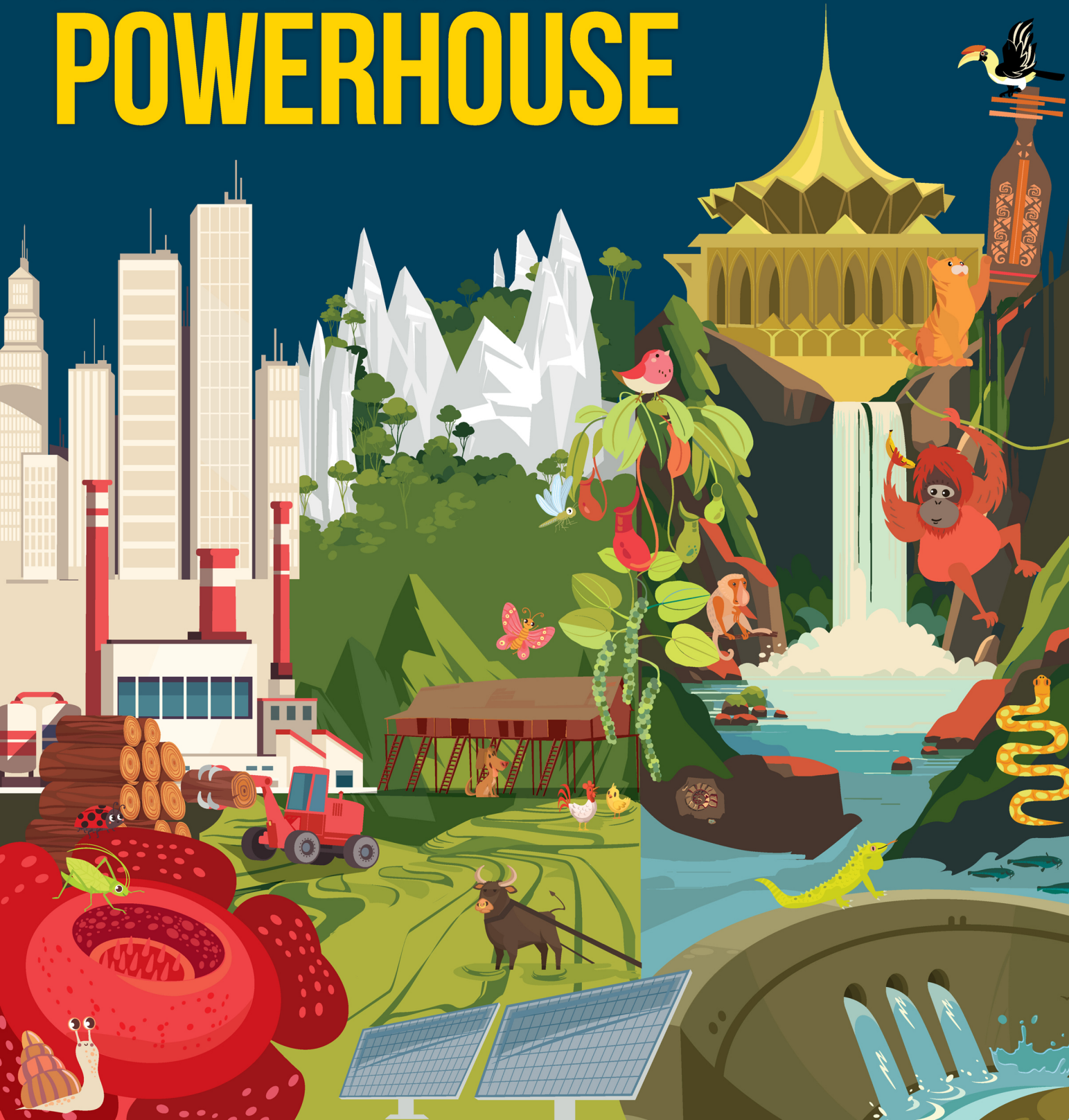


# SARAWAK: A NEW ECONOMIC POWERHOUSE





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# EDITOR'S NOTE

## SARAWAK UNLEASHES ECONOMIC POTENTIAL

**SARAWAK, THE LARGEST** state in Malaysia and third largest contributor to the country's gross domestic product, is fast emerging as an economic force to be reckoned with.

