



BELANJAWAN
2024
SABAH MAJU JAYA

SABAH STATE BUDGET SPEECH YEAR

2024

24 NOVEMBER 2023

BY:

Y.B DATUK SERI PANGLIMA HAJI MASIDI BIN MANJUN
STATE MINISTER OF FINANCE

“SABAH TEGUH, RAKYAT TERBELA”



SABAH STATE BUDGET SPEECH
YEAR 2024

BY

YB DATUK SERI PANGLIMA MASIDI BIN MANJUN
State Minister Of Finance

At The State Legislative Assembly

ON

24 November 2023 (Friday)
10 Jamadilawal-1445 Hijrah

“SABAH TEGUH, RAKYAT TERBELA”

Assalamu'alaikum Warahmatullahi Wabarakatuh

Salam Sejahtera

Salam Malaysia Madani and

Salam Sabah Maju Jaya

Mr. Speaker,

1. Bismillahirrahmanirrahim, I beg to propose the **2024 Sabah State Budget** for the approval of this August House.

PREAMBLE

2. Alhamdulillah, thanks and praises be to Allah Subhannahu Wa Ta'ala, with His blessings, I am able to carry out the responsibility to table the **2024 Sabah State Budget** in this August House on this blessed Friday afternoon.

3. May God Almighty bless and ease all our plans and efforts. May our State continue to achieve progress and prosperity through the cooperation carried together by the Government and the people.

4. On this occasion, I would like to thank YAB Chief Minister Datuk Seri Panglima Hajiji bin Haji Noor for giving me the opportunity and trust to assume the responsibility as Sabah Minister of Finance to table the 2024 Budget. I greatly appreciate and hope that all the Honourable Members in this August House would jointly commit and value the essence of **2024 Budget**.

WORLD AND MALAYSIA ECONOMIC PERFORMANCE AND PROSPECTS

World Economy

Mr. Speaker,

5. This year, the world economy is recovering gradually from the impact of COVID-19 pandemic. The reopening of China's economy as well as the stability of the food supply chain and market also contributed to the recovery phase. However, the Russia-Ukraine war and trade restrictions have had a negative impact on the rest of the world. This is reflected in the projections by the International Monetary Fund (IMF) where the growth rate of the world economy decreased from 3.5 per cent to 3.0 per cent in year 2023 and year 2024.

6. The political scenario of developed countries is expected to be a continuing factor influencing the growth of the world economy. For year 2023, the United States economic growth rate is projected at 1.8 per cent, followed by the United Kingdom at 0.4 per cent and Germany contracting at 0.3 per cent.

7. The World Trade Organization predicts that global trade growth will remain weak, with global trade in goods at a rate of 1.7 per cent in year 2023 and 3.2 per cent in year 2024. The global inflation rate also shows a significant decrease which is 8.7 per cent in year 2022, 6.8 per cent in year 2023 and 5.2 per cent in year 2024.

Malaysian Economy

Mr. Speaker,

8. Based on the IMF's latest survey, the Malaysian economic growth is expected to moderate in year 2023 which is at a rate of 3.9 per cent lower than 8.7 per cent in year 2022. These projections are due to weak external demand and are highly sensitive to the economic performance of the United States and China.

9. Malaysia Gross Domestic Product (GDP) in the third quarter increased by 3.3 per cent, resulting a growth rate of 3.9 per cent in the nine months period of year 2023. This

figure is in line with the Government's projection of around 4 per cent for year 2023. Overall, Malaysia's economic growth in the first half of year 2023 is 4.2 per cent which is in accordance with Central Bank of Malaysia's projections. This growth is driven by the service and construction sector, the reopening of the tourism sector, progress in the labour market, the reduction in inflation rate as well as an increase in the number of high-impact investments in the country. For year 2024, Malaysian economy is expected to grow from 4 to 5 per cent.

SABAH PERFORMANCE AND ECONOMIC PROSPECTS

Mr. Speaker,

10. The State's economy is advancing towards recovery by registering encouraging growth of 3.7 per cent in year 2022 compared to 1.5 per cent previously. Sabah Total Gross Domestic Product (GDP) has increased from RM79 billion in year 2021 to RM81.9 billion in year 2022, whereas Sabah GDP per capita has also increased to RM35,766 in year 2022 from RM30,022 previously. This positive growth is driven among others by the recovery of key economic sectors in Sabah.

Mr. Speaker,

11. From January to August 2023, the State has recorded a total trade balance of RM13 billion compared to RM24 billion in the same period during year 2022 which is a contraction of 45.8 per cent. The decline was driven by a decrease in the export value of the State's major commodities, particularly Petroleum Crude Oil (CO) and Crude Palm Oil (CPO).

12. The depreciation of CO export value is due to a decrease in export quantity by 7.8 per cent and a decline in market prices. The average price of CO during this period has decreased by 24.5 per cent, which is USD 80.59 per barrel compared to USD 106.74 per barrel in year 2022. This has resulted a decrease in Sabah CO export value of 21.1 per cent.

13. The decline in CPO export value is due to a decrease in market prices. The average price of CPO is RM3,873.63 per metric tonne compared to RM5,628.13 per

metric tonne in the same period in year 2022, representing a decrease of 31.18 per cent. The decrease in CPO prices has contributed to a reduction in the export value of 27.9 per cent.

14. Meanwhile, total imports recorded an increase of RM27.3 billion from RM26.4 billion in the same period in year 2022, which is an increase of 3.4 per cent. This is contributed by the rise in the import value of State's major goods such as food, machinery and transport equipment, mineral fuels, lubricants and others.

15. Nevertheless, I am optimistic that the State will be able to maintain a positive growth momentum this year which will continue to be supported by strong domestic consumption, increase in public and private investment as well as continuous recovery of the key economic sectors.

16. Moreover, this growth is also driven by strengthening of labour market which can be observed through the downward trend in unemployment rate, which is 7.5 per cent in the first quarter of year 2023 compared to 8.6 per cent recorded during the same period in year 2022. By implementing various high-impact initiatives to intensify and expedite economic recovery, I am confident that the State's overall economic growth for year 2024 will remain positive at a rate of approximately 4 per cent.

17. As of September 2023, the State's inflation recorded a rate of 1.8 per cent, which is slightly lower than the national rate of 1.9 per cent. The State Government will continue to implement various initiatives to control the increase in the price of goods and stabilise the inflation rate in order to further reduce the pressure and burden of the people's cost of living.

THE 2024 STATE BUDGET'S GOALS AND STRATEGIES

Mr. Speaker,

18. Economic growth and development are essential to ensure the prosperity and well-being of the State. Therefore, the State's revenue needs to remain strong in order to formulate a holistic State's growth and development plan to ensure that everyone can enjoy the benefits and spillover effects.

19. Considering the optimistic economic outlook for next year, we are able to undertake various initiatives to address the needs of the people, particularly in providing better basic infrastructure and public amenities.

