



Sarawak Government



Post
COVID-19
**DEVELOPMENT
STRATEGY**
2030

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ECONOMIC PLANNING UNIT SARAWAK,
CHIEF MINISTER'S DEPARTMENT
6th, 7th & 9th Floor
Wisma Bapa Malaysia
Petra Jaya
93502 Kuching
Sarawak
Tel : (+6)082 – 319380 / 440857
Fax : (+6)082 – 449481 / 442536

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Post COVID-19 Development Strategy 2030

FOREWORD BY

Chief Minister of Sarawak
cum Chairman, Sarawak Economic Action Council



“ By 2030, Sarawak will be a thriving society driven by data and innovation where everyone enjoys economic prosperity, social inclusivity and sustainable environment ”

Last year, the year 2020 has been an unprecedented and challenging year as the spread of COVID-19 pandemic led to health and economic crisis that disrupted businesses and affected people's livelihood across the globe. The pandemic has significantly weakened global growth prospects. Malaysia economy declined by 5.6%, the biggest contraction since the 1998 Asian Financial Crisis. Sarawak was not spared from the significant downturn and experienced broad based fall in economic activities whilst exports shrank by 24.2% and unemployment rate increased to 4.3% in 2020.

The pandemic has stimulated digitalisation across sectors, popularised 'work-from-home' as the new normal and highlighted the importance of a resilient global supply chain in order to withstand black swan events like the COVID-19 pandemic. It also shone a spotlight on the impact of economic activity on the environment. While the COVID-19 has caused many upsets and challenges to the socio-economic norms, the change also presents and unlock new opportunities for Sarawak to forge ahead for a brighter future.

To ensure Sarawak is able to embark on a full-fledged transformation capitalising on mega-trends around the world such as globalisation, supply chain resilience, digitalisation, new industrial revolution, circular economy and transition towards a low carbon economy, the Sarawak Economic Action Council (SEAC) was formed on 6th May 2020 to formulate the Post COVID-19 Development Strategy 2030.

Taking this opportunity, I would like to thank SEAC members comprising leaders from the public and private sectors, academicians, captain of industries and opinion leaders for their efforts in formulating the Plan.

We envision that by 2030, Sarawak will be a thriving society driven by data and innovation where everyone enjoys economic prosperity, social inclusivity and sustainable environment.

In terms of economic prosperity, we aim to double the size of our economy from RM136 billion in 2019 to RM282 billion in 2030. To achieve this target, Sarawak economy needs to grow on average 8.0% per annum until 2030. We are now undertaking massive infrastructure development to facilitate economic and investment activities. To do this, we are using creative financial modelling through revenue reengineering and alternative funding methods to ensure healthy fiscal position.

Inclusive society means that all Sarawakians will have equal opportunities to participate in the State's overall development and enjoy equitable distribution of wealth through jobs and business opportunities.

As environmental sustainability is an integral part of Sarawak development initiatives, it is the duty of all of us to ensure clean and healthy environment for current and future generations. The target is to ensure sustainable economic activities through the adoption of new technologies and innovation, continuation of environmentally sound practices such as greening efforts and improved enforcement of regulatory frameworks.

Moving forward, Sarawak will innovate using data to increase productivity, develop high value products, improve safety of our people and assets as well as enhance environmental conservation efforts.

I am confident we can realise Sarawak's 2030 aspirations as we have efficient Civil Service and proactive private sector that are working very hard to develop Sarawak. This Plan is a testimony of our commitment towards prosperous, inclusive and environmentally sustainable Sarawak. Together we will achieve more.



**The Right Honourable Datuk Patinggi
(Dr) Abang Haji Abdul Rahman Zohari
Bin Tun Datuk Abang Haji Openg**

INTRODUCTION BY

Sarawak State Secretary cum Chairman,
Sarawak Economic Action Council Working Committee



Post COVID-19 Development Strategy 2030 is a long term Plan that provides the direction and strategies for Sarawak to achieve its aspiration of a developed State by 2030.

In preparing for this Plan, more than 20,000 man hours were spent involving engaging with over 1,000 stakeholders from more than 250 organisations, from both public and private sectors. The Plan dwells in thirteen sectors and presents a cohesive and robust strategy, necessary to address the worldwide economic disruption as a result of COVID-19 pandemic.

It has been an incredible and exhilarating journey that has seen great involvement and collaboration between all Ministries, Agencies and academicians as well as relevant members of the private sector. I am grateful for being part of this game-changing plan for Sarawak. This Plan is comprehensive and workable as its formulation involves industry players and implementing agencies. This is what makes it different from other past development plans. With good action and execution plans, I am confident this Plan will achieve its desired objectives.

“ The Plan will transform the socio-economic well-being of the people by providing access to economic opportunities and social services in a sustainable manner ”

With the strategic direction in place, Sarawak and its people will experience robust development that will elevate the socio-economic well-being of the people with more access to economic opportunities.

I would also like to take this opportunity to express my gratitude to The Right Honourable Chief Minister, who is Chairman of the Sarawak Economic Action Council (SEAC) and all Council members for their guidance, contributions and far sighted vision to propel Sarawak socio-economic development in the future.

A handwritten signature in blue ink, appearing to read 'Jaul Samion', with a long horizontal flourish extending to the right.

Honourable Datuk Amar Jaul Samion

STRUCTURE OF SARAWAK ECONOMIC ACTION COUNCIL (SEAC)



THE BIG PICTURE

WHAT do we plan to do?

Elevate Sarawak economy from RM136 billion in 2019 to RM282 billion in 2030

Grow Sarawak economy 8.0% per annum between 2021 to 2030

Create 195,000 new job opportunities

Raise Household Income to RM15,047

Reduce Urban and rural developmental gaps

Improve work efficiency, enhance productivity via Digital Innovations

HOW do we plan to do it?

7 Strategic Thrusts: Economic Structure, Ease of Doing Business, Targeted Spending, Optimise Assets and Human Capital, Digital and Executions, Social Inclusivity and Environmental Sustainability

Expand Physical and Digital Infrastructure

Facilitate Investment Activities: Domestic Direct Investment, Foreign Direct Investment and Human Capital Development

Maximise Profitability by means of Global Supply Chain

Intensify Production through Data Algorithms and Product Innovation

Thrive Economic Sectors and Entrepreneurship

WHERE do we plan to do it?

6 Economic Sectors: Manufacturing, Agriculture, Tourism, Forestry, Mining, Social Services

7 Enablers: Digital Transformation, Innovation, Education and Human Capital, Infrastructure, Utilities, Transport, Renewable Energy

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The background of the page is a green-tinted photograph. The upper portion shows a sky with soft, white clouds. The lower-left corner features the corner of a modern building with a distinctive architectural design, characterized by several thick, curved, white structural elements that resemble stylized arches or petals. The overall color palette is a range of green tones, from light to dark.

INTRODUCTION



INTRODUCTION

COVID-19 PANDEMIC

The year 2020 has been an unprecedented and challenging year as the spread of COVID-19 pandemic led to health and economic crisis that disrupted businesses and affected people's livelihood across the globe.

As a mitigating measure, Sarawak Government launched five (5) Bantuan Khas Sarawakku Sayang (BKSS) packages comprising 31 measures amounting to RM3.1 billion. BKSS also acts as social safety net to address the pain points of the rakyat due to the COVID-19 pandemic.

CHALLENGES AND OPPORTUNITIES

Through a baseline review of Sarawak economy, some key challenges and opportunities were identified to shape the strategies, initiatives and policy recommendations.

COVID-19 pandemic posed challenges to Sarawak but marks an opportunity for game-changing decisions to propel the State towards Sarawak 2030.