In fact, in recent years, the state government has been quietly putting in place the important building blocks for propelling Sarawak towards developed state status by 2030.

Underpinning this ambitious aspiration is its Post Covid-19 Development Strategy 2030, a blueprint that lays out a multi-pronged approach to push the Sarawak economy forward.

Its thrust is to double the state's GDP from RM136 billion in 2019 to RM282 billion in 2030, the goal being to re-engineer the state into an innovative and tech-driven economy. To achieve this, Sarawak's economy has to chalk up an average annual growth rate of 8% over the next seven years, which will be a quantum leap from the current growth rates of around 3% to 4%.

More recently though, Sarawak has been making its presence felt in the country following the 2022 general election and the formation of a unity government in Malaysia. Sarawak's Gabungan Parti Sarawak (GPS), which won 23 seats, is part of the unity government. And for the first time since the formation of Malaysia in 1963, a Sarawakian has been appointed as deputy prime minister.

Despite all that has been going on in the state, Sarawak remains under the radar for many people, including those in the region and even Malaysians in the peninsula. For the longest time, the mention of Sarawak brought to mind its rich resources such as oil, gas and timber. Its tourism attractions, especially adventure and outdoor tourism, were also popular.

This magazine that you now hold in your hands, *Sarawak: A New Economic Powerhouse*, provides not just a general view of the latest developments in the state. Our writers travelled to Sarawak and spoke to people in industry and government to get insights into its development story.

Indeed, our writers who were in Kuching recently to do their research and interviews felt a palpable air of excitement in the city; people they talked to were optimistic of the future, and many were proud of how far the state had come in the last decade.

Some of the articles we have compiled in the following pages include interviews with Sarawak Premier Tan Sri Abang Johari Tun Openg as well as Deputy Prime Minister Datuk Seri Fadillah Yusof. We also focus on the state's stance on environmental, social and governance (ESG) issues, the progress it has made to "decarbonise", and the role of renewable energy, going forward.

Of course, this magazine would not be complete without write-ups on the state's food and travel offerings. Apart from popular items such as Sarawak laksa and kolo mee, we have compiled a long list of traditional food that many may not have heard of, like dabai (also known as Sarawak olives), sago worms, umai and pansuh ayam.

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***“I’m doing a continuation to my predecessor (Tan Sri Adenan Satem), to get it right and pursue, based on the understanding, the agreement that we have, under the Malaysia Agreement 1963.”***

ABANG JOHARI



## OVERVIEW

# SARAWAK TAKES UNCONVENTIONAL PATH TO HIGH GROWTH

Premier Tan Sri Abang Johari Tun Openg talks about the ambitious but achievable goal of making Sarawak a high-income state by 2030

BY ISABELLE FRANCIS AND JOSE BARROCK

**S**ARAWAK PREMIER TAN SRI Abang Johari Tun Openg's strategy to develop Sarawak into a high-income nation by 2030 is one that is unconventional but necessary to weather the uncertainties of the global economy.

"I am trying my best. You need a lot of new ideas to run the country, to run Sarawak based on our competitive advantage over the others. Just focus on this and have a clear-cut journey for us to move forward," the premier says.

Ideas can be expensive, and Abang Johari acknowledges that economic viability and profitability are essential to the state's economy, which was worth more than RM130 billion as at 2021.

He wants to increase that figure to more than RM280 billion by 2030 and to achieve that, the economy must grow at an average of 8% annually.

This will be a daunting task, given that Sarawak's growth rate has stayed below 3% since 2021.

The state also has the responsibility of providing for its rural population, who still lack basic infrastructure needs such as clean water and power, while ensuring that its rich culture, heritage and biodiversity assets are protected and preserved.

Abang Johari has implemented a three-pronged strategy of economic prosperity, social inclusivity and environmental sustainability to strike a balance. He says the state has to re-engineer its economy, diversify from being a heavy resource-based economy, leverage its assets and intensify digitalisation.

