or otherwise sourced for the purpose of hydrogen generation and storage; and
- (b) With this Bill, Sarawak will become the first in Malaysia to establish a dedicated hydrogen specific legislation, positioning Sarawak as pioneers in this field including hydrogen regulation under the Distribution of Gas Ordinance aligning with the IGC Report and the State Legislative Council's directive, placing gas and electricity distribution under the Sarawak State's jurisdiction.

This amendment expands the Distribution of Gas Ordinance definition of 'Gas' to include hydrogen alongside LNG, LPG, and a Natural Gas a change that supports Sarawak's commitment to create an energy now and future that our Right Honourable Premier so envisage.

One key feature of this, amendment is the introduction of a new part 'A' dedicated specifically to hydrogen, and this section will be administered by the Ministry responsible for high energy and

environmental sustainability, while existing provision will continue to fall under the purview of Ministry of Utilities.

This dual administrative structure is a first under this Ordinance, underscoring Sarawak's commitment to a tailored approach for hydrogen regulation that will handle licensing for hydrogen generation, regardless of feedstock type, as well as oversight of hydrogen facility construction and maintenance, storage, sale, retail, and its usage.

And to ensure safety and compliance, the amendment introduces penalties for unauthorized hydrogen activities. Any generation, storage, or usage of hydrogen without a license will result in fines ranging from RM500,000 to a million ringgit or up to five years in prison.

Additionally, a '*financial penalty*' provision will allow for civil debt recovery as an alternative to criminal prosecution, providing a more flexible enforcement approach. This can also bring in funds collected from financial penalties to go to the Sarawak Consolidated Fund, benefiting Sarawak. Besides, the Bill allows for the imposition of rates, levies, and charges on hydrogen activities to ensure a sustainable regulatory model.

Tuan Speaker, the amendment expands enforcement authority, allowing the new hydrogen regulator to exercise powers similar to those of the Director of Gas. This amendment is another milestone in shaping Sarawak as a leader in hydrogen regulation, and I rise in full support of this transformative Bill. Thank you, Tuan Speaker.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat. The last to speak, I believe is Ahli Yang Berhormat bagi Telang Usan, please.

**YB Dato Dennis Ngau:** Thank you, Tuan Speaker, I believe this is the last.

Tuan Speaker, the amendments to the Distribution of Gas (Amendment) Bill, 2024 aims to support the development, generation, distribution, and the use of hydrogen as part of our clean energy transition. Hydrogen is more than just an alternative fuel; it is a crucial part of our efforts to reduce carbon emissions and fight climate change. By including hydrogen as one of the new energy sources for Sarawak, we can work towards a greener future for everyone in Sarawak and the country. With multiple initiatives on hydrogen related projects already in place:

- (a) Kuching – public buses powered by hydrogen, PETROS multifuel station offering hydrogen as a fuel, and the anticipated Kuching Urban Transportation System;
- (b) Bintulu – hydrogen hubs which will site the Hydrogen H2biscus and Hydrogen H2ornbill hydrogen projects with our counterparts from Japan and South Korea.

Tuan Speaker, I am pleased to inform how one Rural Clinic in my constituency of N.77 Telang Usan, which is Klinik Desa Long Luyang, Ulu Tinjar have greatly benefited from this new hydrogen technology whereby since running on Hybrid system of solar and hydrogen power since April 2022, the clinic no longer experiences diesel shortage to run the clinic generator.

We started to work on the pilot project in November 2017 when Member for N.19 Mambong was then the Assistant Minister for Local Government and Health Sarawak together with a company called H2 Energy and the Ministry of Health Malaysia. The system was officially launched by the Honourable Minister for Utility and Telecommunication, YB Dato Sri Haji Julaihi bin Haji Narawi, Member for N.27 Sebuyau on 8<sup>th</sup> August 2022.

With the success of this pilot project, I have requested H2 Energy and the Ministry of Rural Development and Regional Development Malaysia to work for the same system for Subdistrict Long Bedian which is now running on Hybrid system (Solar and Diesel Generator) which is very costly and non-environmental friendly when the generator is in use.

They have since working hard on this and I believe this will be the way forward for rural community who need better power source to provide electricity for the rural folks. Telang Usan community could be the first in Sarawak, Malaysia to have electricity supply powered by solar and hydrogen in coming years.