20. Therefore, the 2024 Budget is prepared to achieve the **objectives of expenditure strategies** as follows:

- First : To increase and strengthen the growth of key sectors namely agriculture and food security, industrial and tourism;
- Second : To empower human capital by strengthening knowledge, skills and spiritual values to foster a strong self-identity;
- Third : To address socio-economic gaps and improve the people's standard of living through various initiatives geared towards inclusivity and equality;
- Fourth : To develop enablers to support economic development that includes basic infrastructure and infostructure as well as public facilities; and
- Fifth : To enhance the ability, efficiency and effectiveness of the State's administration and delivery system.

21. Furthermore, implementation of prudent spending policy, cultivation of integrity and effective work practices will streamline the State Government's administration in accordance with the 2024 Budget theme.

THE 2024 STATE BUDGET'S THEME AND FOCUS

Mr. Speaker,

22. The well-being of the people is the State's priority. By implementing the formulated strategies, Sabahans will prosper as long as our State's economy advances robustly and sustainably.

23. The theme of 2024 Budget is "**SABAH TEGUH, RAKYAT TERBELA**". This Budget is particularly formulated to uplift the well-being of the people through continuous

development programmes. I would like to emphasise that the State Government is committed to prepare a holistic and inclusive Budget.

24. To realise the goals of 2024 Budget theme, the State Government proposed an **Estimated Revenue** amounting to **RM5.737 billion** and an **Estimated Supply Expenditure** amounting to **RM5.701 billion**. The 2024 Budget represents a **Surplus Budget** of **RM35.87 million**.

YEAR 2024 ALLOCATION BY MINISTRY

Mr. Speaker,

25. The 2024 Budget is prepared with the distribution of Estimated Supply and Development by Ministry as follows:

- First : **Ministry of Finance:** Supply Budget RM2.48 billion, Development Budget RM5 million;
- Second : **Ministry of Works:** Supply Budget RM1.03 billion, Development Budget RM689.66 million;
- Third : **Chief Minister's Department:** Supply Budget RM712.64 million, Development Budget RM177.83 million;
- Fourth : **Ministry of Agriculture, Fisheries and Food Industry:** Supply Budget RM363.91 million, Development Budget RM189.16 million;
- Fifth : **Sabah Ministry of Rural Development:** Supply Budget RM82.67 million, Development Budget RM144.50 million;
- Sixth : **Ministry of Local Government and Housing:** Supply Budget RM184.71 million, Development Budget RM25.32 million;
- Seventh : **Ministry of Science, Technology and Innovation:** Supply Budget RM180.13 million, Development Budget RM9.15 million;

- Eighth : **Ministry of Community Development and People's Wellbeing:** Supply Budget RM148.82 million, Development Budget RM16.54 million;
- Ninth : **Ministry of Tourism, Culture and Environment:** Supply Budget RM120.87 million, Development Budget RM21.04 million;
- Tenth : **Sabah Ministry of Youth and Sports:** Supply Budget RM88.67 million, Development Budget RM11.5 million;
- Eleventh : **Ministry of Industrial Development and Entrepreneurship:** Supply Budget RM26.11 million, Development Budget RM38 million;
- Twelfth : **Charged Expenses:** Supply Budget RM238.24 million; and
- Thirteenth : **Expenditure not included in the ministries:** Supply Budget RM43.33 million.

YEAR 2024 ESTIMATED REVENUE AND EXPENDITURE

THE ESTIMATED STATE REVENUE

Year 2023 and 2024 State Revenue

Mr. Speaker,

26. Alhamdulillah, with His blessings, last year, the State Government once again made history when the revenue collection surpassed the amount of **RM6.96 billion**. As we are aware, the State's revenue is largely dependent on CO and CPO commodities. For year 2023, although the price of CO and CPO has decreased, the revised revenue estimate for year 2023 is expected to remain at RM6 billion level, which is RM6.419 billion.

27. The 2024 State's revenue is expected to decline due to uncertain geopolitical and economic climate, impacting the price of CO and CPO commodities in the global market. Therefore, the State Government took a semi-conservative approach in preparing the

2024 Estimated Revenue so that the State Government's financial position remains strong.

28. The 2024 Estimated Revenue is **RM5.737 billion** with the following details:

First : **Tax Revenue of RM2.636 billion** contributed by State Sales Tax (CJN) RM2.490 billion; Land Rent RM103 million; as well as Port and Harbour Dues RM42.5 million;

Second : **Non-Tax Revenue of RM2.372 billion** comprising Petroleum Royalty RM1.3 billion; Sales of Water RM300 million; Interest on Cash Balance and Short-Term Deposits RM201 million; Land Premium RM150 million; Dividend RM143.7 million as well as Forest Produce Royalty and Export on Timber Products RM133 million; and

Third : **Non-Revenue Receipts of RM729.10 million** comprising Reimburseables, Receipts and Contributions from the Federal Government as well as other receipts.

The State Revenue Sustainability

Mr. Speaker,

29. The State Government consistently remains attentive to the State's revenue position. Based on the uncertain scenario and performance of revenue collection, various efforts and improvements are constantly planned, implemented and intensified to ensure the State's revenue remains sustainable. Among the efforts and actions undertaken are as follows:

First : Ministry of Finance is implementing State Sales Tax Special Voluntary Disclosure Programme (*Program Khas Pengakuan Sukarela Cukai Jualan Negeri*) for the payment of two CJN products, namely Fisheries Commodities as well as Scrap Metal and Waste taken out of Sabah. Therefore, I urge the relevant

companies to voluntarily step forward for license registration and declare taxes in compliance with the State Sales Tax Enactment 1998;

- Second : To enhance enforcement to collect outstanding revenues and address leakages with assistance from the Malaysian Anti-Corruption Commission (MACC), Malaysian Palm Oil Board (MPOB) and Royal Malaysian Customs Department;
- Third : To ensure compliance with Ministry of Finance's Circular, "*Garis Panduan Terimaan Hasil Negeri Secara Elektronik Melalui Kaedah Tanpa Tunai (Cashless)*";
- Fourth : To explore potential new sources of revenue for the State Government; and
- Fifth : To continue State's claims with the Federal Government on Special Grants as stated in Part IV, Tenth Schedule of the Federal Constitution.

Mr. Speaker,

30. The vision of every leader is to improve the people's quality of life. However, without sound financial resources, our plans will be futile. Therefore, the State Government consistently identifies, plans and implements diverse measures and ways to enhance revenue and strengthen the financial position of the State.

31. I would like to take this opportunity to urge all parties involved to take on their responsibilities wholeheartedly in every role and task that have been entrusted. Let's shoulder these responsibilities together with dedication and courage, aiming to confront challenges and attain a strong financial position for the State. Insyah-Allah.

YEAR 2024 ESTIMATED SUPPLY EXPENDITURE

Mr. Speaker,

32. To sustain strong and stable financial position of the State, the State Government has formulated strategies through analysing overall economic indicators and forecasts as a measure to face economic slowdown in year 2024. Therefore, the 2024 Budget is prepared based on projected revenue to sustain a surplus budget in order to increase State's reserves.

33. For the purpose of enhancing the State's operation and administration, an amount of **RM5.701 billion** is proposed for **2024 Supply Budget**. From this amount, **RM4.751 billion** is allocated for Operating Expenditure and **RM950 million** for contribution to the Development Trust Fund.