In an exclusive interview with *The Edge*, the premier explains how he will execute the strategy laid out in the blueprint, the Post-Covid-19 Development Strategy 2030 (PCDS 2030).

A priority is solving the critical issues in the Malaysia Agreement 1963 (MA63), in particular the devolution of power for oil and gas (O&G) resources, which is paramount to the success of the strategy.

Abang Johari also talks about why English should be the official language of Sarawak, and how education needs to be elevated state-wide. As such, it is essential to iron out the outstanding issues in the MA63 such as the autonomy of education and healthcare.

The following are excerpts from the interview.

**The Edge: Premier, are you happy with what you have achieved?**

**Abang Johari:** I have led the state for six years. It's a very short period of time. I can't assess whether I am successful or not. The question is, as long as you've got a clear direction and you know (how to manage) the resources and your strength, then, you just go through (with) it. Try to adjust to the new environment rather than the conventional way of how you run a country. Basically, a transformation and then you need to innovate.

**What role does Sarawak play in nation building, in building Malaysia?**

We have been there (building Malaysia) since 1963 and the spirit is there already, as a nation. But along the way, we feel that some of our rights that we should get have been eroded either with intention or without intention. That is why we need to put it back on its original footing.

So, I'm doing a continuation to my predecessor (Tan Sri Adenan Satem), to get it right and pursue, based on the understanding, the agreement that we have, under the Malaysia Agreement 1963. But there are certain areas where we need to consult further and certain areas where we (want to) have autonomy. For instance, English, which we set as our national language, is under our constitutional obligation; otherwise, language also seems to be very sensitive.

But if you want to develop further and keep abreast with the rest of the world, you need English. I once asked someone to translate "blockchain"; how do you translate that into Bahasa? Is it *rantai blok*? It

is a very important technology in the new economy; you must use that term, otherwise the meaning will be different.

### This is the reason why you are asking for autonomy over education and healthcare?

... IGC (Inter-governmental committee) Paragraph 17 says that the education policy must be in concertation with the state. If you want to impose any policy on education, the director of education, though he is the federal officer, must consult the state (first). This should have been followed through. That's why certain policies may not be in tandem with what our children need.

What happened was that the one who imposed the policy (at the federal level) might impact the standard of education here. For instance, we (Sarawak) recognise UEC (Unified Examination Certificate) while the Federal doesn't. A lot of universities recognise UEC, even in the UK, and the US, the top universities (in the world). So why can't you recognise UEC?

If the reason is Bahasa Malaysia, so you offer it as an elective, make it compulsory. The certificate is as good as any other certificate; otherwise, you lose out. They (the students) are good at Mandarin, mathematics and science subjects; otherwise the other countries will get them. Sarawak recognises UEC.

Education is universal, and I am now setting up five international schools using the Cambridge syllabus. At least those who are the cream (of the crop) can pursue their education and perhaps be accepted by top world universities such as Stanford, MIT, Cambridge, Imperial College and LSE, and they need a good (command of) English. They will already be informed about the current technology when they go there. That's why (autonomy in) education is very important.

Sarawak has emphasised the importance of English to the development of its people and the economy



### Apart from education, religion and race are not so polarised in Sarawak ...

The state offers assistance to non-Muslims. This year, I'm giving them (the non-Muslim community) RM100 million. The rationale is that religion is something for you to hold on to, you follow your religious teaching. Basic needs are there (in the teachings). But if people are not disciplined, this is where they have problems. After all, the dos and don'ts in religion for people (are similar).

(Polarisation) is just like cancer. Once it touches your sensitive vein, it will affect you. Over here, in a family, we have Christians, Muslims, especially in the Mukah area, and interracial marriages. The Malays go to tea ceremonies and the Chinese go to *akad nikah*. Multiracial, multireligious understanding is very important because nobody knows if you are going to hell or heaven. Only God knows, according to your faith, so do good things.

When leaders come over here, they say Sarawak is a model. Chopsticks are not a problem (laughs). Remember that incident of Timah Whiskey? It also means tin (laughs). Why make a fuss about it?