KEY CHALLENGES

- Greater **uncertainties** in the global economy post-pandemic
- **Dependency on resource-based** economic sectors resulting in strong need for diversification
- Lagging **productivity** growth compared to regional economies and inadequate skilled labour force
- Low **household income** relative to national average



KEY OPPORTUNITIES

- Promote Sarawak as food supplier of the region
- Leverage the wealth of **biodiversity** assets
- Intensify digitalisation and leveraging digital platform
- **Proactive and agile** operations in the public sector including greater inter-agency collaboration
- Transparent and empathetic **people engagement**



The background is a monochromatic green image. The upper portion shows a sky with soft, white clouds. The lower-left corner features a portion of a modern building with a distinctive architectural design, characterized by curved, overlapping structural elements. The text 'ECONOMIC LANDSCAPE' is centered in the upper half of the image. The word 'ECONOMIC' is in a bold, sans-serif font, while 'LANDSCAPE' is in a regular weight of the same font. A thin yellow horizontal line is positioned directly beneath the word 'LANDSCAPE'.

ECONOMIC LANDSCAPE

GLOBAL AND MALAYSIA ECONOMY

The COVID-19 pandemic has significantly weakened global growth prospects, contracted by 3.3% in 2020 before rebounding to a projected growth of 6.0% in 2021.

Meanwhile, Malaysia economy shrank by 5.6% in 2020, the biggest contraction since the 1998 Asian Financial Crisis. The construction, mining and services sectors registered the biggest decline, contracted by 19.4%, 10.0% and 5.5% respectively. Unemployment rate increased from 3.3% in 2019 to 4.8% in 2020. In 2021, the National economy is projected to recover in line with the immunisation rollout programme and global economic recovery.

Table 1: Real GDP Growth by Countries (%)

	2019	2020 ^e	2021 ^f
Global GDP	2.8	-3.3	6.0
United States	2.2	-3.5	6.4
Euro Area	1.3	-6.6	4.4
Japan	0.3	-4.8	3.3
China	5.8	2.3	8.4
India	4.0	-8.0	12.5
ASEAN-5	4.8	-3.4	4.9
Malaysia	4.3	-5.6	6.0 - 7.5

Source: International Monetary Fund, April 2021

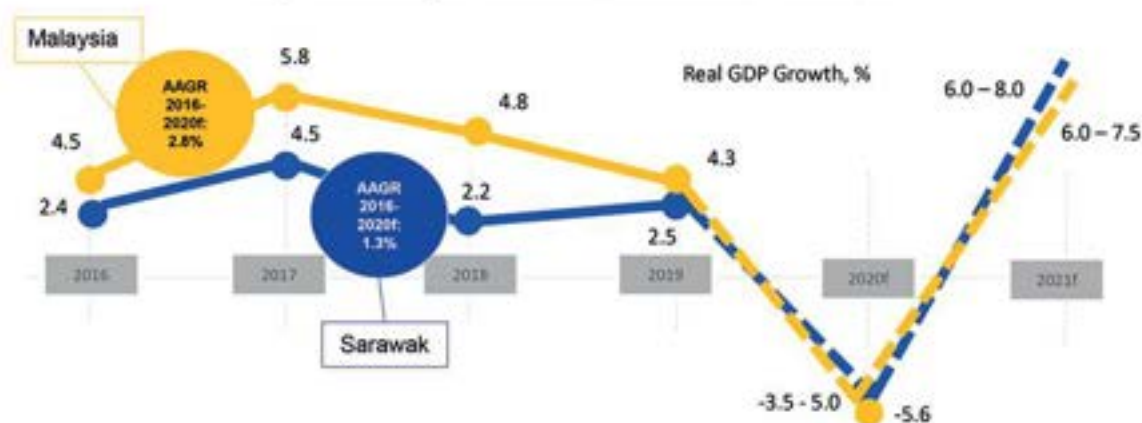
SARAWAK ECONOMY

Sarawak economy grew by an average rate of 2.9% in 2016-2019. In 2020, Sarawak economy is estimated to contract between 3.5% to 5.0% due to COVID-19 pandemic. Thus, the overall growth for Sarawak under the Eleventh Malaysia Plan (11MP), 2016-2020 is expected between 1.3% to 1.6%, which is below the targeted growth of 6.0% per annum during the Plan period. The growth is also below the national average of 2.8% per annum.

Sarawak exports shrank by 24.2% in 2020, which brought down the average annual export growth to negative 1.4% under the 11MP. The drop was largely due to low performance of the oil and gas sector and COVID-19 pandemic.

The slowdown in the economy has triggered a less favourable employment market. Retrenchment of local workers increased from 723 in 2019 to more than 3,000 in 2020 and unemployment rate increased from 3.1% in 2019 to 4.3% in 2020.

Figure 1: Malaysia and Sarawak Real GDP Growth (%)



Source: Bank Negara Malaysia, Department of Statistics Malaysia & Economic Planning Unit Sarawak



The background is a solid green color with a faint, semi-transparent image of a cloudy sky and a modern building's architectural details in the lower-left corner. The building features curved, rib-like structures. The text is centered in the upper half of the page.

POST COVID-19 DEVELOPMENT STRATEGY 2030

SARAWAK ASPIRATION

Sarawak aspires to be a developed State by 2030. By 2030, Sarawak will be a thriving society driven by data and innovation where everyone enjoys economic prosperity, social inclusivity and sustainable environment.

“ Our aspiration is, “By 2030, Sarawak will be a thriving society driven by **data and innovation** where everyone enjoys **economic prosperity, social inclusivity and sustainable environment** ”

Sarawak aspires to be a developed State by 2030.



The vision is anchored on 3 pillars, namely Economic Prosperity, Inclusive Society and Environmental Sustainability.

In terms of our economic prosperity, Sarawak needs to double the size of the economy from RM136 billion in 2019 to RM282 billion in 2030. To achieve this target, Sarawak economy needs to grow on average 8.0% per annum until 2030.

Inclusive society means that all Sarawakians will have equal opportunities to participate in the State's overall development and enjoy equitable distribution of wealth through jobs and business opportunities.

Environmental sustainability is an integral part of Sarawak development initiatives. This is to ensure clean and healthy environment for current and future generations.

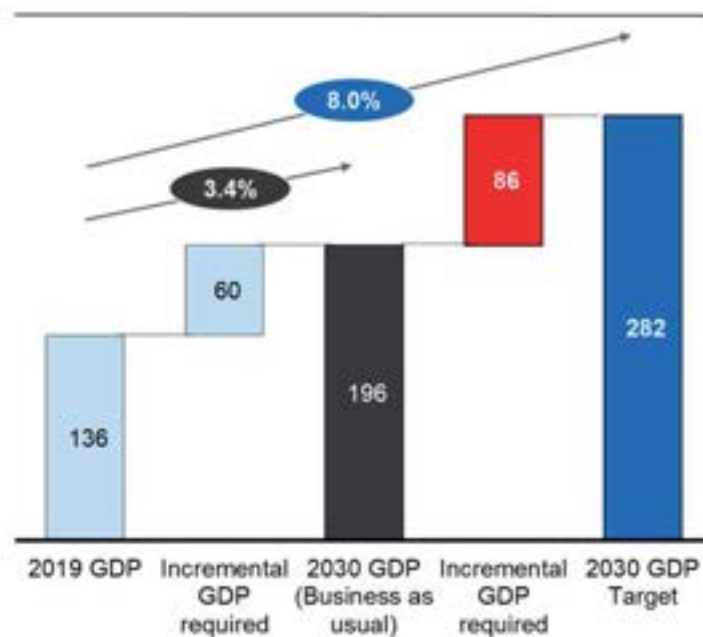
Moving forward, Sarawak will innovate using data to increase productivity, develop high value products, improve safety of our people and assets as well as enhance environmental conservation efforts.