34. The allocation for Operating Expenditure in year 2024 increased by **RM563.37 million** or **10.96 per cent** compared to 2023 initial estimates of **RM5.138 billion** which covers **Emolument, Recurrent** and **Special Expenditure**.

35. A total of **RM808.06 million** is allocated for **Emolument Expenditure** to finance the salary of civil servants. This amount recorded an increase of **RM15.78 million** or **2 per cent** compared to last year's allocation due to the increase in annual salaries.

36. Meanwhile, **RM2.203 billion** or **38.64 per cent** is proposed for **Recurrent Expenditure**, with an increase of **RM176.32 million** or **8.7 per cent** compared to 2023 initial allocation. The increase is to fund the Sabah State Government Scholarships, Social Assistance to Boarding Schools and Orphanage; Energy Commission of Sabah; Basic Infrastructure mainly to rehabilitate water supply and maintenance of slope and government building; the establishment of Internal Audit Department as well as the Sabah Climate Change/GreenHouse Effect Unit.

37. An amount of **RM1.74 billion** or **30.52 per cent** is allocated for **Special Expenditure** with an increase of **RM161.26 million** or **10.62 per cent** higher than the year 2023 initial allocation. This increase represents the State Government's commitment

to address issues of food security through the revival of Sabah Rice and Paddy Board, issues on infrastructure as well as public amenities.

YEAR 2024 ESTIMATED DEVELOPMENT EXPENDITURE

Mr. Speaker,

38. Development Expenditure is essential to spur the State's economic growth. Therefore, an amount of **RM1.328 billion** is allocated for year 2024 for **Development Expenditure**. This amount includes **State allocation of RM847.23 million** and **Federal allocation of RM480.46 million** in the form of **Federal Loans** and **Reimburseables**.

39. Distribution of development expenditure are based on the following sectors:

- Economic Sector : **RM555.60 million** or **65.58 per cent**
- Social Sector : **RM272.99 million** or **32.22 per cent**
- General Administration Sector : **RM18.64 million** or **2.2 per cent**

KEY FOCUS SECTOR ON ECONOMIC GROWTH

Mr. Speaker,

40. Acknowledging the importance and contribution of the three main sectors namely **agriculture, industrial** and **tourism**, the Government will continue its commitment by providing an allocation of **RM813.56 million** to support the development of these sectors.

AGRICULTURE SECTOR

41. The State Government strives to enhance the yield and quality of crops to ensure that the self-sufficiency level (SSL) of all food supplies continues to increase. Therefore, the State will intensify its efforts to further develop **agriculture sector**. Various initiatives and innovations are introduced and implemented through programmes on development of crops, aquaculture, livestock, rubber plantations as well as development of agriculture entrepreneur.

Mr. Speaker,

42. As the saying goes in Dusun words of wisdom, “*Kapanganak i do mongumo koirikau no basung, da do mongumo sangkatanaan. Oponu’ nopo tangkob nga au no monowitil*”, which means “*for the sake of farming within the limited space of your own yard (basung), it is better if the land extends as far as the eye can see. If rice is always abundant in the granary, then no one will go hungry.*”

43. Recognising the importance of food security in Sabah, especially rice, the State Government implements the following initiatives to increase rice SSL from 22 per cent this year to 31 per cent in year 2025:

First : Reviving Sabah Rice and Paddy Board with an allocation of **RM1.82 million** for operation and administration;

Second : Providing Incentives for Paddy Field Cultivation with an allocation of **RM18 million**;

Third : Restoring abandoned paddy fields, developing dryland paddy, increasing the number of ploughing and harvesting machineries, supplying fertiliser, as well as providing rice subsidy to all operators with an allocation of **RM5.16 million**; and

Fourth : Studies on varieties of paddy that is suitable for cultivation in paddy fields affected by saltwater mainly in East Coast of Sabah will be continued and dryland rice cultivation technology will also be introduced to farmers.

44. For other crops sub-sectors, focus will be given on the implementation of Commodity Plantation Development; Research, Accreditation and Certification; Quarantine Enforcement; Human Capital Development; and Agriculture Entrepreneurs.

Mr. Speaker,

45. To ensure that Sabah becomes a regional food hub, another Permanent Food Production Park (PFPP) in Sungai Lokan, Kinabatangan has been identified and will be developed. With that, a total of 16 PFPP are developed in Sabah with an area of 592.87 hectares which involves 183 participants.

46. Tuaran Agricultural Research Centre is currently exploring a new field of research in plant biotechnology particularly molecular biology to produce a new variety that has a shorter period of maturity and is resistance to diseases, as well as able to produce high-quality crops.

Mr. Speaker,

47. The **fisheries sector** is the second biggest contributor to GDP under the agriculture sector for year 2022. The balance of trade in this sector also shows a positive figure of approximately **RM600 million to RM900 million** annually. Therefore, a total of **RM41.61 million** is allocated for **fisheries sub-sector** to continue development programmes and support that guarantees the production of fisheries product for domestic and international market. Of that amount, a total of **RM10.43 million** has been allocated under development to finance among others conservation initiatives through tagal activities and installation of artificial reef.

48. In addition, efforts to combat Illegal, Unreported and Unregulated Fishing especially the issue of fish bombing will be enhanced. As a result, this year, a total of 49 cases, including 4 court cases, have been successfully recorded by Sabah Department of Fisheries.

49. For information of all Honourable Members in this August House, the State Government aims to **explore the Blue Economy** with the goal of economic development, creating job opportunities and improving the people's standard of living. The concept of the Blue Economy involves sustainable exploration of marine and coastal resources. For instance, mangrove conservation, fisheries and aquaculture, renewable energy, tourism and recreation, climate change and others. Therefore, the Government will undertake this new exploration in collaboration with foreign investors who have

expertise in these fields. To realise this aspiration, the State Government will host an International Blue Economy Conference in February 2024.

50. KO-Nelayan has been allocated **RM15.99 million** to continue the implementation of programmes and development projects that will benefit the fishermen community, small and medium entrepreneurs as well as the development of fisheries and aquaculture industry.

Mr. Speaker,

51. For **the livestock sub-sector**, the State Government also allocates **RM99.05 million** for operation expenditure and implementation of 43 development projects aimed at enhancing the food security of premium livestock products and elevating food safety standards. In addition, various programmes are implemented to support entrepreneurs in the livestock industry in order to improve their production efficiency and income.

52. **The Rural Development Corporations** (KPD) which has been allocated an amount of **RM21 million** also supports the Government's efforts to implement food security programmes especially chicken production through broiler and free-range chicken farming. This effort will have an impact in increasing the domestic production of agriculture and food as well as providing employment opportunities and additional income to a total of 1,580 rural participants in the B40 group.

53. Besides collaborating with smallholder farmers and livestock breeders, collaboration and participation of State Public Agencies are encouraged. Thus far, Sabah Land Development Board has shown its commitment in this effort.

54. For the upgrading of **irrigation and drainage** infrastructure programmes throughout the State, a total of **RM 168.34 million** is allocated for operation and development expenditure as well as Federal Reimbursables. The implementation of these programmes not only increases the enabler for State's rice production but also reduces the impact of floods on the lives, properties and daily activities of the people. The projects to be implemented starting next year among others are the Upgrading of Gana Irrigation Scheme, Tambunan and Tambalang Pendamai Flood Mitigation Plan Project, Tuaran.