It is an interfaith understanding. You must go to the basics first: why we need religion. Of course, you have different beliefs, so follow the teachings of your religion. But you question other religions, why? You cannot exert the power of God, but nowadays you are holier than thou. This is my personal view.

Swinburne University of Technology Sarawak is ranked among the Top 1% of universities globally. The state is in the process of setting up five international schools using the Cambridge syllabus.



### Have you communicated with cabinet members in the peninsula regarding these racial tensions?

Yes, the last round was with (Minister of Youth and Sports) Hannah Yeoh. Hannah came here and was impressed with our interfaith and interracial relationships. The second was with the education minister



(Fadhlina Sidek). In other words, the federal ministers recognised the importance of understanding among racial groups.

We want to maintain this (understanding) in Sarawak. That is why we use our immigration power. It's not to control immigration by whims and fancies, no. If the background is not suitable for us here, you cannot come here and spread cancer. Some people criticise that we are defending our state; it's not that we have to, we need to have a safety net. Once your country is in trouble, everybody is. This trouble only starts with a few. I have been in public office for over 40 years and have seen through all of these.

There must be a balancing act. When I came in, I set up a unit for other religions, giving them a budget. Let them consult the church on repairing the church and (the building and running of) mission schools. This year, I increased the (budget) amount to RM100 million (from RM50 million). Their office costs RM60 million (to build), and I paid.

To have harmony, they can focus on how to help people. Otherwise, you spend time trying to fix up things, wasting time. The focus now is on the new economy, on development, getting the right income for people, and then making the economy strong.

We give RM1,000 to mothers of newborns, RM10,000 deposit for B40, M40 for housing ... For new couples, they can't pay a deposit for their first

Abang Johari says he wants to maintain the understanding among racial groups in the state

house. So, the government gives 4,000 affordable units a year, costing RM40 million, and they don't need to pay back. The government sets up the infrastructure, they only pay for the house. We have the Mutiara mortgage to give a loan at only 1% interest.

**Premier, you mentioned about a balancing act. How do you strike a balance? As you know, you have to help the rural areas to develop and at the same time have the ambition to have this digital economy and make Sarawak a renewable energy player. You have your opex and capex; so how do you strike a balance?**

First, you must have sufficient revenue. In your budget, you must provide for rural and urban because you also have urban poverty. Your allocation must be balanced. Second, to transform rural areas, you need basic infrastructure, namely water supply and power. For instance, in the longhouses, they use diesel, which is expensive. I have a programme called Sares (Sarawak Alternative Rural Electrification Scheme) to supply electricity using solar. With solar, longhouses get power for free. For three years, the budget is RM3.5 billion for (the development of basic needs in) remote kampungs.

The other one is the roads. In the last four years of my leadership, (much has been done). In 10 years, it will bring change (to livelihoods in rural areas).

Number three is education. You need education to

eradicate poverty. You've got NCR (Native Customary Rights) land; the question of EPU (Economic Planning Unit) saying Sarawak's poverty (level) is low — I tend to question that. Poverty is measured against your net assets. Our rural people have land, and land is an asset, but they (EPU) don't include land (in the poverty measurement). For instance, this eKasih (National Poverty Data Bank System), once they are given aid, they are considered poor. But now surely they want to be in eKasih all the time because they can get extra money.

But they have NCR land, (spanning a) few hundred acres. The question is, you don't monetise the land. But in economics, assets are for you to measure poverty, which is why I dispute that (EPU) figure. That's why now I want to do my own research. How many assets do they have in rural areas? But in order to monetise your land, you need education. (You) cannot rely on eKasih all the time. (Handouts) make people lazy. So you transform via education. Now we go for smart farming, on top of all the other things, that is infrastructure, water. Urban problems require a different way to tackle.

#### **How far (along) are the talks for autonomy on education and healthcare with the current administration?**

What we say is, why not administratively, you delegate the power to us to run the hospitals, recruitment and all that? The rest is federal policy. When you talk about public health, you cannot differentiate what is federal, what is state. For instance, for cancer (treatment), you need a certain policy to manage and control the centre.