Therefore, the core objectives of Post COVID-19 Development Strategy 2030 (PCDS) are:

- To change the economic structure by increasing the scale of production to capture efficiencies upstream, increasing downstream activities and growing the services sector to support the primary and secondary sectors' activities in a sustainable manner;
- To modernise and increase efficiency driven by both digital and physical connectivity; and
- To increase household income to GDP share by creating more jobs and encouraging entrepreneurship.

To achieve High Income Status by 2030, Sarawak needs to grow on average ~8% per annum

GDP Growth Projection (2020 – 2030)
RM Billion



STRATEGIC THRUSTS

The Plan has outlined 7 Strategic Thrusts to accelerate economic growth



There are 7 Strategic Thrusts to accelerate the economic development as follows:

1. **Transforming Sarawak into a competitive economy** by increasing productivity level, developing more high value downstream activities and creating new industries through active private sector involvement. For example, precision farming to increase quantity and quality of produce for high value downstream food processing products for domestic consumption and export market;
2. **Improving ease of doing business** to facilitate domestic investment (DDI) and making Sarawak an investment destination of choice for foreign investors (FDI). For example, by establishing Sarawak Invest as a one-stop agency for investment;
3. **Spending on areas that yield the most economic, social and environmental impacts.** For example, environmental friendly construction (design and materials) of access road to social and economic hubs that will stimulate socio-economic activities and improve standard of living of the community;
4. **Optimising use of assets and government funding and developing human capital** to support socio-economic development. For example, rather than constructing new buildings, we should optimise the use of existing building spaces for productive activities. Human capital investment should focus on the right training to meet industrial needs of the State to progress;

5. **Accelerating digital adoption and data utilisation** to generate outcomes. This will include establishing a state-wide network coverage of telecommunication infrastructure and services that will enable the adoption of digital technology in agriculture for precision farming, industry 4.0, e-learning and telemedicine to support our digital economy initiatives towards high income and developed State by 2030;
6. **Driving economic and social benefits for all Sarawakians**, focusing on impoverished segment of the population. This include providing the society with access to basic infrastructure and implementing concerted initiatives to help increase household income. For example, anchor out-grower model in the agriculture sector to help rural poor to gain better access to market and training programmes for urban poor to cultivate entrepreneurship; and
7. **Balancing economic growth with environmental sustainability**. Sarawak aims to balance economic growth with a responsible approach towards utilisation of natural resources and integration of climate adaptation and mitigation plans. This approach prioritises the sustainable use of land and ocean resources for economic growth, improved livelihoods and jobs while preserving the health of the land and ocean ecosystem. In line with sustainable development principles and commitments towards climate adaptation, various initiatives will be implemented such as to maintain more than 50% forest and tree cover, establish an integrated watershed management policy to conserve and protect water resources, increase urban green spaces and prioritise green mobility solutions, including developing electric vehicle (EV) based public transport systems and expansion of renewable energy.

KEY ECONOMIC SECTORS AND ENABLERS

The Plan will anchor on 6 Economic Sectors and 7 enablers



The PCDS 2030 is anchored on 6 economic sectors as the main engines of growth, namely Manufacturing, Commercial Agriculture, Tourism, Forestry, Mining and Social Services. The 6 economic sectors will be supported by 7 enablers namely Digital Transformation, Innovation, Basic Infrastructure, Transport, Utilities, Renewable Energy and Education and Human Capital Development.

MANUFACTURING

Manufacturing sector aims to promote Sarawak as the preferred investment destination especially for high-value downstream activities of resource and non-resource based industries, both domestic direct investment and foreign direct investment

Key Outcomes

1

Contribute 30% to Sarawak GDP by 2030

2

Up to RM10 billion annual private capital spending

3

40% increase in SMEs registered in Sarawak

4

70% of SMEs to adopt digital platform

Strategy



Export-led growth

Build from current strengths and grow productive capacity to be exporters of high-value manufacturing and resource-based products



Diversification

Away from Oil & Gas related activities and shift towards a more varied structure of domestic production and trade, with a view to increasing socio-economic development



Entrepreneurship

Promote socially inclusive community development, to create equitable wealth which benefits larger part of the economy

Catalytic Initiatives

1. Grow high value manufacturing and enhance local industry ecosystems
 - Develop Sama Jaya Industrial Park Phase 2 area of 1,000 acres to drive industry growth
 - Attract investments along the value chain driven by existing anchor Multinational Corporation presence
 - Develop industry ecosystem along the value chain to build and grow local vendors
2. Empower and growing SME via specialised development programs and infrastructure support



The manufacturing sector aims to promote Sarawak as the preferred investment destination especially for high-value downstream activities of resource and non-resource based industries, both domestic direct investment and foreign direct investment. This will be supported by the development of efficient ecosystem for private investment such as industrial parks equipped with industrial infrastructures and amenities. Among the initiatives include the development of Petrochemical Hub, extension of Samajaya Hi-Tech Park, Bio-Industrial Park and Furniture Park. At the same time, more entrepreneurship programmes involving local communities in businesses will be implemented to increase community participation especially in small and medium enterprises (SMEs).

AGRICULTURE

Commercial agriculture sector aims to capitalise on modern farming and global partnerships to accelerate productivity and growth to support higher value-added downstream food processing, especially for export market

Key Outcomes



Strategy



Shift from subsistence farming to commercial/ large scale agriculture & food manufacturing



Improve access to land and upgrade supply chain infrastructure to enhance efficiency & competitiveness



In the mid/long term, aim to attract global partnership & access to international markets



Enhance sustainable and double agro-based community's income



Catalytic Initiatives

1. Fast-track production of high value commodities crops, fisheries and livestock
 - Agro Park
 - Swiftlet Cultivation
 - Livestock Area
 - Smart Farming
 - Aquaculture Zone
2. High value-added downstream agro-based products
 - Palm oil based oleochemical plant
3. Revitalise Global Partnerships
 - Setting up Sarawak Trade and Tourism Office Singapore (STATOS) equivalent/
Invest Sarawak

Sarawak aspires to be a net food exporter by 2030. This will be achieved through commercial agriculture sector that capitalises on modern farming and global partnerships. Commercial agriculture will attract private investment to accelerate the productivity and growth in this sector that will provide valuable feedstock to higher value-added downstream food processing, especially for export market. Among the key initiatives are developing agoparks, high value downstream products such as oleochemical and smart farming programmes.

TOURISM

Tourism sector aims to make Sarawak as a leading destination for eco-tourism and business events in ASEAN Region

Key Outcomes

1

Higher GDP contribution - accounting for 11% by 2030

2

Increased arrivals – 7.5% annual growth rate in visitor arrivals with increased length of stay from 5.5 nights to 7.5 nights

3

Employment generation - 25% of total employment in the tourism & hospitality sector

Strategy



Enhance travel to and within Sarawak



Develop Sarawak tourism products and assets by building upon its cultural, heritage and natural assets



Improve capacity and capability of human capital



Catalytic Initiatives

1. Increase accessibility and connectivity
 - Increase number of direct domestic, regional and international flights
 - Develop new and upgrade existing checkpoints
 - Build deep sea port for passenger cruise
2. Develop ecotourism attractions within Sarawak's rich natural environment
 - Digital Interpretation Centre
 - Tourism facilities and safety
 - Monitoring and Tracking System in National Park
3. Develop events, festivals and business events unique to Sarawak
 - Financial assistance to support tourism Meeting, Incentives, Conferences and Exhibitions (MICE) related activities in Sarawak
 - Joint committee for global promotion
 - Culture, Adventure, Nature, Food and Festivals (CANFF)
4. Develop signature museum and cultural products
 - Brooke Dockyard Maritime Museum
 - Performing Arts Centre
 - Arts & Handicraft Centre
 - Sarawak Museum Campus
5. Provide training to tourism workforce and local communities
 - Park Guide Training
 - Akademi Seni Sarawak Training and Development Programme
 - Sarawak Craft Council Development Programme



Tourism is a key sector in driving Sarawak's visibility and branding around the world. By 2030, Sarawak aims to be a leading destination for eco-tourism and business events in ASEAN Region, driven by empowered communities to conserve heritage, culture and biodiversity and to promote investment and development in the tourism sector. More tourism products and assets will be developed, supported by increased connectivity and capacity building of local tourism players. Sarawak will promote Culture, Adventure, Nature, Food and Festivals and diversify Sarawak's tourism focus into health tourism, sport tourism, agrotourism and education tourism. These initiatives are expected to increase the number of visitors by 7.5% per annum.