It is imperative and timely for the Bill introduction and the creation of a Regulator to oversee hydrogen-related activities in our state. The regulatory body will ensure that hydrogen projects are carried out safely and responsibly. With clear rules in place, we can attract investments and encourage new ideas in the hydrogen sector, helping to build a strong hydrogen economy that benefits all Sarawakians.

I also fully support the Bill's introduction on new offences and penalties related to hydrogen activities. This is important for maintaining safety and protecting our environment as we move forward with these projects. We need to make sure that we prioritize the well-being of our community and nature as we embrace this new energy source.

By passing this Bill, we will enhance our existing laws to enable Sarawak to lead in hydrogen development. It shows our commitment to having a clear and friendly regulatory framework that encourages growth in the hydrogen sector. Moreover, the growth of this sector will create demand for skilled workers which I hope will create more opportunities to equip our local communities with the skills they need for jobs in this new industry. By investing in education and training, we empower our people and create better job opportunities.

Tuan Speaker, community involvement is also crucial for this initiative. As we start the hydrogen projects, we must engage with our communities to raise awareness about sustainability issues. This will help build support for clean energy initiatives and benefit both our society and the environment in Sarawak.

In closing, I also urge all the Members of this august House to support the Distribution of Gas (Amendment) Bill, 2024. Let us take this opportunity to position Sarawak as a leader in clean energy through hydrogen. Together, we can create a sustainable future for our children and grandchildren — one that shows our commitment to protecting our environment and strengthening our economy.

Just a short note Padungan did mention about how much electricity need to produce 1 kilogram of hydrogen *tadi* infact based on data on this process that I have from Sarawak to produces 1 kilogram of hydrogen yearly needs 30 kilowatts electricity and this technology, Tuan Speaker is improving from time to time, and I believe in future it will cause much the less. Just for example, our handphone at the earlier of path it was very bulky ride and very heavy and today it is so small and could be hide in anyone pocket and he also keep in repeating mentioning about Baram, Baram I think he must refer to the Baram Dam, so far, I have no dam in Baram, I think he must have got the facts wrong.

With the above observations I stood for N.77 Telang Usan to support the Bill. Thank you, Tuan Speaker.

**Timbalan Speaker:** Thank you, Yang Berhormat Telang Usan, may I call upon Honourable Minister Yang Berhormat Dato Sri for Sebuyau to make his winding up speech, please.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** Terima kasih, Tuan Speaker, Sir. Terlebih dahulu saya ingin merakamkan setinggi-tinggi penghargaan dan terima kasih kepada semua Ahli- ahli Yang Berhormat yang telah mengambil bahagian dalam perbahasan dan menyokong usul pindaan terhadap *Distribution of Gas (Amendment) Bill, 2024* yang kesemuanya berjumlah 22 orang, dan kesemua 22 orang ini adalah terdiri daripada Ahli-ahli Yang Berhormat bagi Daro, Tellian, Bukit Assek, Kota Sentosa, Lingga, Tupong, Murum, Tanjung Dato, Tamin, Tebedu, Tanjung Batu, Katibas, Pending, Beting Maro, Padungan, Pelagus, Meluan, Opar, Balingian, Bukit Begunan, Batu Kitang dan *the last*



one was Telang Usan. Terima kasih kepada kesemua 22 ahli yang berhormat yang telah mengambil bahagian dalam perbahasan yang telah sama-sama kita dengar sejak pindaan Rang Undang-Undang ini dikemukakan. Saya juga amat menghargai segala cadangan dan idea-idea bernas yang dikemukakan semasa perbahasan yang sudah tentunya akan dapat membantu pihak Kerajaan Sarawak dalam melaksanakan dan menguatkuasakan pindaan kepada *Distribution of Gas (Amendment) Bill, 2024* ini.

Tuan Speaker, Honourable Members have highlighted the growing interest shown by foreign investors in the state initiative to promote the hydrogen generation industry in Sarawak including the making available pit stop like water and ammonia and electricity required for hydrogen generation. I wish to ensure this august House, Tuan Speaker, that with the passing of this Bill, Sarawak will have investor friendly regulatory framework to boost foreign investment in hydrogen generation and promote Sarawak's generated hydrogen globally. In fact, we have put Sarawak on the world map when it comes to the initiative on hydrogen right now. In fact, Sarawak is popular for that I hope all members including members of the Padungan and Pending are aware about the development. Do read the newspaper from time to time.