For a patient to go from here to KL is expensive, so I said why not set up a cancer centre here? But Federal



***“We want to develop our state within our own parameters. Why now? Maybe Sarawakians are now smarter? What else can I answer? We are asking within those parameters to develop our state.”***

ABANG JOHARI

said they haven't got the budget. So, let us build the hardware (building and equipment), then Federal leases the building and provides the doctors and specialists, so that the people don't have to go to KL for treatment.

Then we have the Pan Borneo and coastal highways. People can come to Kuching by road to get treatment. To have cancer treatment in KL is expensive; one is the airfare, and accommodation for family. This autonomy applies to education. Previously they had a policy — if they had a problem with teachers there (in Peninsula), they sent them here. We know what criteria of teachers we need. The moment we address that, the country can move forward with other economic policies because people are happy. English is important, at least train the people, then move forward.

#### **The state is on the right track for development?**

At the moment, yes. You have to understand our economy is different from Peninsula.

We have the resources; it's a question of managing the resources. For instance, the one with the most controversy was oil and gas ... the PDA (Petroleum Development Act), we conceded because parliament has passed it, though the state has not. Then we have our own law, Oil Mining Ordinance (OMO) 1958. Under the ordinance, we can impose sales tax. So okay, we don't decide on royalty although we wanted to increase that, but we can impose SST (State Sales Tax) instead.

Petronas used the PDA (to challenge the imposition of SST) and then I sued them. This was how the SST came about. With this, we can manage our resources. We now



The state also has the responsibility of providing for its rural population, who still lack basic infrastructure needs such as clean water and power



have a CA (commercial agreement) between Petronas and our state, through Petros (Petroleum Sarawak Bhd).

After all, we need foreigners to come as contractors. For PSCs (production sharing contracts), we have a formula where everybody is happy. So now we have extra revenue.

But when it comes to the new economy, on carbon trading and storage, that is entirely Sarawak's right. The PDA is only on oil, not on carbon trading. So, I have amended my land law to allow carbon trading on our resources as well as carbon storage.

That has become absolutely Sarawak's, and Petros is the one managing it. This is part of (the) new (economy).

**Recently, Sarawak has been seen as asking for more. Some people have asked, "Apa lagi Sarawak mahu?" How do you answer something like that?**

(Laughs.) We want to develop our state within our own parameters. Why now? Maybe Sarawakians are now smarter? What else can I answer? We are asking within those parameters to develop our state. The strength is there to develop the state into a new economy.

I was with (Minister of International Trade and Industry Tengku Datuk Seri) Zafrul (Abdul Aziz) the other day when I was in Singapore. The federal government does not even have a protocol yet on carbon trading. I told Zafrul

The Pan Borneo highway. The building of infrastructure such as roads will bring change to the rural areas.

I have engaged with Verra in London; Verra is a sanctioned agency on climate change. I have to move forward on carbon trading. We don't want to *potong kayu* anymore. That is why we stopped logging; we have carbon revenue. Now the money is there, with the forests, you produce oxygen and carbon trading, it produces revenue.

**Most of the O&G resources are in Sarawak. Do you think you are given due respect?** The question is, how do you get your fair share? That's why I formed Petros, which can work with Petronas on this. They are technical people who know how (much) the reserve is, etcetera. And then you get the right numbers. That is why we have this commercial agreement between Petronas and us. We worked with Petronas to do the research to get the technology, the electrolysis (hydrogen) process and how to fabricate electrolyzers to produce hydrogen. This is the way to do it.

**You have brought in many changes to Sarawak. It seems that you have a very clear direction on where to lead the state. At the federal level, what will you advise your peers?** That one is up to people to assess. I cannot assess myself. I am doing what I think is right with the new mandate given to me during the last state elections. That's why I have PCDS until the year 2030. After the pandemic, I



told myself we must recover from that.

So, number one is economic prosperity. Number two is social inclusivity — if you have an economy, but your social structure is not there, it can disrupt your economy. Number three is environmental sustainability. These are the three pillars of my PCDS 2030.

We must have a clear-cut strategy; my ministers understand this. Then they can execute the policies without many questions, so less politicking. Politicking is because of fear, that's why the politics can become messy. Nobody benefits.