FORESTRY

Forestry sector aims to be globally recognised in sustainable management of tropical forest and biodiversity conservation while enhancing the rapid growth of timber industry

Key Outcomes

1

Increase timber & non wood forest products export earnings - Annual export value of RMB billion by 2030

2

50 community-based ecotourism and conservation Totally Protected Areas

3

Certify 4.5 mil ha of long term forest licence area and 178,000 ha forest plantation under Malaysian Timber Certification Council/ Programme for the Endorsement of Forest Certification and Forest Stewardship Council

Strategy



Generate government revenue by developing new revenue streams from forest resources



Gain higher export earnings through the advancement in downstream processing



Increase contribution of forestry to tourism through conservation and sustainable management

Catalytic Initiatives

1. Generate revenue from payment for ecosystem services
 - Forest Landscape Restoration Program
 - The Wetland and Watershed Conservation and Protection Project
 - Sarawak GHG Policy and Low Carbon Society Blueprints
 - Conserve, manage, and develop Mangrove-Nipah Forest
2. Increase value added processing activities to accelerate growth in forest earnings
 - Utilise local plywood as one of the key components to manufacture value added products such as furniture, flooring and doors
 - Establish bamboo plantation and develop bamboo based industry
3. Grow high value manufacturing and enhance local industry ecosystem
 - Infrastructure and Facilities at TPAs, National Parks And Wildlife Sanctuary
 - Integrated Wildlife Conservation and Management
 - Forest One Stop Compliance Centre
 - Central Depo for seized items
 - Sustainable Forest Management Administrative Centre



The forestry sector aims to be globally recognised in sustainable management of tropical forest and biodiversity conservation while enhancing the rapid growth of timber industry. Forest management practices and stewardship will focus on balancing rate of deforestation and growth, increasing product yield and enhancing services obtained from forests. In addition, sustainable approaches to monetise Sarawak's rich resources will be implemented to provide economic opportunities for the rural communities. Among the initiatives include, replanting of 200,000 hectares of degraded forest areas, implement Carbon Credits Programmes, establish bamboo plantation and develop bamboo based industry and certification of 4.5 million hectares of long-term forest licence area (natural forest) by 2022 and 178,000 hectares forest plantation by 2025 under Malaysian Timber Certification Scheme and Forest Stewardship Council.

MINING

Mining sector will explore oil and non-oil mineral resources such as silica sand, rare earth elements (REE) and kaolin clay for high value downstream activities

Key Outcomes

1

RM5 billion of additional direct annual GDP from mining by 2030

2

Development of local supporting industries along the value chain to cater to growth of MNCs

3

2,300 jobs creation (from incremental new production & new operators)

Strategy



Strengthen the regulatory and policy framework of the mining sector and create an ecosystem of technical, business and financial expertise of State Mining Authority and agencies



Explore mining reserves and develop potential Public Private Partnership (PPP) opportunities to attract private sector investment



Catalytic Initiatives

1. Strengthening State Minerals Management Authority (SMMA) and reform of mining policy and regulatory framework
 - Mining Policy and Regulatory Framework Reform to create the right ecosystem to drive exploration and attract quality investments in the mining industry
 - Increase geological and financial experts in SMMA to enable better evaluation of all business plans by investors
2. Develop geological mapping, design business models to drive mining and streamline mining activities / intensify downstream activities
 - Develop Geological Mapping and Mining Business Models
 - Create Mining Business Models for current and potential mining operators to develop entire value chain

Mining sector in Sarawak is currently driven by oil and gas upstream activities, which provide the feedstock for petrochemical industry especially in Bintulu. Moving forward, Sarawak will explore into other mineral resources such as silica sand, rare earth elements (REE) and kaolin clay for high value downstream activities. To support this development, the State will develop geological mapping to provide details such as location, reserve volume and grades of the minerals and design business models to facilitate investments in mining industry and downstream processing.

SOCIAL SERVICES

Social services aims to provide a high living standard, healthy and inclusive society with affordable and innovative service delivery for Sarawakians

Key Outcomes



Strategy



Provide support to the Sarawakian public through housing and healthcare schemes



Assist the vulnerable, risky and affected individuals (eg. People with disabilities, elderly, etc.) through care, intervention and shelter initiatives

Catalytic Initiatives

1. Medical and Health Services
 - General Practitioners (GP) Medical equipment assistance for non-urban area
 - Construction of State Research and Test Lab
 - New Normah Medical Specialist
2. Social Intervention Program and Community Support
 - One-Stop Community Social Intervention Centres Special Needs Community Centres
 - Aged Care Centres
3. SarawakCare State Insurance
 - SarawakCare State Health Insurance for B40 youth not covered under Federal's MySalam Programme
4. Housing Voucher Programme for first time home buyers
 - Housing Subsidy for eligible M40 and B40
5. Poverty Alleviation Programme
 - Shelter for the poor



The well-being of the people is at the forefront of the State Government's agenda and is even more crucial during the pandemic and the recovery stage. Under the social services sector, Sarawak aims to provide a high living standard, healthy and inclusive society with affordable and innovative service delivery for Sarawakians. Among the key initiatives are poverty alleviation programmes, social welfare programmes such as SarawakCare Insurance, Construction of State Research and Test Lab, new Normah Medical Specialist, Special needs Welfare Services and housing schemes.

DIGITAL TRANSFORMATION

Digital transformation will empower Sarawak economic sectors to increase its efficiencies and productivity

Key Outcomes

1

100% end-to-end digital government services

2

99.9% households with access to Internet connectivity

3

Increase Internet speed from 3 - 10 to 20 - 100 Mbps

4

100% of the population access to accredited STEM training and education online

Strategy



Empower Sarawak's economic sectors through digital transformation across sectors



Create a conducive enabling environment for digital transformation through digital infrastructure and talent development

Catalytic Initiatives

1. Digitalisation of the private sector economy
 - Big Data, IoT and Blockchain capability
 - eCommerce platform
 - Cybersecurity capacity
 - Spatial, geographical information system and building information modelling (BIM) platform
 - Private sector Digital Economy
2. Digitalisation to drive ease of doing business
 - Digital Government services
 - Open services platform
 - Smart City infrastructure
 - Policy framework
3. Growing the Digital & ICT industry
 - Data Centres
 - Digital & Innovation ecosystem
 - Digital content creation
4. Upgrade digital connectivity infrastructure
 - High speed connectivity
 - Rural connectivity
5. Develop digital talent
 - Digital Academy
 - Digital ICT Centres upskilling programmes