This Bill is an affirmation of Sarawak Government commitment on energy transition towards a future driven by a clean energy and a green economy. On the point raised by the Honourable Member for Tamin and Tanjung Batu about PETROS I think I'm obliged also to answer here on the appointment of gas aggregator even though they digressed a bit, but it is good that I just would like to update that the appointment is within Sarawak Legislative and Executive Powers over distribution of gas, the Sarawak Government will ensure that PETROS shall be able to exercise its statutory functions of procuring gas for distribution and supply of gas to all industries who require gas for their manufacturing processes and that there will be adequate supply of gas at affordable prices for implementation of the Sarawak Gas Road Map.

The Sarawak Government expects PETRONAS to comply with the DGO and recognise PETROS as the sole gas aggregator in Sarawak. In fact, we are now in detail technical engagement with PETRONAS. Between PETRONAS and PETROS but I would like to reiterate, Tuan Speaker, PETROS has been appointed as the sole gas aggregator effective February 2024 and PETROS is the sole gas aggregator in Sarawak. There is no other gas aggregator in Sarawak. I would like to make that very clear to everybody.

Tuan Speaker, I would like also, yes, yes. Ya, ya Honourable Member for Padungan.

**YB Encik Chong Chieng Jen:** The mic is not on. You mention about the aggregator, the sole aggregator in Sarawak, gas aggregator in Sarawak, is appointed by PETRONAS or is it by virtue of the, our Distribution of Gas Ordinance?

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** You should know.

**YB Encik Chong Chieng Jen:** No, no just now I heard from the Minister that PETRONAS appointed... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** No, no, let me, let me correct you.

**YB Encik Chong Chieng Jen:** PETRONAS appointed ... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** No, no, let me correct you.

**YB Encik Chong Chieng Jen:** as the sole gas aggregator. So, I just want to clarify.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** The sole, as I mentioned based on our amendment of Distribution of Gas (Amendment) Bill, 2023, the sole gas aggregator appointed effectively since 1<sup>st</sup> February 2024 by the Sarawak Government is PETROS. No other gas aggregators in Sarawak. It is only PETROS appointed by the Sarawak Government. Is it clear? I hope that is clear enough to you. Okay. Ya, I hope, maybe you are thinking that I am not at peace when I see you, no, I am always at peace whether you are there, whether you are not there. It's okay don't worry.

Tuan Speaker, respect for the law is fundamental to the effective functioning of society and the principle of federalism that unite our nation. Sarawak having define Legal Rights and jurisdiction in matters pertaining to the rule, pertaining to Distribution of Gas has consistently demonstrated its commitment to the rule of law especially in areas governed explicitly by State Legislation. This dedication reflects Sarawak's ongoing responsibility to manage our resources and regulatory framework is in line with the unique needs of our people.

As Sarawak advances its clean energy ambition it is essential that all parties operating in Sarawak, operating within Sarawak's territories recognise and respect this framework. Adherence to the Distribution of Gas Ordinance not only supports the orderly and sustainable development of our resources but also strengthens the cooperative foundation of our federation. This standard of compliance is expected from all stakeholders, local and national to contribute to Sarawak's progress.

Moving forward, Tuan Speaker, I am confident that all parties will appreciate the importance of aligning with Sarawak's Regulatory Standard thereby fostering a shared commitment for Sarawak development goals and the boarder spirit of partnership within our federation. Maybe I would just like to response also to some of the points raised by some of the Members besides the Honourable Member for Tamin and Tanjung Batu as regards to the appointment of gas aggregator in Sarawak, which I have just said, if I may repeat here, the appointment of the sole gas aggregator to PETROS effective on the 1<sup>st</sup> February 2024 is done by the Sarawak Government through the Ministry of Utility and Telecommunication. There is no other way about it. It is confirmed and I would like to reiterate here again. I hope that nobody is confused about it.

And then the other one is that the Sarawak Government fully understands on the safety concerns and risks associated with hydrogen throughout its entire valley chained. Right from production, storage, transportation and use. We recognise this risk and are committed to creating a strong regulatory framework to protect public safety and support the sustainable growth of hydrogen sector. In fact, I think most of us are aware unless you care, or you don't bother to know that hydrogen buses are already operating in Kuching.