And then on why Sarawak wants to use English. Look at Constitution Article 152 — whatever it is, we are allowed to use English, the language of the future is English. Bahasa is already mandatory, we need to enhance our English, otherwise we cannot communicate at international forums, and secondly, books are mostly in English.

**In your opinion, what should the federal government do to revive the economy?**

Malaysia must go for the new economy. Our country is not that big compared to other nations. Indonesia is going to Nusantara, Vietnam is developing very well, with international standing, and now their emphasis is on climate change. Financial institutions' emphasis is

The golden triangle of Kuching. Sarawak has implemented a three-pronged strategy of economic prosperity, social inclusivity and environmental sustainability.

also on the environment. Education must be at a certain level so that we can keep abreast with technology.

How many of your students know AI (artificial intelligence)? How did AI originate? Our students must be on a par. Then how the economy performs will be based on the new way you run the economy, that is, digitalisation, building smart cities.

When I was a deputy CM (chief minister), I went to Germany, to study the technology to convert hydrogen to liquid. When I came back, I started (the process to create) the prototype to monitor the costs because we have hydropower. Logistics, how do you export? Through ammonia or direct liquified hydrogen? The world is shifting towards hydrogen. That's what I'm saying, the country must be strong, and its people must be trained towards achieving that.

This was why I set up the five international schools, because our (education) system keeps on changing. This time it's like this; next time it is different. When we were in school before, we had labs. Nowadays, there are no (science) labs in government schools. You study the books, but practicality is not there. I come from a mission school. The last time we studied biology, we went to the lab for practicals. ●

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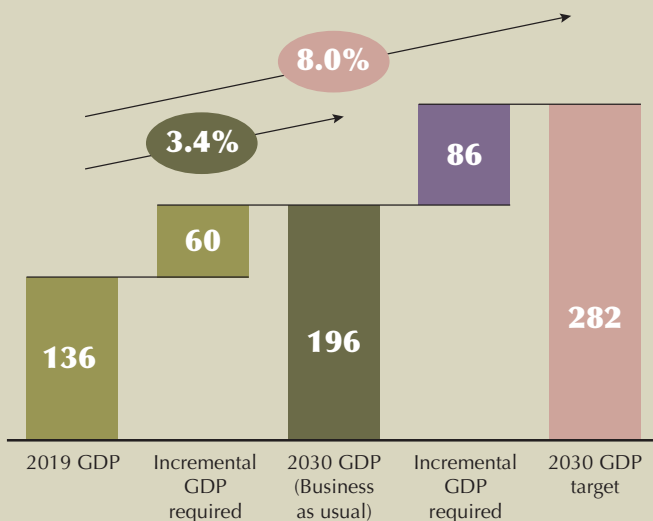
INFOGRAPHIC

# ROAD TO PROSPERITY

The Post-Covid-19 Development Strategy 2030 (PCDS 2030) was introduced by the Sarawak government in 2021 to set the path to becoming a developed state and high-income economy. Here are some key highlights of the strategy.

COMPILED BY TAN ZHAI YUN

## GDP growth projection (2020-2030) RM bil



### GOALS

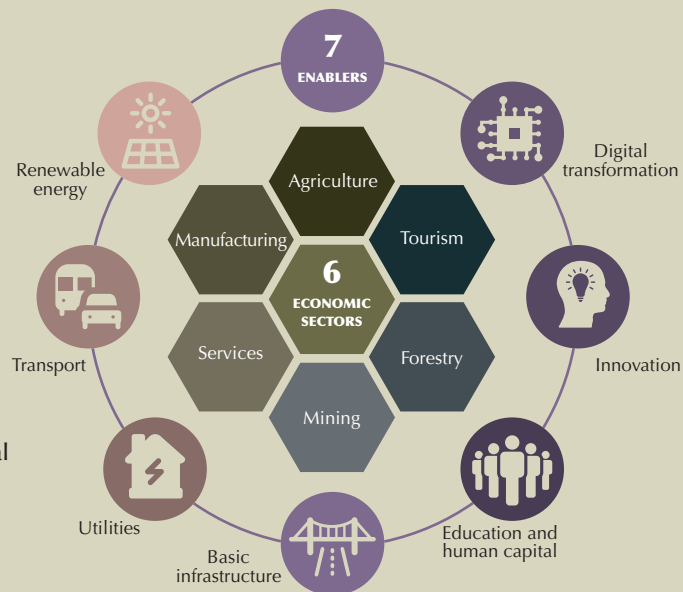
- 1 Double the size of Sarawak's economy from RM136 billion in 2019 to RM282 billion in 2030
- 2 Be a developed state by 2030
- 3 Grow Sarawak's economy by 8% a year between 2021 and 2030
- 4 Create 195,000 job opportunities
- 5 Raise household income to RM15,047
- 6 Reduce urban and rural development gaps
- 7 Improve work efficiency and enhance productivity via digital innovation