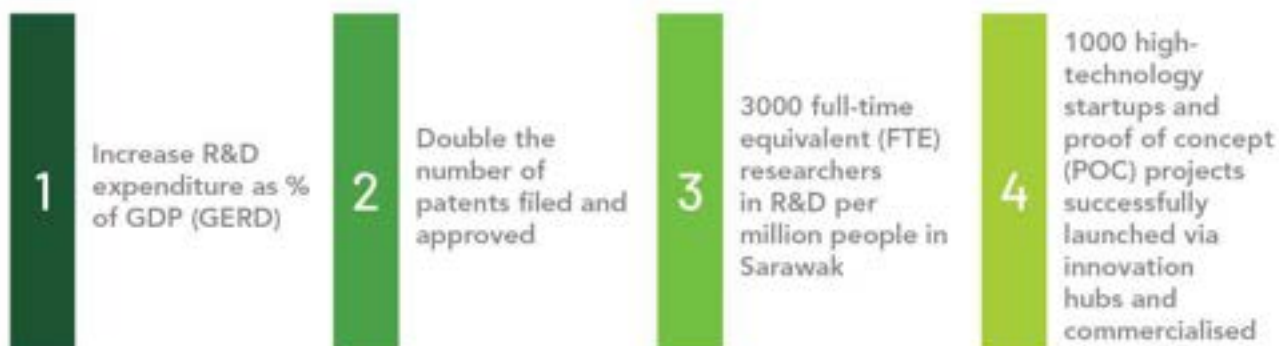


Digital transformation is the adoption of digital technology to transform services or businesses. Sarawak's digital transformation will empower Sarawak economic sectors to increase its efficiencies and productivity. The initiatives include digitalisation of private sector economy through Big Data, Internet of Things (IoT) and Blockchain technologies. The efforts will be further supported by digitalisation of public service delivery and infrastructure. At the same time, Sarawak will build the digital economy ecosystem to attract new industries focusing on international standard data centres, digital content creation and boosting digital innovation and entrepreneurship for digital startups.

INNOVATION

Innovation across Sarawak's key economic sectors will enhance productivity, develop new solutions and products for domestic and export markets

Key Outcomes



Strategy



Deepening research and development in specific sectors by focusing on demand-oriented innovation clusters



Developing a Sarawak Innovation Ecosystem



Catalytic Initiatives

1. Biotechnology Innovation Cluster
 - Sarawak Bio Industrial Park
2. Digital R&D Innovation Cluster
 - Digital Test-bed & Living Labs
3. Renewable Energy Innovation Cluster
 - Bio Hub Port
4. Venture Capital Fund
 - Venture Capital Fund operationalisation
5. Sarawak Digital & Innovation Ecosystem
 - Start-up ecosystem development
 - Start-up growth development
 - STEM & Digital up skilling
 - Digital Innovation Hub & Digital Village



Innovation is key towards driving Sarawak's economic growth and prosperity. Hence, innovation across Sarawak's key economic sectors will enhance productivity, develop new solutions and products for domestic and export markets. Leveraging on Sarawak's natural resources, innovation will focus on developing R&D capabilities and commercial applications aligned to biotechnology, digital applications and renewable energy. Innovation ecosystem development such as Bio-industrial Park, Digital Testbed and Living Labs, Bio-Hub Port and Venture Capital Funds will attract more private sector to invest in R&D in Sarawak.

BASIC INFRASTRUCTURE

Basic infrastructure will provide reliable access to social and economic hubs to meet the short-term needs and preparing the foundation for future growth

Key Outcomes

1

Achieve Road Quality Index to 5.0 for all major roads

2

100% road connection to strategic commercial and economic centres

3

50% increase in port capacity

4

25% reduction in emission from ports operations

Strategy



Synergise inter-agency collaboration to facilitate and drive economic growth



Mobilising private sector cooperation and funding



Supportive policies and regulatory framework intervention and shelter initiatives

Catalytic Initiatives

1. Efficient port services
 - Masterplan study for all ports in Sarawak
 - Ease of doing business for ports through e-community application
 - Safety and efficiency improvements
2. Major Roads
 - Second Trunk Road
 - Coastal Road Network
3. Free Zone at Senari
 - Develop 133 hectares industrial park next to Senari Terminal
4. Southern Terminal
 - A deep sea port in the Southern Region
5. Reinvigorate Miri Port as the Northern Gateway to Sarawak
6. Green infrastructure
 - Sustainability practices in ports
7. Urban transport network
 - To develop and / or update urban road network
 - To develop urban road master plan
 - Establish road quality index (RQI)
8. Sustainable Building development
 - Integrated Administrative Centers (IAC)
 - Adoption of Industrialised Building System, Green Building Index (GBI) and BIM



Sarawak's basic infrastructure development will be the driving force for socio-economic growth. Efforts will be focussed towards providing reliable access to social and economic hubs to meet the short-term needs and preparing the foundation for future growth. The infrastructure development will also provide new opportunities and unlock economic potentials especially in the rural areas, hence promote inclusive development. The major initiatives are the development of Second Trunk Road, Coastal Road Network, Urban Road Expansions, Deep Sea Ports and Free (Industrial) Zones around Deep Sea Ports.

TRANSPORT

Transportation will provide connectivity to key economic centres efficiently and effectively using low emission technology and adoption of digital solutions

Key Outcomes

1

Reducing travel time by 25% and ensuring affordability of transportation cost

2

Increase the share of public transport to 20% that is reliable in terms of time and coverage

3

Reducing emission through efficiency and use of new technology

Strategy



Collaboration between government and relevant stakeholders to better ascertain transport demand



Explore potential Public Private Partnership opportunities to attract private sector investment



Supportive regulatory framework supported by integrated development and transport planning

Catalytic Initiatives

1. River Economy
 - Installation of Aids To Navigation (ATON)
 - Salvaging and removal of shipwrecks
 - Hydrographical studies
 - River dredging
2. Land Public Transport
 - Establish an agency under Ministry to handle issues related to public transport
 - Transport master plan for all major cities in Sarawak
 - Kuching Urban Transportation System
3. Grow the Aviation Industry
 - Establish Aircraft Maintenance, Repair and Overhaul (MRO) facilities in Miri to supplement the needs of aircraft repair on the Borneo Island and around the BIMP EAGA region
4. Intermodal Transport
 - Establish intermodal transport at selected locations (from ports to industrial or economic hub and vice versa) to provide seamless logistics services to support growth in the economic sectors



It is strategically important that Sarawak continue to provide transportation connection to key economic centres efficiently and effectively using low emission technology and adoption of digital solutions. With better mobility and transportation options, the productivity level will increase and open opportunities for Sarawakians to have access to quality jobs in business centres and economic hubs such as Industrial Parks, plantation areas and tourism spots. The major initiatives include development of Kuching Urban Transportation System (KUTS), Autonomous Rail Rapid Transit (ART), terminal expansions of Kuching and Sibiu airports, international flights connectivity and installation of Aids to Navigation (ATON).

UTILITY

Utility development aims to ensure that the services are provided equitably in a reliable, economical, safe and sustainable manner

Key Outcomes

1

Providing safe, reliable and 100% coverage for water and electricity

2

Reduce non-revenue water to 25% and domestic water consumption

3

Increase domestic gas utilisation to more than 20% of total domestic gas production

Strategy



Collaboration between government and relevant stakeholders to better manage and anticipate utility needs



Explore potential Public Private Partnership opportunities to attract private sector investment



Supportive regulatory framework

Catalytic Initiatives

1. Sarawak Water Supply Grid
 - Statewide Water Grid for the purpose of providing reliable, sustainable and resilient water supply
2. Single Water Entity
 - Establish a single entity for the purpose of strengthening planning, management, operation, regulatory and enforcement functions of the water supply services
3. Utility Corridor
 - Facilitate better planning by providing a corridor for utilities in terms of time and cost effectiveness for installation of utility services
4. Smart Meter System Integrated with Renewable Energy (RE) Source
 - Innovative digitalisation in electricity metering & billing system
 - Integration of solar photovoltaic (PV) generation for self-consumption and export to the grid
5. Gas Pipeline
 - Bintulu-Samalaju Gas Pipeline
 - Pan Sarawak Virtual Gas Pipeline (Study)



Utility sector is an enabler to catalyse the State's socio-economic development. Hence, Sarawak's utility development aims to ensure that the services are provided equitably in a reliable, economical, safe and sustainable manner. The key initiatives for utility development in the State are water and electricity supply projects to achieve 100% coverage, development of Pan Sarawak Gas Pipeline to promote industrial development and Single Water Entity to improve efficiency.