In fact, we have Toyota Mirae also being driven using hydrogen in Kuching. So, that is the living example that hydrogen is alright to be used in the transportation sector. I hope Honourable Members for Padungan and Pending are aware about it. Don't tell me you don't read the news about the development of hydrogen in Kuching, or you refuse to accept the development.

In response to the concern raised by the Honourable Members for Padungan and Pending, I would like to emphasize that all fuels, whether in liquid or gases form such diesel, petrol and natural gas, methane or hydrogen come with their own inherent risk. Similar to the vehicle we drive today, with the powered by petrol, diesel or electric batteries and each type of fuel carries risk including the potential for the catastrophic explosion. As a car owner, we are protected by stringent international standards imposed on car manufacturers to ensure safety.

The same principle applies to hydrogen. Hydrogen is not a new or unfamiliar fuel. An international safety standard already exists to effectively manage the risk associated with its production, storage, transportation and use. The safety system and the protocol that Sarawak will adopt will be in line with those applied to other fuels, ensuring that the hydrogen can be handled, stored and utilized safely in compliance with the global safety standard. Or another important point

regarding the sources of hydrogen, I would like to highlight here that Sarawak is blessed with abundance resources and feedstock for hydrogen production.

In addition to natural gas, hydrogen can also be produced from water through electrolysis process. While producing clean hydrogen does require significant renewable energy, we are witnessing a steady decline in the cost of hydrogen production. Currently, ranging from USD2.50 to USD6.80 per kilogram. If I may repeat here, we are witnessing a steady decline in the cost of hydrogen production. Currently, ranging from USD2.50 to USD6.80 per kilogram. This cost is expected to continue decreasing as electrolysis technology improves and renewable energy becomes more affordable. This trend mirrors the success story, we have seen with solar energy where the cost of solar panel has significantly dropped over the past decades making solar energy increasingly competitive with fossil fuels similarly as advances in electrolysis technology and the availability of low cost renewable electricity continue to grow; the hydrogen production will become more cost effective and accessible for the solidifying its role as a viable clean energy source. I am also pleased to report that the Sarawak Government, through Sarawak Energy; through Sarawak, through SEDC Energy; I repeat here, I am also pleased to report that the Sarawak Government through SEDC Energy in collaboration with Petronas has achieved significant milestones by successfully reducing the electricity required for hydrogen production to just 38 kilowatts per kilogram. This back through is expected to cut production cost by up to 50% or more significantly improving the feasibility and competitiveness of hydrogen as a clean energy source in the future.

On the point raised by Honourable Member for Padungan, there are no issues faced by LPG consumers to date. If any isolated cases, I hope the problem of yellow cylinders that you brought up just now are not fabricated, are not manufactured by your good self or any of your man because to me, these are isolated cases. In fact, no dealers shall refuse to accept they yellow cylinder gas. If they refuse, please report to PETRONAS or PETROS; PETROS Niaga, you can visit the store, the stockyard where the yellow cylinders are being stock right now. You should be able to visit them. If they refuse, you must report. Don't conspire with them. I hope you are not conspiring with them because we have proof that there are more alliances towards you. Please don't conspire, and don't try to blackmail PETROS or PETROS Niaga for this matter. No, I'm trying to finish. So, I would like to say here the... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... He is not giving way. He is not giving way... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... No, no, this is my floor... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Let him finish... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... No, no, let me finish ...*(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... He is not giving way... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... No, no, let me finish my winding up... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Minister not giving way... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... I'm not giving way. Let me finish my winding up. You can always debate after this or after I finished my winding up, then I can give way for you. Ya, okay? Okay? And then,... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Let the Minister finish please... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... I'm not misleading the House. You are misleading the House. In fact, you digress from the Bill. You digress from the amendment of this Bill. You sit down. You sit down. This is my floor. No, no. You sit down... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Minister, Ahli Yang Berhormat for Padungan and Pending, they are raising Standing Order. Let's listen to them what is the Standing Order?... *(Interruption)*...

**YB Encik Chong Chieng Jen:**... *(Inaudible)*...

**Timbalan Speaker:** Just tell me what Standing Order?

**YB Encik Chong Chieng Jen:**... *(Inaudible)*...

**Timbalan Speaker:** Nothing else.

**YB Encik Chong Chieng Jen:**... *(Inaudible)*...

**Timbalan Speaker:**... *(Inaudible)*... Standing Order first.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** What Standing Order are you quoting? Otherwise, you sit down *lah*.