### SIX ECONOMIC SECTORS

- 1 Manufacturing
- 2 Agriculture
- 3 Tourism
- 4 Forestry
- 5 Mining
- 6 Social services

### SEVEN ENABLERS

- 1 Digital transformation
- 2 Innovation
- 3 Education and human capital
- 4 Infrastructure
- 5 Utilities
- 6 Transport
- 7 Renewable energy



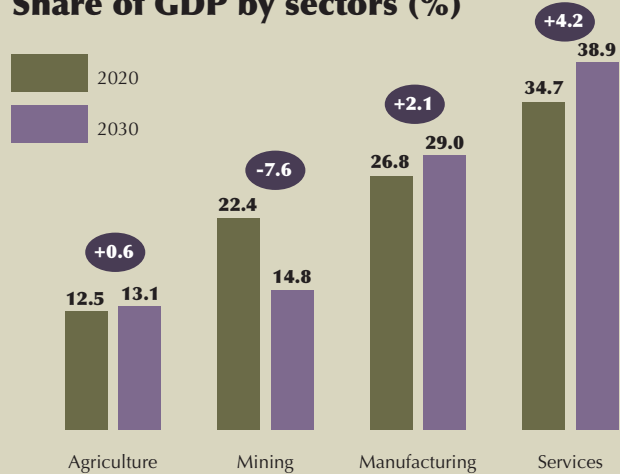
**THREE PILLARS**



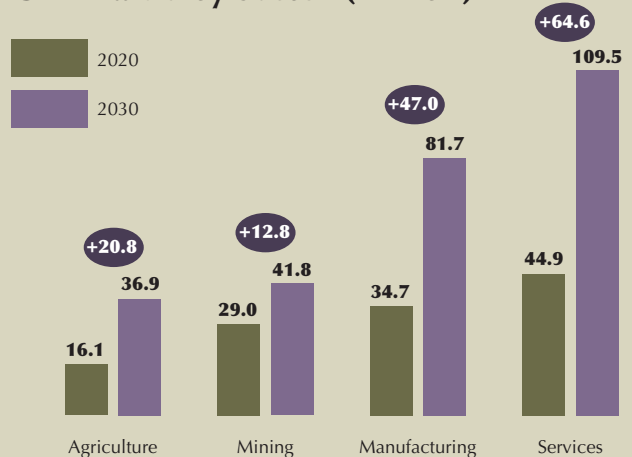
**SEVEN STRATEGIC THRUSTS**

- 1 Economic structure**  
Transform Sarawak into a competitive economy by increasing productivity levels, developing more high-value downstream activities and creating new industries
- 2 Ease of doing business**  
Make Sarawak an investment destination of choice
- 3 Targeted spending**  
Spending on areas that yield the most economic, social and environmental impacts
- 4 Optimise assets and human capital**  
Optimising the use of assets and government funding and developing human capital to support socioeconomic development
- 5 Digital and execution**  
Accelerate digital adoption and data utilisation to generate outcomes
- 6 Social inclusivity**  
Drive economic and social benefits for all Sarawakians
- 7 Environmental sustainability**  
Balancing economic growth with environmental sustainability

**Share of GDP by sectors (%)**



**GDP value by sector (RM bil)**





# PARKCITY®

## STAYING ASPIRATIONAL

Defined by the success of its multi-award-winning master plans, ParkCity is a regional brand that is synonymous with innovative placemaking, sustainable and liveable residential concepts as well as urban green spaces in Malaysia and Vietnam.