RENEWABLE ENERGY

Sarawak aspires to become a regional powerhouse through affordable, reliable and renewable energy, contributing to sustainable growth and prosperity

Key Outcomes

- 1 Maintain at least 60% Renewable Energy (RE) Capacity Mix by 2030
- 2 600,000 tons Annual Reduction to CO₂ emissions via electrification of mobility fleet in Sarawak
- 3 Achieve > 15% income from foreign markets outside of Sarawak through RE sector

Strategy



Public-private collaboration towards expanding Renewable Energy generation and promoting export



Provide regulatory support to grow RE capacity

Catalytic Initiatives

1. Promote and Increase private sector participation
 - Solar projects
 - Mini-hydro
 - Oil Palm Biomass
2. Stimulate Sarawak hydrogen economy
 - Attract investments for hydrogen production and value chain
 - Establish hydrogen refuelling station network
 - Hydrogen to power Automated Rapid Transit (ART)
3. Export Sarawak Renewable Energy
 - Increasing interconnectivity with other regions
 - 1,400km of new transmission line of 500kV, inclusive of 600km of undersea cable across the South China Sea
4. Net Energy Metering (NEM)
 - Introduce Renewable Energy Supply Act
 - Incentivise first 500 domestic customers with solar photovoltaics installation
 - Public – Participation of government buildings in the Net Metering programs
5. Promote Electric Vehicles (EV)
 - 100MW renewable energy generation capacity
 - 3 in 1 multi-fuel charging stations hydrogen, electric and conventional fuel
 - Attract and establish EV value chain



Sarawak aspires to become a regional powerhouse through affordable, reliable and renewable energy, contributing to sustainable growth and prosperity. Aligned to this aspiration, Sarawak will maintain at least 60% of its generation capacity mix from renewable sources and generate 15% of renewable energy sector income from foreign markets. Public-private collaboration towards expanding renewable energy generation as well as in promoting exports of renewable energy and related services will be intensified. Among the initiatives to promote renewable energy are hydrogen economy, 50MW Floating Solar, mini hydro projects and Electric Vehicles.

EDUCATION AND HUMAN CAPITAL DEVELOPMENT

Education and human capital development to increase efficiency of workers and helps economies to move up the value chain

Key Outcomes



Strategy



Integrated planning to cultivate a workforce with matching skills to Sarawak job requirements



Intervention to complement Federal education policies in order to suit Sarawak requirements

Catalytic Initiatives

1. Strategic Partnership with Industries and Stakeholders
 - Human Capital Development Council
 - Sarawak Workforce Information System
2. Science Literate Workforce and Society
 - Teaching of Science and Mathematic in English
 - Sarawak Science Centre
 - Sarawak Technical and Vocational Education and Training Scholarship Fund
3. Address Disparity in Quality Education
 - Yayasan Sarawak International School
 - Developing Teachers and School Leaders
 - Upgrade/rebuild schools and provide access to basic



Education is a critical component of human capital development to increase efficiency of workers and helps economies to move up the value chain. The establishment of strategic partnership with industries and stakeholders will prepare our human capital to match Sarawak's current and future job requirements as well as to address disparity in quality education. The key initiatives include the formation of Human Capital Development Council and strengthening Sarawak Workforce Information System (SWIS) to identify and close the workforce demand-supply gap, establishment of Science Centre to cultivate and increase interest in Science, Technology, Engineering and Mathematics (STEM) and development of 5 International Schools to cater for bright rural students.