**YB Encik Chong Chieng Jen:**...*(Interruption)*... Standing Order 36... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Pin points the Standing Order, please.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** Duduk saja *lah*, buang masa saja... *(Interruption)*...

**Timbalan Speaker:**...*(Interruption)*... You are not ready? Okay. Minister proceeds, please.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Inaudible)*...

**Timbalan Speaker:** Minister proceeds, please.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** You don't even know the Standing Order. You are just trying to... *(Interruption)*...

**YB Encik Chong Chieng Jen:**... *(Interruption)*... On the privilege... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... You are just trying to interrupt the floor of the winding up... *(Interruption)*...

**YB Encik Chong Chieng Jen:**... *(Interruption)*... Standing Order 33(b) privilege... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... You are not very sure... *(Interruption)*...

**Timbalan Speaker:** What is that?

**YB Encik Chong Chieng Jen:** Minister in his reply is making a baseless accusation against me and Honourable Member for Pending that we are colluding making up some stories... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... No, he just... *(Interruption)*...

**YB Encik Chong Chieng Jen:**... *(Interruption)*... or manufactured *tongs* to go and sell... *(Interruption)*

**Timbalan Speaker:**... *(Interruption)*... No, he just is asking... *(Interruption)*...

**YB Encik Chong Chieng Jen:** ...*(Interruption)*...what sort of answer is that? ...*(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**...*(Interruption)*... No... *(Interruption)*...

**YB Encik Chong Chieng Jen:**... *(Interruption)*... What sort of allegation is that? ... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... No, what I was trying to say... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... I think Minister proceed, please... *(Interruption)*...

**YB Encik Chong Chieng Jen:**...*(Interruption)*... Tuan Speaker, that is absolutely... *(Inaudible)*...

**Timbalan Speaker:**...*(Interruption)*... I rule that... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**...*(Interruption)*... You are rubbish... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Not applicable... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... Okay, let me put it this way. You must be able to visit and see the stockyard where the yellow cylinders are being stocked by now. You must be blind. You must be blind... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... I think Minister... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... Isolated gas cases here and there... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Minister, Minister... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... Isolated gas cases here and there, we don't deny, I tell you... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Minister, I just want to clarify... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... You don't fabricate information, that's what I'm trying to say... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Okay, why I stopped you just now... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... Okay. Anyway... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Ahli Yang Berhormat, Minister, Ahli Yang Berhormat for Padungan, I did not entertain your raising of the point for upon of Order because your accusation to the Minister, firstly was about that *tong*. Yellow *tong* and what not... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... You digress. Tuan Speaker, don't entertain him... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... No, no, no... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... He is just wasting my time... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... No, so the Minister is rebutting you... *(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):**... *(Interruption)*... You are rubbish. You just want to interfere and interrupt my winding up. That's all. That is your purpose... *(Interruption)*...

**Timbalan Speaker:** Proceed Minister.

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** So, Tuan Speaker, I would like to inform the Members of this august House including Members for Pending and Padungan if they care to listen. Knowledge is dynamic. Knowledge is dynamic and because of that we could see the cost of production of hydrogen in the future might be on the decreasing trend. So, we must put trust to the effort taken by the Sarawak Government right now.

Dan satu lagi saya nak sentuh tentang ada peribahasa yang digunakan oleh Padungan tadi mengatakan katak bawah tempurung. You know, actually it's bad you know. Impliedly, you are saying members of this august House *adalah seperti katak bawah tempurung*. That is very insulting. That is very insulting. You know very well that knowledge is very dynamic. You are just if I may say in *peribahasa Melayu*, *sombong bodoh*. You are just like *sombong bodoh*. I tempted to say that you are *sombong bodoh*. That's all. Otherwise, impliedly you are saying that we are all *katak bawah tempurung*. No, it's not. You better withdraw if you can. I don't expect him to withdraw because that is the character even though there are two of them. Okay? Okay? Okay? That is the character of the two members from DAP in this august House. So hopefully one day, they will be wiped out in this august House.

Ya, I know. And there is another opinion trying to quote about this Baram Dam. As Honourable Member from Telang Usan have mentioned just now. There is no Baram Dam at the moment. So, that is another fabricated information. Itu lagi katak bawah tempurung. Misleading this august House. I think you are trying to mislead not only to this august House but the whole Sarawak, the public you know. You are trying to mislead everybody. Okay.