55. The State Government is attentive towards the fate and welfare of rubber smallholder farmers. Therefore, the State Government will continue to provide **Production Incentive for Rubber Smallholders** amounting to **RM20 million** to stabilise the current volatility of rubber prices. Apart from that, a total of **RM17.01 million** is allocated to the **Sabah Rubber Industry Board (LIGS)** for operation and development expenditure. This demonstrates our commitment to strengthen the fundamentals of this industry, ensuring that it remains relevant and competitive internationally.

INDUSTRIAL SECTOR

Foreign and Domestic Investment

Mr. Speaker,

56. The rapid growth of the industrial sector in Sabah has attracted new investments. This is proven when Sabah is listed as the fifth-highest state in drawing foreign and domestic investments, totaling **RM9 billion** in key sectors, manufacturing and services as of mid 2023. Therefore, the State Government has allocated a total of **RM124.06 million** for operation and development expenditure to further boost the development of this sector.

57. I would like to highlight the progress of foreign investment in Sabah, which has added value and stimulated the growth of industrial sector in our State. **SK Nexilis Malaysia Sdn Bhd** from South Korea and **Kibing Group** from China have brought a total of **RM6.76 billion** investment into Sabah. As of October 2023, the construction progress of SK Nexilis' copper foil plant in Kota Kinabalu Industrial Park (KKIP) has reached 96.8 per cent that involves 2,295 Sabahans which is 56 per cent of workers working in factory construction while 275 Sabahans, equivalent to 91 per cent of workers involve in factory operation.

58. Currently, this factory has produced and exported its first batch of 102 tonnes of copper foils to the United States on 23 October 2023. Furthermore, SK Nexilis, through its subsidiary, has increased its investments in Sabah for the copper granulation plant at KKIP, with an estimated investment value of RM300 million. This investment is expected to create 70 job opportunities.

59. As for the construction progress on the solar panel manufacturing plant by **Kibing Group** in **KKIP**, it has reached **72 per cent** and is expected to be fully completed in the first quarter of 2024. Moreover, its **silica sand processing plant** in **Sikuati, Kudat** has achieved **85 per cent** and is expected to be fully completed by end of this year. Currently, the number of Sabahans working at the solar panel manufacturing factory in KKIP is 1,100, while 164 are working at the silica sand processing plant in Sikuati, Kudat.

Mr. Speaker,

60. The State Government's persistent efforts to attract investment to Sabah have shown results. A new foreign investor led by Singapore-based company, Esteel Enterprise Sabah Sdn Bhd (ESTEEL Sabah) has invested in green steel project at Sipitang Oil and Gas Industrial Park (SOGIP). The value of the investment reached **RM19.8 billion** through three (3) phases and is expected to create a total of 10,000 job opportunities for Sabahans.

61. For domestic investment, this year, Borneo Cement (Sabah) Sdn Bhd will lead the development of an integrated clinker and cement plant in the Tongod district with an estimated investment of RM2 billion, to be carried out in two investment phases. This investment will create 1,000 job opportunities as well as enhancing the status of Tongod District as a viable district.

Mr. Speaker,

62. The State Government has allocated a total of **RM38 million** to Sabah Economic Development Corporation (SEDCO), KKIP Sdn. Bhd., POIC Sabah Sdn. Bhd. and Sabah Oil and Gas Development Corporation (SOGDC) to facilitate implementation of selected investments and projects. Of that amount, a total of **RM28.79 million** is allocated for the implementation of infrastructure development projects in KKIP, SOGIP and Palm Oil Industrial Cluster (POIC) Lahad Datu to ensure these industrial parks are more conducive to attract investment to Sabah.

63. Besides supporting the initiative to attract foreign and domestic investments to Sabah, this Budget also supports to increase the capacity of micro-entrepreneurs and

local businesses, enabling them to be competitive to improve the people's standard of living through State programmes.

Small and Medium Industries (SME) and Entrepreneurship

64. SME development is the main catalyst for the manufacturing industry. Various entrepreneurial programmes are implemented to spur the development of SME through capacity building, resilience and competitiveness of Sabah SME entrepreneurs.

65. The collaboration between the State Government with Bataras Hypermarket and *Kedai Mesra Petronas* will be continued and intensified to market Sabah SME products. This effort can provide opportunities for SME entrepreneurs to increase their sales. We must realise that numerous local products have the potential to enter the global market if provided with opportunities and further exploration.

66. In regards to that, the State Government will continue to send participants among local entrepreneurs to take part in international expos, such as Gulfood Dubai in United Arab Emirates and World's Food Expo (WOFEX) in Manila, Philippines. The participation of our entrepreneurs in these expos will offer exposure and experience, allowing them to learn effective product marketing and ultimately enter the global market.

Mr. Speaker,

67. Human capital development is a significant driver for the State's economic growth. The importance of highly skilled available workforce is to support the economic sector towards knowledge, technology and innovation based activities. Therefore, in order to realise these aspirations, 2024 Budget focuses on producing more highly skilled entrepreneurs through the implementation of various programmes such as Sabah Entrepreneur Enhancement Programme and PROTUNE.

68. Furthermore, the State Government, through the Department of Industrial Development and Research, will continue **SME-UP Assistance Programme** with an allocation of **RM15 million**. As of now, **SME-UP Assistance Programme** has successfully created more than five thousand Sabah SME entrepreneurs.

69. As the saying goes in Brunei, “*Inda Bekarih, Inda Belurih*” which means “**without effort, there is no success**”. I am very pleased to introduce, Puan Anita binti Mohamed from Lahad Datu, participant of **SME-UP Assistance Programme** and owner of Bumiputera company **AFCL BIOSCIENCE SDN BHD**, who has successfully entered both international and domestic markets with various cosmetic and fragrance products. Through dedication and hard work, her domestic and export product sales value has reached RM4.75 million per year.

70. Another social entrepreneur, Puan Emily binti Jeneble from Keningau, is a winner of **Pitchborneo Programme** through the idea of '*Evolusi Kraf Batu Lunguyan*'. She has successfully received numerous local and international awards, such as International Craft Award 2023 which represents a lifetime achievement for her contribution towards craft development and community engagement. Today, I am using her product, a woven *Kelarai* file bag with "*Pinuru Langsat*" motif which symbolises unity, as well as a paper holder made from bamboo weaving with "*Sinulih*" motif, which symbolises connection and integration. For all Honourable Members information, the State Government has contributed a *Vinatu Folder* to every Assemblymen to support her product. This signifies the State Government's undivided support not just for the cultural heritage of Sabah but also the local creative industry that contributes to grassroots economic growth.

71. Furthermore, programmes on enhancing the knowledge and skills of targeted groups and youths are also implemented through Human Capital Development Programme and KO-Nelayan Entrepreneur Development Programme, with an allocation of **RM6.99 million** in year 2024. These programmes will benefit over 100 people, among artisanal fishermen, small-scale fisheries and aquaculture entrepreneurs. Assistance schemes are also provided to help this group to expand their business scale and enhance their productivity, output as well as income.