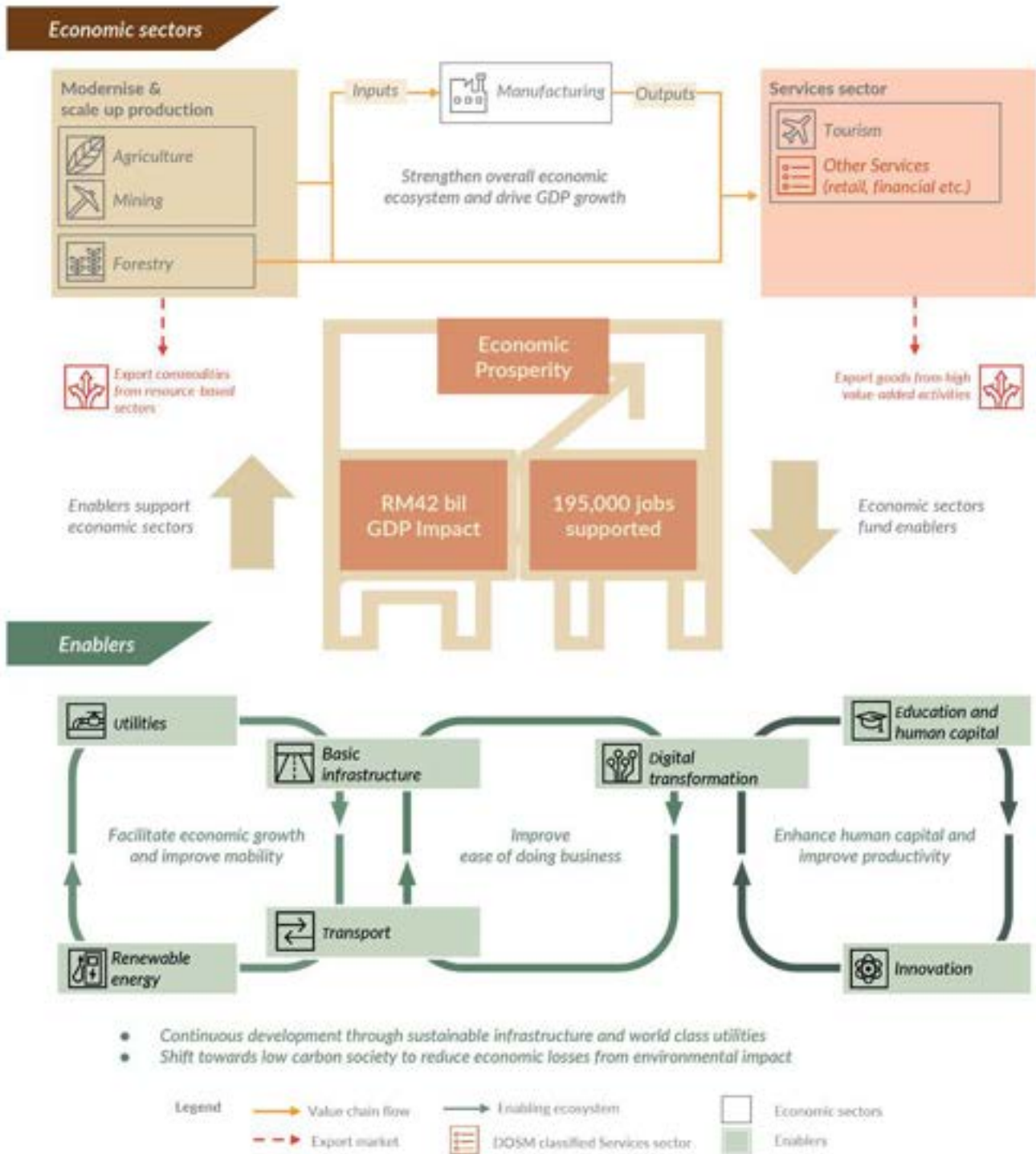
CONCLUSION



ECONOMIC PROSPERITY



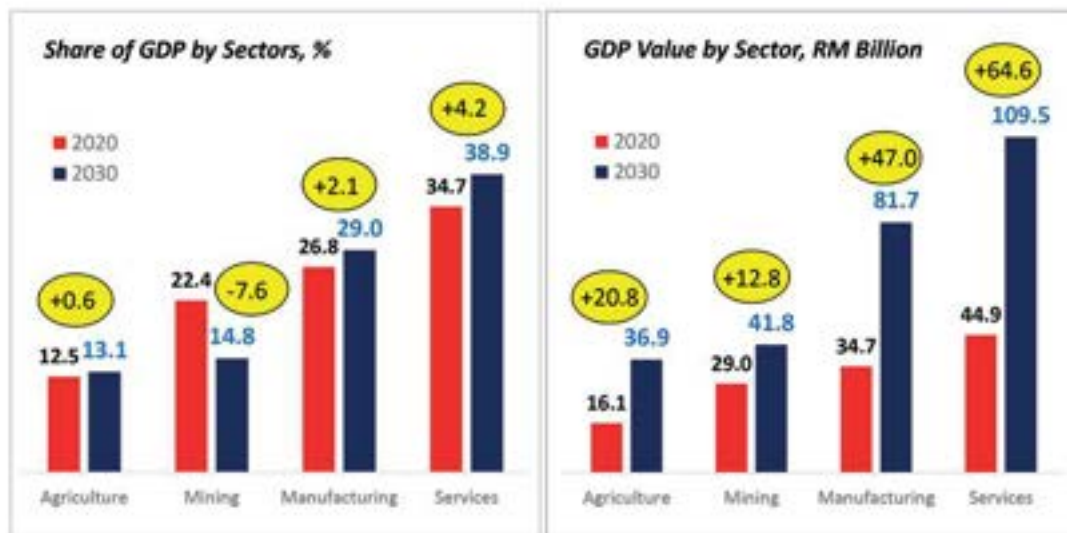
The ecosystem below illustrates the interaction between economic sectors and how enablers play a role in achieving economic prosperity.



The development of 6 economic sectors which is supported by 7 enablers will position Sarawak as an attractive investment destination. This will increase value and quality of investment in Sarawak.

Through quality investment, Sarawak will shift its economic structure with higher contributions from the services and manufacturing sector by 2030. The services sector's contribution to Sarawak GDP will increase from 34.7% in 2020 to 38.9% in 2030 while the manufacturing sector's contribution will increase from 26.8% in 2020 to 29.0% in 2030.

By 2030, Sarawak will shift its economic structure with higher contribution from services sector and higher value-added activities

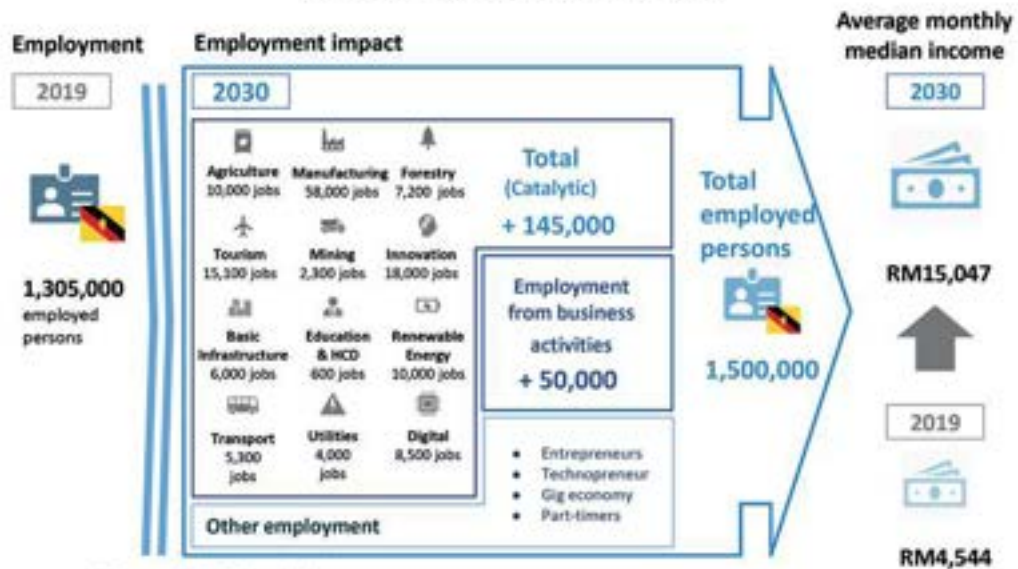


Source: PwC Analysis

At the same time, Sarawak will continue to develop and modernise the primary sector to increase productivity to support the high value manufacturing activities such as oleochemical, food processing, pharmaceutical, petrochemical, hydrogen and metal based products. This will complement the growth in the services sector such as transport and logistic, financial and legal services as well as design and creative services.



**Sarawak median household income to increase by 231%,
from RM4,544 to RM15,047**



Source: PwC Analysis

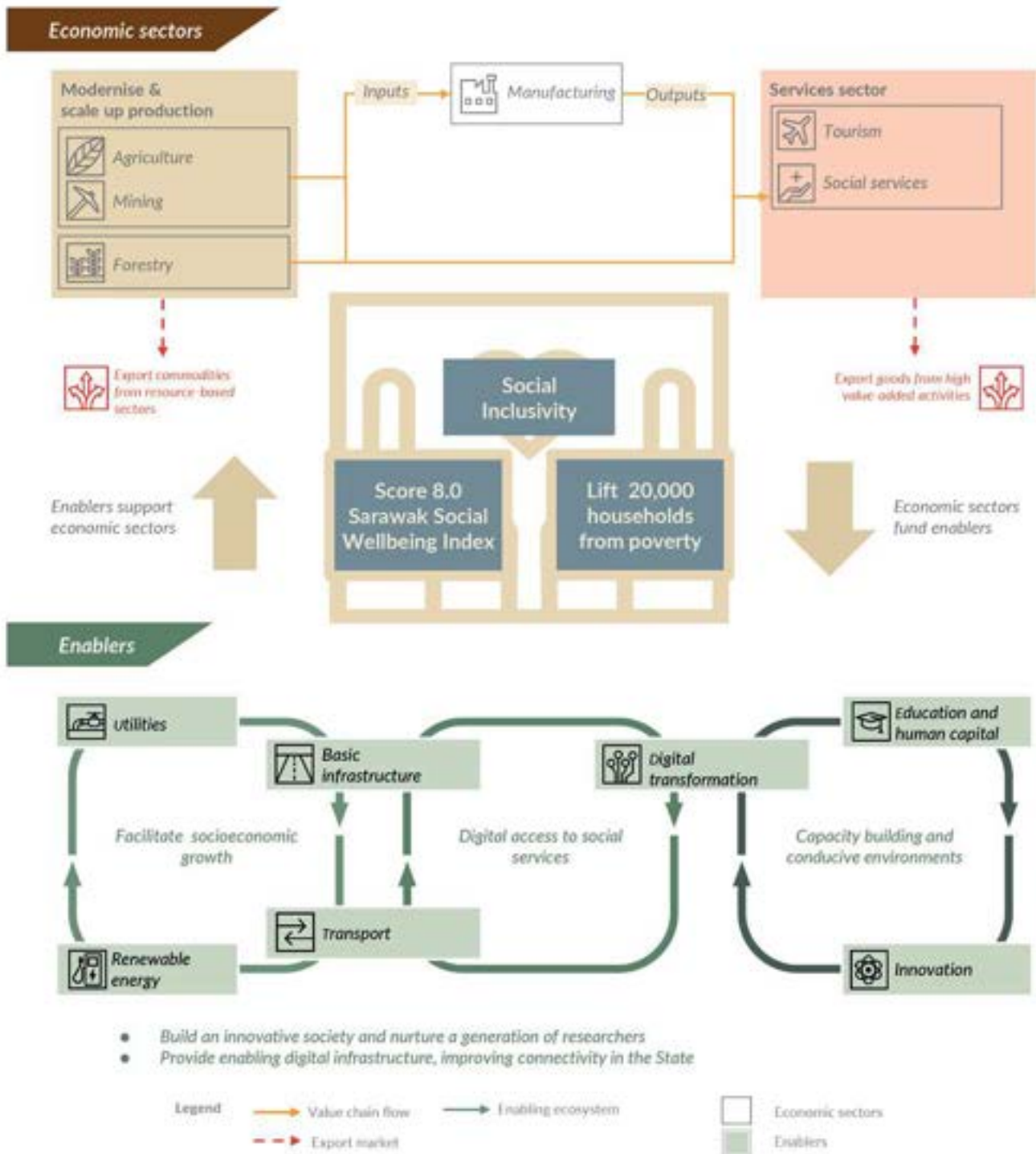
Through these initiatives, an additional 195,000 high paying jobs will be generated making the total employment of 1.5 million by 2030, thus increase income and standards of living.