Another one is a, if I may say here okay, dams. How do we get our renewable energy in future, but I can tell you right now, we are focussing on new technology on cascading power source using run of the river. How to produce our renewable energy based on our resources that we have right now. So, we are not going to submerge the area that happened during our construction of Bakun Dam. You don't equate the new technology that we are focusing right now. So, we are trying to minimize any social impact. Try to use the run of the river, solar energy to produce renewable energy in the near future. And I should be telling you again, you should be reading newspaper or news every now and then, and if you read the news, whether you accept it or not, that is another thing. But I

believe you refused to accept whatever development that is going on in Sarawak right now in our effort to produce renewable energy enough for our requirement especially to meet the demand, not only for the domestic or consumers, but also for our investors including investment on hydrogen in the near future. So, you must be willing to accept the fact that renewable energy could be produce from our resources right now using the new technology. Okay? Ya. Thank you for supporting the Bill, but please if I may share what Member for Balingian saying... *(Interruption)*...

**Timbalan Speaker:**... *(Interruption)*... Order, order, order...*(Interruption)*...

**Menteri Utiliti dan Telekomunikasi; dan Ahli Dewan Undangan Negeri N.27 Sebuyau (YB Dato Sri Haji Julaihi bin Haji Narawi):** Don't share with us half-cooked information, as what Member for Balingian was saying just now. Share full-fledged, correct, accurate information, okay? Otherwise, thank you very much for your support to the Amendment Bill, Distribution of Gas (Amendment) Bill, 2024. Yes, we are GPS Government, we know where credit is due, we give credit. We don't just simply wall off you just because you are sitting on the other side. No. We are gentlemen. Okay?

So, Tuan Speaker, before I end my winding up speech, I would like to inform this august House that we have achieved important, an important milestone in Sarawak's clean energy journey.

The passing of the Distribution of Gas (Amendment) Bill, 2024 marks a bold and transformative step forward in our efforts to lead in the hydrogen economy. This amendment expands the scope of the Distribution of Gas Ordinance, 2016 to include hydrogen allowing us to create a clear, strong framework for hydrogen generation, storage distribution and use across Sarawak.

Ya, if I probably, I have said this earlier on I think, respect for the law is fundamental to the effective functioning of society and principle of federalism that unite our nation. Sarawak, having defined legal rights and jurisdiction in matters pertaining to the distribution of gas has consistently demonstrated its commitment to the rule of law especially in areas governed explicitly by the State Legislation. This dedication reflects Sarawak's ongoing responsibility to manage our resources and regulatory framework in line with the unique needs of our people.

As Sarawak advances to clean energy ambition, it is essential that all parties operating within Sarawak's territories recognized and respect this framework adherence to the Distribution of Gas Ordinance not only support the orderly and sustainable development of our resources but also strengthen the cooperative foundation of our federation. This standard of compliance is expected from all stakeholders be they are from the local or from national level who contributes to Sarawak's progress in the near future.

Moving forward, I am confident that all parties will appreciate the importance of aligning with Sarawak's regulatory standard thereby fostering a shared commitment for Sarawak's development goals and the border spirit of partnership within our federation.

So, Tuan Speaker, if saya boleh kongsi pantun dengan Dewan yang mulia ini.

*Dimana bumi dipijak,  
Di situ langit di junjung,  
Masuk kandang kambing mengembek,  
Masuk kandang kerbau menguak.*

*Maknanya*, we must respect our law where you are operating this could be the meaning, Tuan Speaker.

Tuan Speaker, once again I would like to thank all the members of this august House who had participated in the debate, who have lent their support to pass this Distribution of Gas (Amendment) Bill, 2024. Thank you very much.

**Timbalan Speaker:** Thank you, Ahli Yang Berhormat. The question before the Dewan is that the Motion standing in the Order Paper in the name of the Honourable Minister for Utility and Telecommunication and Ahli Yang Berhormat for N.27 Sebuyau be referred to the Committee of the Whole House. As many as are of the opinion say “Yes”.

**Government:** Yes... (Resounding “Yes”)

**Timbalan Speaker:** As many as are of the contrary say “No”. The “Yes” have it. The Motion is passed and referred to the Committee of the Whole House.

### **COMMITTEE STAGE**

**Timbalan Speaker:** The Dewan will now resolve into the Committee of the Whole House to consider the Bill which stands committed to the Committee.