72. The State Government, through the Sabah Ministry of Rural Development, also encourages rural entrepreneurs to manufacture local products such as gong makings, cornhusk flower, beadworks, as well as local food products. For this purpose, a total of **RM2.41 million** is allocated under One District One Product Programme, Rural Entrepreneur Development as well as Rural Industry Programme.

Mr. Speaker,

73. Shophouses development project will benefit local traders and entrepreneurs, thereby boosting the growth of the SME industry. Therefore, an allocation of **RM8.9 million** is provided for the construction and upgrading of shoplots and hotel on Bum-Bum Island in Semporna, shoplots in Kalabakan, Matunggong, Weston, as well as in Kg. Padas Damit, Beaufort.

74. In addition, the State Government will build four (4) SME Product Centers or IKS Mart in Sandakan, Keningau, Kalabakan and Luyang following the success of IKS Mart in Beaufort, Tuaran, Kota Marudu, Ranau and Oceanus Mall Kota Kinabalu. This initiative will contribute to the development of the SME sector by providing a platform for local entrepreneurs to collect, promote and sell local products from various districts to boost sales and exports to neighboring countries.

Mr. Speaker,

75. In addition, to support the development of SME in Sabah, the State Government through Sabah Credit Corporation is considering a Micro Credit Programme to support small rural entrepreneurs and businesses with a reasonable interest rate loan. This programme is expected to benefit a total of 160 new entrepreneurs and existing small businesses.

TOURISM SECTOR

Tourism Industry

Mr. Speaker,

76. Sabah remains as a preferred tourist destination. As of June 2023, a total of 1.2 million tourist arrival is recorded with an estimation of RM2.45 billion in tourism receipts. This amount shows an increase of 69.1 per cent compared to only 708,641 visitors with RM1.19 billion in tourism receipts for the same period last year. This increase indicates that the tourism sector in Sabah continues to show robust growth this year and for year 2024.

77. The rapid growth of Sabah tourism industry is supported by better air connectivity. Currently, Sabah has a total of 367 domestic flights weekly with a total seat capacity of 61,237 to major cities in Malaysia. As for the international flights, Sabah is now connected to 15 international destinations with a total of 120 weekly flights and 21,592 seat capacity.

78. In preparation for Visit Malaysia Year 2026, the State Government will revive iconic events such as Mount Kinabalu International Climbathon and Sabah Fest next year. Moreover, Sabah Convention Bureau, has been allocated an amount of **RM5 million** next year to assist as well as to support organisations and associations to organise Meetings, Incentives, Conferences, Events (MICE) in the State. This initiative will attract potential Business Events delegations, not only making Sabah renowned for its leisure market among tourists but also as an expansion to Business Events segment.

79. Tourism products such as Community Based Tourism is a segment of ecotourism that is gaining more attention locally and internationally. Therefore, the State Government will optimise the development of rural tourism products and destinations that have potential to be developed, upgraded and upheld with an allocation of **RM106.14 million**.

Culture and Heritage

Mr. Speaker,

80. The distinctiveness and uniqueness of Sabah's diverse heritage, ethnic, culture and race is an important asset as a tourist attraction that needs to be continuously preserved and protected to signify the State's civilisation. This is in line with the implemented Sabah State Cultural Development Master Plan 2020-2030 of developing the Cultural Mapping System, upgrading of tourism facilities, preservation and conservation of artifacts, cultural heritage documentation as well as historical sites. Therefore, an amount of **RM39.19 million** is allocated by the State Government to display its commitment on developing historical and cultural heritage as tourism products.

HUMAN CAPITAL AND PEOPLE'S WELLBEING

Human Capital And Information Technology

Mr. Speaker,

81. Information is the raw material of knowledge, wisdom is the art of using it wisely. As the Chinese philosophy goes, “*zhīshì shì bǎokù, shíjiàn shì yàoshi* (知识是宝库, 实践是钥匙)” which means “knowledge is a treasure, practice is the key to it”. This saying describes the acquisition of knowledge is crucial in forming and shaping a skilled and high-quality human workforce. This is achieved through ongoing learning and the practical application of acquired knowledge.

82. Therefore, human capital development needs to be carefully planned to produce knowledgeable, skilled and competitive work force with strong self identity that will subsequently become valuable assets towards universal progress. Recognizing this reality, the State Government continues to strengthen human capital development by allocating a sum of **RM474.55 million** for the coming year.

83. Among the human capital programmes prioritised by the Government includes:

First : **RM101 million** has been allocated for scholarships and bursaries, benefiting 1,500 students pursuing advanced education;

Second : **RM131 million** for operation and development of Islamic religious schools and mosques as well as spiritual programmes under the Sabah Islamic Religious Affairs Department;

Third : **RM56.75 million** for development of non-Muslims religious bodies as well as missionary, vernacular and private schools;

Fourth : **RM44 million** to assist less fortunate students who are unable to continue their studies due to financial constraints as well as assistance to support educational institutions;

- Fifth : **RM44.57 million** for operation and development of libraries including rural and mobile libraries throughout the State;
- Sixth : **RM27.45 million** to implement various programmes, training and skill courses in the Department of Human Resource Development;
- Seventh : **RM12.92 million** to implement courses and research in agricultural institutions; and
- Eighth : **RM33 million** to implement courses and skill trainings on science, technology and innovation.

Mr. Speaker,

84. In line with borderless global digitalisation development, the State Government will implement various initiatives to strengthen and expedite the development of ICT infrastructure in Sabah, among others are:

- First : The installation of 300 Very Small Aperture Terminals (VSAT) will ensure that rural residents receive broadband access through collaboration with the Malaysian Communications and Multimedia Commission;
- Second : **RM43.49 million** to upgrade internet connection in 1,031 State Government premises including e-Desa Centers by using optical fibre with a minimum speed of 300 Mbps; and
- Third : **RM27.17 million** to enhance cyber security and strengthen monitoring, detecting as well as reporting of cyber threats, especially the State's internet network in order to facilitate access of information by the people.

85. Through the Memorandum of Understanding between Ministry of Science, Technology and Innovation with China Science and Technology Museum (GSTM), Sabah's youth who are interested in science, technology, engineering and mathematics

(STEM) will have the opportunity to participate in interactive learning sessions through involvement in exhibitions to gain exposure. A total of 60 exhibits will be showcased over a period of three years from September 2023 to August 2026. For next year, the exhibition will be held in five districts, namely Membakut, Beaufort, Sipitang, Tenom and Tawau.

86. Furthermore, the Sabah Creative Economy and Innovation Center (SCENIC) will also continue various programmes to ensure that the development of human capital talent in Sabah is continuously nurtured, including driving the State's animation industry to be the first licensed Toon Boom Training Center in Malaysia. SCENIC has been honoured with the Special Award - The Most Impactful Public Agency in Driving Digital Adoption at Top Tech Innovation Award 2022, supported by Ministry of Science, Technology and Innovation (MOSTI).