The education and human capital development initiatives, namely skills development training will ensure that our people are equipped with the right skills to grab the jobs created to increase their income. As such, the monthly median household income is projected to increase from RM4,544 in 2019 to RM15,047 in 2030.

SOCIAL INCLUSIVITY



The ecosystem below illustrates the interaction between economic sectors and how enablers play a role in achieving social inclusivity.



Social Inclusivity will be enhanced by narrowing urban and rural development gaps and greater community participation in mainstream of development

**GREATER
URBAN RURAL
ECONOMIC
INTEGRATION**

- Road Accessibility
- Digital connectivity
- Capital and Investment Facilities
- Domestic and Export Markets

**CAPACITY
BUILDING**

- Education and health services
- Skills and training programmes
- Business and Entrepreneurship development
- Talent development

**COMMUNITY
PARTICIPATION**

- Commercial Agriculture
- Tourism
- Mining
- Forestry
- Renewable Energy
- Manufacturing
- Services
- E-Commerce

**SUSTAINABLE
SOCIO-
ECONOMIC
DEVELOPMENT**

- Sustainable income generation
- Improved standard of living
- Efficient management of resources

Social Inclusivity will be enhanced by narrowing urban and rural development gap with greater urban rural economic integration, capacity building and community participation for sustainable development.

Greater urban rural economic integration will be achieved with robust infrastructure development such as road accessibility, digital connectivity that provide greater access to capital and investment facilities for commercial economic activities for domestic and export markets.

Capacity building for the community will be supported by human capital development programmes and projects such as education and health services, skills and training programmes as well as business, entrepreneurship and talent development initiatives.

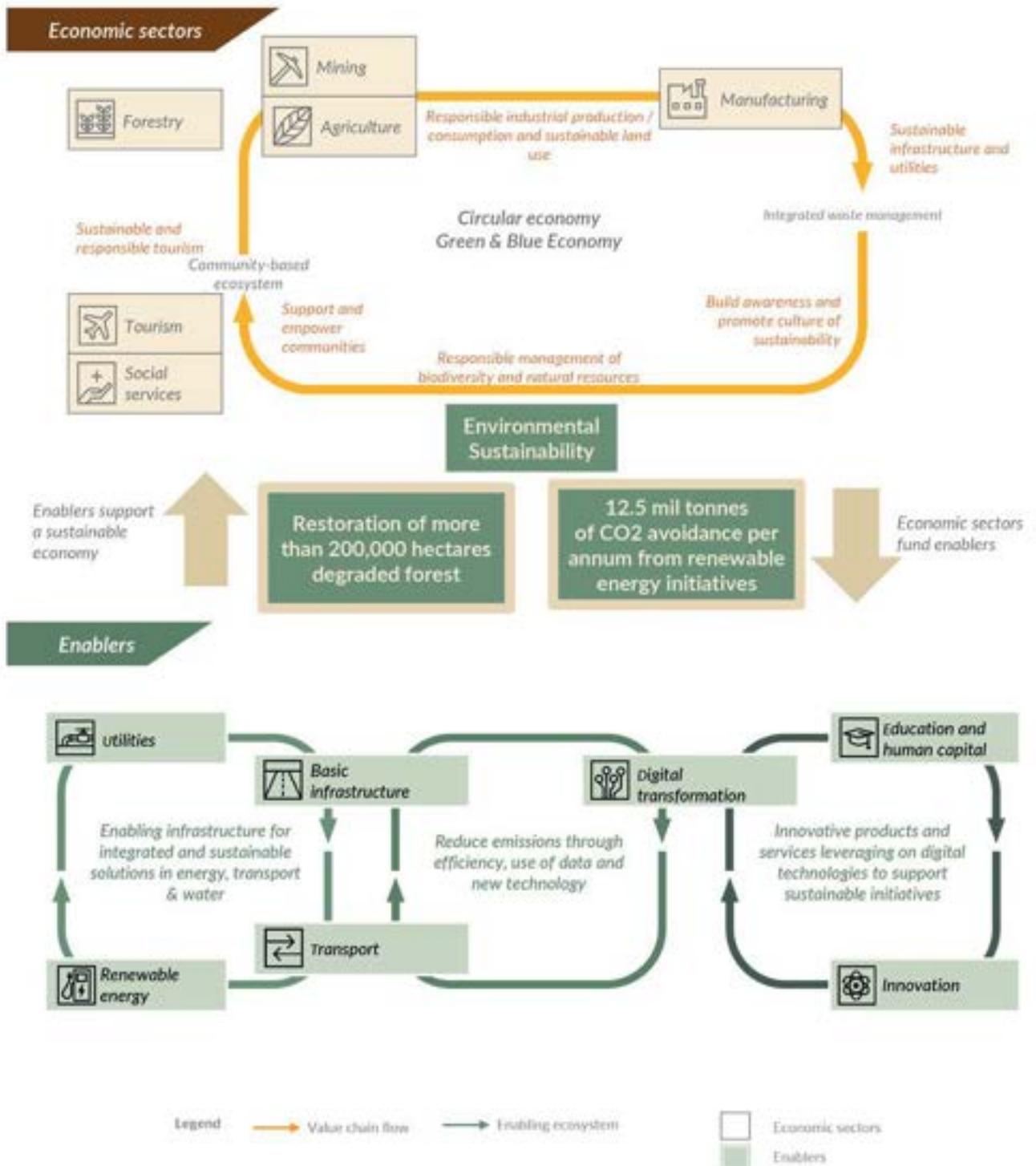
With greater access to market and capital coupled with capacity building programmes, the community will participate actively in Commercial Agriculture, Tourism, Mining, Forestry, Renewable Energy, Manufacturing, Services and E-Commerce activities.

Sustainable development will be achieved with the combination of all these initiatives where the community will have sustainable income generation that will improve their standard of living as a result of efficient resources management.

ENVIRONMENTAL SUSTAINABILITY



The ecosystem below illustrates the interdependency between economic sectors and how enablers play a role in achieving environmental sustainability.



Sarawak environmental sustainability will be further enhanced through the development of Sarawak Sustainable Environment Blueprint



Sarawak environmental sustainability will be further enhanced through the development of Sarawak Sustainable Environment Blueprint. The Blueprint will cover both the green and blue economy initiatives.

Green Economy covers all economic activities on land. The State will develop Green House Gases (GHG) inventory for all economic sectors and cities to identify the major contributors to GHG emissions in order to formulate Green Economy initiatives.

Blue Economy covers all economic activities in ocean and coastal areas. The State will develop Blue Economy Index to provide input and indicators for the formulation of the initiatives.

The Green and Blue Economy initiatives will provide a comprehensive and holistic Sarawak Sustainable Environment Blueprint covering amongst others, climate action, forestry, financing, water and land use, green cities and mobility, resilient infrastructure, sustainable energy, circular economy and integrated watershed management.

The Blueprint will be enforced and implemented by the enforcement agencies through intensified data collection and digitalisation.



Economic Planning Unit Sarawak
Chief Minister's Department
6th, 7th & 9th Floor, Wisma Bapa Malaysia
Petra Jaya, 93502 Kuching, Sarawak

Tel: 082-319380 / 440857
Fax: 082-449481 / 442536