### **COMMITTEE OF THE WHOLE HOUSE**

*[Tuan Pengerusi mempengerusikan Mesyuarat]*

**Tuan Pengerusi:** The Dewan shall now consider the Distribution of Gas (Amendment) Bill, 2024.

*Clauses 1 to 14*

**Tuan Pengerusi:** The question is that Clauses 1 to 14 are ordered to stand part of the Bill. As many as are of the opinion say “Yes”.

**Government:** Yes... (Resounding “Yes”)

**Tuan Pengerusi:** As many as are of the contrary opinion say “No”. The “Yes” have it. Clauses 1 to 14 are ordered to stand part of the Bill.

*Enacting Clauses and Title*

**Tuan Pengerusi:** The Dewan shall now resume.

### **HOUSE RESUMED**

*[Timbalan Speaker mempengerusikan Mesyuarat]*

**Timbalan Speaker:** Yang Berhormat Menteri.

**Menteri Utiliti dan Telekomunikasi (YB Dato Sri Haji Julaihi bin Haji Narawi):** Tuan Speaker, I wish to report that the Distribution of Gas (Amendment) Bill, 2024 has been considered by the Committee of the Whole House and agreed to without amendment.

### **RANG UNDANG-UNDANG KERAJAAN – BACAAN KALI YANG KETIGA**

#### **DISTRIBUTION OF GAS (AMENDMENT) BILL, 2024**

**Menteri Utiliti dan Telekomunikasi (YB Dato Sri Haji Julaihi bin Haji Narawi):** Tuan Speaker, I beg to move that the Distribution of Gas (Amendment) Bill, 2024 be now read for a third time and do pass. Thank you.

**Timbalan Speaker:** The question before the Dewan is that the Distribution of Gas (Amendment) Bill, 2024 be read a third time and do pass. As many as are of the opinion say “Yes”.



**Government:** Yes... (Resounding “Yes”)

**Timbalan Speaker:** As many as are of the contrary opinion say “No”. The “Yes” have it. The Bill is read a third time and passed.

*Bill is read a third time and passed.*

**Timbalan Speaker:** Ahli-ahli Yang Berhormat, I have *dua rangkap pantun jugalah*.

*Isi terubok kita rebuskan pindang,  
Pagi esok kita teruskan bersidang.*

Ahli-ahli Yang Berhormat, the sitting is now adjourned, and the House shall resume the sitting at 9.00 a.m. tomorrow.

*(Mesyuarat ditangguhkan pada pukul 6.53 petang)*

**LAPORAN / PENYATA KEWANGAN, 'COMMAND PAPERS', 'HANSARD' DAN  
'VOTES AND PROCEEDINGS' YANG DIBENTANG PADA 11 NOVEMBER 2024**

**PREMIER SARAWAK**

60/2024	Public Service Commission (Remuneration) (Amendment to Schedule) Direction, 2024
61/2024	Dewan Bandaraya Kuching Utara (DBKU) – Penyata Kewangan bagi tahun berakhir 31 Disember 2022
62/2024	Penyata Akaun Tabung Skim Insuran Perlindungan Kemalangan Peribadi Secara Berkelompok bagi tahun berakhir 31 Disember 2023
63/2024	Penyata Terimaan Dan Bayaran Akaun Pinjaman Pengangkutan, Komputer Dan Alat / Perkakas Isi Rumah bagi tahun berakhir 31 Disember 2023
64/2024	Tabung Bantuan Bencana Alam Negeri Sarawak bagi tahun berakhir 31 Disember 2023
65/2024	Kerajaan Ketua Masyarakat (Ketua Kaum) Trust Fund bagi tahun berakhir 31 Disember 2023