WELL-BEING AND WELFARE OF THE PEOPLE

Mr. Speaker,

87. In line with the SMJ Roadmap, the State Government is also committed in improving and enhancing the socio-economic status and well-being of the people.

People's Welfare

88. Next year, a total of **RM26.06 million** is allocated to continue the **School Social Assistance Programme**, which includes school uniforms, shoes, stationeries and water bottles involving 1,075 primary schools, benefiting a total of 291,414 Sabahan children. It is hoped that with this assistance it will alleviate the financial burden of families and, in turn, encourage parents to send their children to school.

89. Furthermore, various programmes for the people's well-being such as Programmes for Family, Consumerism and Drug Abuse Awareness particularly to students and vulnerable communities will be continued next year.

90. The State Government acknowledges and values the efforts of welfare volunteer organisations that provide aid and services to specific groups. Therefore, a grant of

RM3.43 million is allocated to the Sabah Community Service Council to coordinate and promote welfare volunteer activities in the State. This assistance will also be distributed to welfare volunteer organisations supporting social welfare programmes.

Mr. Speaker,

91. The State Government is deeply concerned about the less fortunate community. Therefore, a total of **RM123.55 million** is allocated to manage and implement community welfare programmes to reduce socio-economic inequality and alleviate people's burden. From this amount, **RM76.27 million** is allocated for General Welfare Assistance for the people with disabilities (OKU), senior citizens, children, orphans and single mothers.

92. In addition, *Pusat Perkembangan Kanak-Kanak* (PPKK) under the SMJ Flagship Initiative will continue to provide opportunities for children in rural areas to receive early education. A total of 835 children have benefited from 35 PPKK since it was introduced. At the same time, the Homeward Programme, which has currently assisted a total of 970 individuals, will continue providing support to those who are bedridden and OKU.

Women, Youth and Sports

Mr. Speaker,

93. To promote gender equality and leverage the potential of women, the State Government guarantees that women receive equal opportunities and benefits. Therefore, an amount of **RM6.27 million** is allocated to the Sabah Women's Affairs Department to manage and enhance the well-being of women through various human capital development programmes.

94. Furthermore, a total of **RM11 million** is also allocated through **Yayasan Usaha Maju** (YUM) to assist housewives, single mothers, small-scale entrepreneurs, farmers, livestock breeders, fishermen and small business owners that need microcredit loan to carry out economic activities. To date, a total of 44,183 individuals have been assisted through 134,913 recurring loans under the Microcredit Scheme by YUM.

Mr. Speaker,

95. The State Government is committed towards **youth and sports development** in the State. Therefore, a total of **RM100.17 million** is allocated for operation and development expenditure. Of this amount, **RM16.89 million** is allocated to implement various programmes and activities involving leadership, skills and entrepreneurship aiming to empower youth to achieve socio-economic well-being in line with the Sabah Youth Policy.

96. Sabah has a vision to "Produce World Class Athletes" based on three main cores namely High-Performance Sports, Industry Sports and Mass Sports. Hence, the State Government has allocated a total of **RM27.13 million** to manage and develop the sports industry in Sabah. Of this amount, **RM2.08 million** is allocated for Mass Sports development, **RM20 million** for the operation and development of high-performance sports by Sabah State Sports Council, as well as **RM5.05 million** for sports grants.

97. Congratulations to the 16 athletes from Sabah who participated in the national contingent for 2023 Asian Games in China. They won two silver medals in karate and two bronze medals in sailing and athletics. The State Government will be sending athletes to participate in the Malaysia Games (SUKMA) in Sarawak in August 2024 and we hope for their success to bring pride to our State. Insyaa-Allah.

98. To cater to the needs of sports enthusiasts and the general public, Tongod and Kota Marudu Sports Complexes, with an allocation of **RM3 million**, are scheduled to be completed next year.

Urban and Rural Development

Mr. Speaker,

99. The State Government aims to achieve balanced regional development by reducing the development gap between urban and rural areas in Sabah. Continuous emphasis will be placed on efforts to improve the service delivery of Local Authorities (PBT); to strengthen and sustain the housing sector development; systematic and sustainable land use planning; and enhance the functions and roles of the State Native

Court. For this purpose, an allocation of **RM210.02 million** is provided under the operation and development expenditure.

100. For the comfort of traders and the community, as well as to increase the income of PBT through rental collection and business licenses, the State Government allocates a total of **RM13.57 million** to implement public infrastructure development programmes.

101. Furthermore, a total of **RM6.72 million** is allocated to ensure that land development in urban and rural areas, including watercourse throughout Sabah, is more structured, progressive and sustainable in line with Sabah Structural Plan 2033. Of this amount, **RM1.2 million** is provided for the preparation of local plans.

Mr. Speaker,

102. To enhance the well-being of the people, especially those with low and moderate incomes, the State Government through the Housing and Urban Development Board (LPPB) will continue its efforts to complete affordable public housing projects in the districts of Tenom, Kinabatangan and Pitas next year. Moreover, an allocation of **RM2.25 million** is provided to ensure that the State Government's plans to continually drive and boost economic growth can be realised through the New Townships development agenda such as Pagalungan and Suka.

103. The State Government also gives priority to uplift and preserve customary heritage, cultures and ethnic beliefs, to appoint Native Chiefs, to uphold and ensure the Native Customary Laws are fair, equitable, respected and preserved. Therefore, an amount of **RM51.9 million** is allocated to ensure the management and delivery of services to the targeted groups, particularly rural communities, are achieved. Of this amount, **RM1.75 million** is allocated to continue the construction projects of Native Courts in Tamparuli, Sook, Paitan and Pagalungan for year 2024.

Mr. Speaker,

104. To ensure that the targeted rural communities are not left behind in the development stream, the State Government, through the Ministry of Rural Development (KPLB), is committed to implementing ongoing efforts, as follows:

- First : **RM125 million** is allocated for the development of *Rumah Mesra SMJ* and **RM3 million** is allocated for the development of *Rumah Sejahtera Rakyat Sabah* to benefit Sabahans in rural areas who cannot afford to own homes;
- Second : **RM120 million** is allocated for works under Special Fund and Minor Development Projects on construction or maintenance of infrastructure and basic public facilities throughout Sabah;
- Third : **RM3 million** is allocated for the Alternative Rural Electricity Supply Programme (BELBA) and Alternative Rural Water Supply Programme (BALBA); and
- Fourth : **RM16.68 million** is allocated to continue programmes in improving rural economic activities; developing existing and new basic amenities or facilities; as well as developing an integrated human capital at *Mini Estet Sejahtera (MESEJ)* and *Kampung Sejahtera* areas.

105. To strengthen delivery service in rural areas, the State Government has upgraded the Membakut Sub-District Office to a full District Office since 30 March 2022. Meanwhile, the Sukau Sub-District Office is expected to start its operation next year.

106. Moreover, to strengthen the effectiveness of the functions and responsibilities of *Jawatankuasa Kemajuan dan Keselamatan Kampung (JKKK)* in planning and implementing development action plans at the rural level, the State Government has scheduled a series of JKKK Management and Administration Courses to be implemented throughout year 2024.

