

KEYNOTE ADDRESS

YB DATUK AMAR HAJI AWANG TENGAH ALI HASAN

DEPUTY CHIEF MINISTER

MINISTER FOR INDUSTRIAL AND ENTREPRENEUR DEVELOPMENT
SECOND MINISTER FOR URBAN DEVELOPMENT & NATURAL RESOURCES
SARAWAK

IN CONJUNCTION WITH

SARAWAK DOMESTIC INVESTMENT SEMINAR

ON

26 JUNE 2019 (WEDNESDAY) @ 9:30 A.M.

AT

PULLMAN HOTEL, KUCHING

Yang Berhormat Datuk Haji Mohd. Naroden bin Haji Majais

Assistant Minister for Entrepreneur & Small and Medium Enterprise (SME) Development
and Assistant Minister for E-commerce, Sarawak

Yang Berhormat Malcolm Mussenan ak Lamoh

Assistant Minister For Industrial Development, Sarawak

Yang Berusaha Mr. Arham Abdul Rahman

Deputy Chief Executive Officer I, Malaysian Investment Development Authority (MIDA)

YBhg. DatuLiaw Soon Eng

Permanent Secretary to the Ministry of Industrial and Entrepreneur Development

Datuk-Datuk, Datin-Datin, Tuan-Tuan, Puan-Puan

Distinguished Guests

Members of the Media

Ladies and Gentlemen.

INTRODUCTION

1. *Assalammualaikum, Salam Sejahtera* and a very good morning to all of you.
2. First of all, I would like to thank the Malaysian Investment Development Authority (MIDA) for inviting me to deliver the Keynote Address at the Sarawak Domestic Investment Seminar, which is jointly organised by MIDA and my Ministry.
3. The State has been conducting many outreach programmes, especially towards building the capabilities of our local industry players which consists mainly of the small and medium enterprises (SMEs). Despite all our continuous efforts, there is still a lack of awareness among the local business community on the various facilities and support provided by the State and Federal Governments.
4. The government can only facilitate, but the private sector as engine of growth must grab the opportunities created by government initiatives. In this globalised world, competition is more intense, coming not just from developed economies but also from the developing countries. Therefore, the government needs to make every effort to ensure the readiness of our local industry players in enhancing and sustaining their competitiveness.
5. I look forward to more local SMEs going into high tech and high value-added ventures. We cannot continue to rely on low cost, low tech and labour-intensive

strategies to grow our industries. Together, let us build a business landscape that is innovative, creative and sustainable, focusing on the future.

INVESTMENT OUTLOOK & DEVELOPMENT INITIATIVES

Ladies and Gentlemen,

6. Sarawak continues to be a preferred investment destination, ranking among the top 3 in the past six years. Last year, Sarawak recorded a total investment of **RM8.6 billion** in the manufacturing sector, third highest after Johor (**RM30.5 billion**) and Selangor (**RM18.9 billion**).

7. Sarawak continues to attract both domestic and foreign investors due to our business friendly policies and our ability to provide modern infrastructure as well as competitive power and water tariffs. We have abundant natural resources and we are also able to provide land for industrial and large-scale agriculture with attractive premiums and flexible terms of payment.

8. Above all, Sarawak is politically stable and financially well managed. Let me reassure you all that Sarawak will not go bankrupt within 3 years as predicted by the Honourable Federal Minister for Finance. Sarawak has been rated by international rating agencies such as Moody's and Standard & Poor's for many years and both have reaffirmed the State's investment credit ratings at A3 and A- respectively.

9. Similarly, the Auditor-General of Malaysia has also accorded Sarawak with Clean Bill of Financial Health for the past 17 consecutive years. Sarawak Government's budget has always recorded surpluses for many years, and our budget is always development biased, focusing on productive sectors. We have steady sources of revenue, especially through the imposition of sales tax on petroleum products for exports. This is a new stream of revenue to the State. We are not entirely dependent on the State's reserves.

10. The statement by the Honourable Federal Minister for Finance is unwarranted and unnecessary. It is more political in nature. Currently, the global economy is facing serious downside risks due to trade war, regional tensions such as in the Middle East, low oil prices and other uncertainties. Therefore, the Honourable Federal Minister for Finance should exercise caution with what he says as his statements will affect the sentiments of the investors not only to the State but the country as a whole, particularly the foreign investors. Sarawak's contribution to the economic development of the country is quite significant. By right, we should be working together to attract more investments both FDI and DDI for the good of the country.

11. In order to develop a resilient and sustainable economy towards achieving inclusive and balanced growth, Sarawak Government has put in place various development initiatives such as Sarawak Industrial Development Plan, SCORE, Rural Transformation Plan and the setting up of the Upper Rajang Development Authority (URDA), Highland Development Authority (HDA) and Northern Region Development Authority (NRDA), etc.

12. As a result of all these initiatives, we are able to attract huge investments in various industrial sectors such as the oil and gas industries in Bintulu, high tech industries in Kuching, shipbuilding industries in Sibu and Miri as well the energy intensive industries in Samalaju. We also have developed our timber based and agro based industries throughout the State. All these have created many employment opportunities for the local workforce and more business opportunities for the SMEs.

DIGITAL ECONOMY & INDUSTRY 4.0

Ladies and Gentlemen,

13. In order for our industries to be competitive and sustainable, we need to embrace the Digital Economy. This is the global trend and we need to change in the way we do our businesses. We must embrace the Digital Economy. This is exactly what the Right Honourable Chief Minister of Sarawak wants us to do. We want our industries to leapfrog to Industry 4.0.

14. Sarawak Government has recently established the Sarawak Multimedia Authority (SMA) to spearhead the State Digital Economy Initiatives as well as setting aside **RM1 billion** to upgrade the telecommunication infrastructure. My Ministry, MIDA and other agencies have also organised a series of awareness programmes on Industry 4.0.

15. At the same time, Sarawak Government is building quality infrastructure to establish good connectivity as well as to stimulate economic growth in the rural regions. Apart from the **RM16.48 billion** funded by the Federal Government for the construction of the Pan Borneo Highway, Sarawak Government is allocating **RM5 billion** to upgrade the Coastal Road and bridges and **RM6 billion** for the Second Trunk Road, **RM2.8 billion** for the water supply, **RM2.37 billion** for Rural Electrification Scheme, **RM1.5 billion** each for URDA, HDA and NRDA.

16. Sarawak has a relatively small market, therefore going regional and global is necessary to ensure the long term sustainability of your businesses. It is timely for Sarawak SMEs to spread your wings and tap into a bigger customer base through e-commerce and digital platforms.

17. Towards this goal, Sarawak Government together with the Federal Government through various agencies such as MIDA, MATRADE, SME Corp, MIED,

MITEC, etc. are committed in assisting and facilitating our SMEs to grow big and become global players through adoption of modern technologies, creativity and innovation.

CONCLUSION

Ladies and Gentlemen,

18. I hope all of you will gain new knowledge and benefit from the Seminar. On our part, my Ministry will continue to work closely with MIDA to attract more FDI and DDI so that Sarawak will continue to grow and become a developed state by 2030, and at the same time, to contribute to the economic prosperity of Malaysia.

19. On that note, thank you and have a fruitful deliberation.