**MENTERI KEWANGAN DAN EKONOMI BARU**

66/2024	Second Supplementary Estimates of Ordinary Expenditure for the year 2024 (Cmd. 7 of 2024)
67/2024	Memorandum on the Second Supplementary Estimates of Ordinary Expenditure for the year 2024 (Cmd. 8 Of 2024)
68/2024	First Supplementary Estimates of Development Expenditure for the year 2024 (Cmd. 9 of 2024)
69/2024	Memorandum on the First Supplementary Estimates of Development Expenditure for the year 2024 (Cmd. 10 of 2024)
70/2024	Estimates of Revenue and Ordinary Expenditure for the year 2025 (Cmd. 11 of 2024)
71/2024	Memorandum on the Estimates of Revenue and Ordinary Expenditure for the year 2025 (Cmd.12 of 2024)
72/2024	Estimates of Development Expenditure for the year 2025 (Cmd.13 of 2024)
73/2024	Memorandum on the Estimates of Development Expenditure for the year 2025 (Cmd. 14 of 2024)
74/2024	Borrowings by the Government of Sarawak for year 2023
75/2024	Penyata Akaun Government Contributions Towards Approved Agencies Trust Fund bagi tahun berakhir 31 Disember 2023
76/2024	Penyata Akaun the State Road Maintenance Fund bagi tahun berakhir 31 Disember 2023

**MENTERI SUMBER ASLI DAN PEMBANGUNAN BANDAR**

77/2024	Urban Development Trust Fund – Trust Direction (Amendment) 2024
78/2024	Tabung Amanah Dana Kawasan Konsesi Hutan (Pemulihan dan Pembangunan) bagi tahun berakhir 31 Disember 2023

79/2024	Tabung Amanah Pembangunan Bandar bagi tahun berakhir 31 Disember 2023
80/2024	Penyata Kewangan Tabung Perolehan Tanah Khas bagi tahun berakhir 31 Disember 2023
81/2024	Natural Resources and Environment Board – 2023 Annual Report

#### **MENTERI PERDAGANGAN ANTARABANGSA, INDUSTRI DAN PELABURAN**

82/2024	Penyata Kumpulan Wang Amanah Kerajaan Sarawak Micro Credit Scheme Trust Fund bagi tahun berakhir 31 Disember 2023
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#### **MENTERI KESIHATAN AWAM, PERUMAHAN DAN KERAJAAN TEMPATAN**

83/2024	Perbadanan Kemajuan Perumahan (HDC) – Penyata Kewangan bagi tahun 2021
84/2024	Perbadanan Kemajuan Perumahan (HDC) – Penyata Kewangan bagi tahun 2022
85/2024	Tabung Skim Pinjaman Perumahan untuk Golongan Berpendapatan Rendah bagi tahun berakhir 31 Disember 2023
86/2024	Longhouse Loan for Low Income Group Trust Fund bagi tahun berakhir 31 Disember 2023

#### **MENTERI INDUSTRI MAKANAN, KOMODITI DAN PEMBANGUNAN WILAYAH**

87/2024	Lembaga Penyatuan dan Pemulihan Tahan Sarawak – Penyata Kewangan bagi tahun berakhir 31 Disember 2023
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#### **MENTERI PELANCONGAN, INDUSTRI KREATIF AND SENI PERSEMBAHAN**

88/2024	Sarawak Tourism Board – Annual Report 2022
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#### **MENTERI BELIA, SUKAN DAN PEMBANGUNAN USAHAWAN**

89/2024	Penyata Akaun Tahunan Tabung Amanah Dewan Suaroh Negeri Sarawak bagi tahun berakhir 31 Disember 2023
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#### **MENTERI PEMBANGUNAN WANITA, KANAK-KANAK DAN KESEJAHTERAAN KOMUNITI**

90/2024	Penyata Penerimaan dan Pembayaran Endowment Fund Sarawak (EFS) Trust Fund bagi tahun berakhir 31 Disember 2023
91/2024	Penyata Penerimaan dan Pembayaran Post-Natal Assistance (BIB) Trust Fund bagi tahun berakhir 31 Disember 2023

#### **DEWAN UNDANGAN NEGERI SARAWAK**

92/2024	Penyata Rasmi Mesyuarat Pertama bagi Penggal Ketiga Dewan Undangan Negeri Sarawak Kesembilan Belas (06 – 15 Mei 2024)
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93/2024	Undi-undi dan Perjalanan Mesyuarat (Votes and Proceedings) Mesyuarat Pertama bagi Penggal Ketiga Dewan Undangan Negeri Sarawak Kesembilan Belas (06 – 15 Mei 2024)
94/2024	Pertanyaan-pertanyaan Bukan Lisan Mesyuarat Pertama bagi Penggal Ketiga Dewan Undangan Negeri Sarawak Kesembilan Belas (06 – 15 Mei 2024)
95/2024	Laporan Jawatankuasa Akaun Awam Negeri Ke-56