INFRASTRUCTURE NETWORK AND GREEN SUSTAINABILITY

Infrastructure and Utility Development

Mr. Speaker,

107. The State Government is attentive to the concerns of the people of Sabah regarding the seemingly endless issues with infrastructure and basic amenities. Thus, the State Government will continue to prioritise infrastructure development programmes and public amenities such as roads; bridges; slopes; drainages; sewerages; railways; ports and harbours; traffic management; government buildings as well as critical basic facilities such as water and electricity supply. These efforts aim not only to strengthen the State's economy but also to ensure the comfort and well-being of the people.

108. The State Government's seriousness and commitment is evident by the substantial allocation in this Budget, totaling **RM2.63 billion**. Of that amount, **RM1.72 billion** is allocated to the Sabah Ministry of Works and its departments, whereas **RM886.55 million** is under the Ministry of Finance and other related departments.

Mr. Speaker,

109. The State Government has allocated a total of **RM679.85 million** to manage and address the critical issue of inadequate clean water supply. Under the State Water Supply Programme funded by the State Government, the Sabah State Water Department is allocated **RM156.77 million** to implement immediate and short-term measure programmes.

110. For medium and long-term measures, a sum of **RM258.05 million** will be funded under the Federal Soft Loan Programme to address water supply issues in the districts of Tawau, Lahad Datu, Sandakan, Papar and Kota Kinabalu.

111. Furthermore, in order to improve the provision of treated water supply, which includes developing new water supply infrastructure in rural areas, a total of **RM135.86 million** Federal Grant has been provided to implement the Rural Water Supply Programme under the Malaysia Ministry of Rural and Regional Development.

112. In 2024, the State Government will also focus on the maintenance of existing infrastructure to ensure that physical structures such as roads, bridges and public buildings are safe and sustainable. Therefore, next year, the State Government through the Public Works Department will focus on infrastructure maintenance with an allocation of **RM430.84 million**.

Mr. Speaker,

113. To manage and implement various physical infrastructure and sewerage facilities programmes, as well as the operational management and maintenance of sewerage assets, the State Government has allocated a total of **RM99.07 million**. Additionally, through Federal Loan, an amount of **RM169.55 million** has been allocated to continue projects under Sabah Sewerage Scheme Programme.

114. The State Government will allocate **RM25.24 million** to provide **waterway safety and traffic control services**, as well as to **develop port facilities** throughout Sabah. Additionally, the navigational equipment facilities in control towers supervised by the Ports and Harbours Department will be upgraded to ensure effective control and monitoring of vessel traffic at several active port limits to prevent accidents in port areas.

115. **Railway services** are among the essential and economical public transportation modes. Therefore, the State Government will allocate **RM58.62 million** to improve both railway services and infrastructure in the coming year. The frequency of services and new services will also be gradually introduced, encompassing the tourism and recreation sectors.

116. Furthermore, the State Government has allocated **RM68.28 million** to mitigate and prevent floods; stabilisation and erosion prevention programmes of riverbank and coastal areas in various locations, particularly in flood-prone areas. Additionally, **RM51.26 million** is allocated for the implementation of the Infrastructure and Public Amenities Development Programme involving Local Authorities and **RM767.01 million** is allocated for minor infrastructure projects and the maintenance of roads and bridges under appointed concessionaires.

Mr. Speaker,

117. With the establishment of the Sabah Energy Commission (ECoS) on 10 January 2023, the State Government has successfully taken over the regulatory power for gas supply from the Federal Government through the enforcement of the Gas Supply Enactment 2023 and the Sabah Energy Commission Enactment 2023. Following this, the State Government will assume regulatory control over the electricity supply from the Federal Government on 3 January 2024. A special State Legislative Assembly will convene to table two (2) new bills, namely the Sabah State Electricity Supply Bill 2024 and the Sabah State Renewable Energy Bill 2024, as well as to amend the Sabah Energy Commission Enactment 2023.

118. In line with the approval of the bills in the upcoming session, the State Government, through ECoS as a State Statutory Body, will have the authority to regulate electricity supply activities in Sabah. With this initiative, it is hoped that the State Government will be able to formulate more systematic plans and address issues related to the electricity supply services in the State.

Green Sustainability

Mr. Speaker,

119. The State Government allocates a total of **RM144.44 million** next year to facilitate the implementation of various activities and initiatives aimed at achieving balanced development while factoring in green sustainability elements.

120. I am delighted to announce that Sabah has made history upon the recognition of Kinabalu National Geopark as '**Kinabalu UNESCO Global Geopark**' at the UNESCO General Assembly in May 2023. This prestigious recognition has positioned Sabah as one of the three UNESCO Triple Crown sites, after Jeju Island, South Korea and Shennongjia, China. Sabah's participation in London World Travel Market 2023 also marked the debut of Sabah UNESCO Triple Crown in the global stage.

121. The State Government, through the Environment Protection Department, is also implementing various activities among others are integration of sustainable

environmental protection into all development activities, with an allocation of **RM7.81 million**.

122. The principles of sustainable development must be put into action in Sabah to support green growth initiatives aimed at enhancing economic resilience to climate change and calamities. Studies and action plans need to be implemented, including:

- a) Preparation of the Sabah State Environmental Indicator Report;
- b) Review of the Sabah Coastal Management Plan;
- c) Preparation of Guidelines for Mining and Quarry Rehabilitation; and
- d) Slope Stability Study in Kundasang, Ranau.

123. In line with the Green Sustainability programme under the SMJ Roadmap Initiatives, priority is given to climate change mitigation and adaptation actions, as well as minimising the risks associated with disasters to ensure economic growth that harmonises with environmental sustainability. Therefore, a total of **RM126.79 million** has been allocated to the **Sabah Forestry Department and Sabah Biodiversity Centre** to manage and develop the State's heritage.

124. Next year, the Sabah Biotechnology Development Study will be completed in order to establish the **Sabah Biotechnology Action Blueprint 2024 - 2034**. This blueprint will serve as a guide for systematic and sustainable biological resources exploration. Additionally, the Development of Forest-Based Recreation, such as Payments for Ecosystem Service and Carbon are alternative revenue sources that can be explored without compromising natural resources.

125. As this August House is aware, the Sabah Climate Action Council (SCAC) is established with the purpose of assisting the State Government in setting directions and coordinating climate change mitigation and adaptation projects in Sabah. To support this initiative, the Sabah Climate Change/Greenhouse Gas Unit has been established under the Sabah Forestry Department with an allocation of **RM3 million**. This unit will engage in initial tasks to lay the groundwork for developing climate change policies and carbon trading, as well as to assess the feasibility of all carbon-related projects in Sabah.

126. The principles of Green Sustainability also emphasise on balancing the development of various sectors in Sabah and reducing greenhouse gas emissions. This will contribute to the State level Long-Term Strategy of Low Carbon Development, supporting the Government's efforts to address climate change and its commitment to achieving net zero carbon emissions by year 2050.

STATUTORY BODIES AND STATE GOVERNMENT AGENCIES

Mr. Speaker,

127. The State Government consistently emphasises the achievement of State Public Agencies to ensure that they remain relevant and viable. In this regard, Government Linked Companies and Statutory Bodies with Government shareholdings are called upon to seek and explore potential investment opportunities.

128. I would like to remind State Public Agencies that the fund received from the State Government is a responsibility and trust to assist the Government in enhancing the State's socio-economic status. Each State Public Agency must ensure fiscal sustainability and formulate the best strategies to generate profit.

129. For your information, the State Government has received a total of **RM140.23 million**, including dividends and contributions. This amount is expected to increase further by the end of this year. Therefore, the State Government would like to congratulate the State Public Agencies that have recorded profits and paid dividends to the State Government, namely:

- (i) SMJ Energy Sdn Bhd;
- (ii) Sabah Credit Corporation;
- (iii) Qhazanah Sabah Berhad;
- (iv) Sabah Energy Corporation Sdn Bhd;
- (v) KKIP Sdn Bhd;
- (vi) Sawit Kinabalu Sdn Bhd;
- (vii) Innoprise Corporation Sdn Bhd;
- (viii) Desa Plus Sdn Bhd;
- (ix) Tanjung Aru Eco Development Sdn Bhd;

- (x) Sabah International Dairies Sdn. Bhd.;
- (xi) Keningau Agro-Venture Sdn Bhd;
- (xii) Borneo Development Corporation (Sabah) Sdn Bhd; and
- (xiii) Sabah Air Aviation Sdn Bhd.

While dividends obtained through companies listed on BURSA Malaysia are from:

- (i) Felda Global Venture Holdings Berhad;
- (ii) Petronas Dagangan Berhad;
- (iii) Suria Capital Holdings Berhad; and
- (iv) Malaysia Airports Holdings Berhad

Mr. Speaker,

130. Apart from receiving dividends, the State Government also receives contributions from:

- (i) POIC Sabah Sdn Bhd;
- (ii) Sabah Rubber Industry Board;
- (iii) Progressive Insurance Berhad;
- (iv) Rural Development Corporation;
- (v) Sabah Forestry Development Authority;
- (vi) Sabah Ports Authority;
- (vii) Sabah Land Development Board;
- (viii) Sabah Parks Board of Trustees; and
- (ix) *Korporasi Kemajuan Perikanan & Nelayan Sabah (KO-Nelayan)*.

Mr. Speaker,

131. The *Majlis Ugama Islam Sabah (MUIS)* stands out as a commendable example of State Statutory Body. It has successfully formulated financial management strategies, earning the Clean Bill Certification from the Auditor General for three consecutive years starting from the financial year 2019, 2020 and 2021. Furthermore, the Financial Statement for year 2022 has been thoroughly audited in accordance with the established requirements. MUIS has also successfully cleared their debts and strengthened their financial position.

132. Furthermore, the success of SMJ Energy Sdn Bhd (SMJE) in issuing RM900 million Multi-Currency Wakalah Sukuk, from a total issuance of RM10 billion with the highest AAA rating, is also worthy of emulation. This programme was over-subscribed by 3.9 times totaling RM3.5 billion from various investors in the country. It reflects the investors' confidence towards SMJE. Meanwhile, the restructured SOGDC is planning to develop existing facilities into a premier oil, gas and petrochemical industrial hub in the Asia-Pacific region. Congratulations and well done.

STATE PUBLIC SERVICE

Mr. Speaker,

133. The public service represents the key pillar in the State administration machinery. By prioritising transparent and open policies in the management of State's social, economic and development projects, the function of check and balance has been added by strengthening the Internal Audit Section in the Ministry of Finance to an Internal Audit Department under the Chief Minister's Department commencing year 2024. This department will ensure that the State Ministries, Departments and Agencies optimise the utilisation of the allocated funds effectively.

134. The State Government is also committed to enhance and cultivate integrity among State civil servants comprehensively. An allocation is given to the State's Integrity and Governance Section (BIGONS) under the State Secretary Office to coordinate programmes on integrity and anti-corruption culture with the goal of an excellent State administration system. Allocations are also provided to all Ministries and Departments under operational expenditure to ensure the smooth implementation of all planned programmes.

135. The State Government has also allocated a total of **RM25.06 million** to encourage continuous learning among civil servants to ensure they have the knowledge, expertise and skills to carry out their assigned duties. This year, to further enhance the effectiveness of public service delivery, the State Government has created a total of 799 new positions to meet the required workforce in order to balance the increasingly challenging and complex workload.

Mr. Speaker,

136. The government highly appreciates the commitment and efforts of civil servants in carrying out their assigned duties for the prosperity and well-being of the people. Therefore, the State Government would like to announce good news to State civil servants, especially to the Supporting staffs, who are the main driving force behind the State's administration machinery.

137. As announced by the Federal Government, the State Government has agreed to provide a Special Financial Assistance of **RM2,000** to all state civil servants in Sabah, including temporary, contract and daily paid workers. This Special Financial Assistance will be paid in two stages, with **RM1,000** to be paid in January 2024 and another **RM1,000** before Hari Raya Aidilfitri.

138. I hope that this incentive will further motivate the State civil servants to serve with enthusiasm and strive even harder in order to enhance the quality of service delivery to the people.

CLOSING

Mr. Speaker,

139. Undeniably, the State's administration led by the Most Honourable Chief Minister Datuk Seri Panglima Haji Hajiji Haji Noor has not only successfully developed the State's economy by attracting numerous investments but has also successfully fostered unity, maintained harmony among the people and strengthened the State's reserves.

140. Before I conclude, I would like to convey my gratitude to the staff of Sabah Ministry of Finance for their commitment and dedication in overseeing the financial management as well as preparing the State Budget, resulting in higher revenue collection and reserves. Alhamdulillah, due to efforts, commitment and good governance by civil servants, the State Government has once again successfully achieved the **Unqualified Certificate (Clean Bill) for the State's 2022 Financial Statement**. This indicates that the State's financial accounts and management has been carried out prudently and transparently based on good governance and financial procedures.

141. For information, the Sabah Ministry of Finance is among the four (4) agencies in the nation to receive the Appreciation for Agency Governance Improvement (APTA) award from the MACC during the Integrity, Governance and Anti-Corruption Convention (KITA) in last October. This proves the seriousness and prompt action of the State Government to improve systems and work procedures to prevent corruption and abuse of power in order to ensure integrity is at the highest level.

Mr. Speaker,

142. I would like to invite the Honourable Members of this August House and all Sabahans, regardless of race, religion and political beliefs, to join hands in realising the State's plans and development, which are the common goals of our collective efforts. Let us extend our compassion and listen to the grievances of the people in need of advocacy.

143. The 2024 Budget has been tabled, now we entrust all relevant parties to carry out this mandate with dedication and responsibility. There's a saying in the Bajau Samah ethnic group that goes, "*amun ai no ni enselan, baya' ni ngelut,*" which translates to "*if it has been oiled, let it slide,*" implying that once something is set in motion, let it proceed smoothly toward its intended purpose.

144. Finally, I would like to take this opportunity to wish all Christian Assemblymen and Sabahans a Merry Christmas and to all the beloved people of Sabah, **Happy New Year 2024.**

*Daun kayu, daun selasih
Thank you, terima kasih.*

Mr. Speaker,

I beg to propose.