An established, trusted regional property and investment company, ParkCity's aspirations have always been to offer more than just bricks and mortar but a lifestyle where people can enjoy life, work, play and wellness close to home.

This guiding principle has seen the Group build communities in Malaysia and abroad in Vietnam, imaginatively converging wholesome family values with rewarding lifestyles within tranquil, secure and contemporary enclaves.

## CREATING SPACES FOR LIFE

Mindful that people today seek more than a roof over their head - environment, neighbourhood and capital appreciation being key - we constantly strive to be adaptive to these ever-changing needs.

Hence, our townships have now grown to include top-grade health, education, hospitality and retail assets - the ParkCity Medical Centre; The International Schools at ParkCity in Kuala Lumpur and Hanoi, Vietnam; and the ParkCity Everly Hotel in Bintulu, Sarawak.

On the retail front, we have The Waterfront and Plaza Arkadia @ Desa ParkCity as well as Miri Times Square @ Marina ParkCity, all of which attract high occupancy rates and footfall. In the pipeline are the under-construction The Linc and Arkadia Square @ ParkCity Hanoi.





## COMMUNITIES WITH A DIFFERENCE

Every ParkCity master plan is well-detailed to have walkable, safe and sociable environs with international appeal.

This offers a distinct ParkCity lifestyle to our residents. Living in vibrant communities within walking distance of parks with lakes, international schools, medical centres, neighbourhood hubs that offer myriad F&B selections, services and products, leisure spaces and more.



### KUALA LUMPUR'S MOST LIVABLE COMMUNITY

Named the World's Best Master Plan in 2019, this coveted 473-acre township offers landed and vertical properties alongside vital lifestyle, leisure, retail and commercial opportunities.



### VISIONARY MASTER-PLANNED COMMUNITY

Easily distinguished by its signature residences, leafy streets and pathways, attractive amenities and a vibrant TownCenter, ParkCity Hanoi is the embodiment of ParkCity's core values.



## THE PARKCITY WAY

Anchored by the five pillars of Family, Neighbourhood, Community, Connectivity and Convenience, the making of each ParkCity township does not happen by chance but occurs as a continuous process of infusing 'heart and soul' into our communities.



### BRINGING MIRI TO THE WATERFRONT

This distinctive 550-acre waterfront development has re-energised Miri into a thriving hub with lively squares, tree-lined walkways, verdant parks and an exciting array of commercial options.



### REDEFINING COMMUNITY LIVING IN MIRI

Expanding our park-living philosophy to fairway greens, this integrated township will be home to Sarawak's largest golf course, residential properties, commercial facilities, parks and public amenities.



### KUCHING'S MOST DESIRABLE ADDRESS

At the prime locale of Kuching Kenny Hills, Kenny Heights will capture the spirit of Borneo and old-world colonial nostalgia in a blend of boutique residences and modern amenities.

INTERVIEW

# DPM FADILLAH SHARES TAKE ON FUTURE OF HOME STATE

BY JOSE BARROCK

**F**OR THE FIRST time after the formation of Malaysia, an East Malaysian has been appointed deputy prime minister, the second most powerful position in the country. This DPM role came after the 15th general election and the formation of the country's first unity government.

Gabungan Parti Sarawak (GPS) won 23 seats, the third highest number of seats in the unity government after Pakatan Harapan (82 seats) and Barisan Nasional (30).

Datuk Seri Fadillah Yusof was appointed DPM on Dec 2, 2022, and he also doubles up as the Minister of Plantations and Commodities. In a WhatsApp response to *The Edge*, Fadillah says of his appointment: "It is an honour, and an important recognition of GPS and the Borneo bloc as a key component in the formation of a stable government.

"Of course, the position (of DPM) itself is a heavy responsibility, and one that I hope to discharge with integrity and the full realisation that, ultimately, all of us in this unity government, under the leadership of the Prime Minister Datuk Seri Anwar Ibrahim, are here to work for the rakyat, to build a brighter future for generations to come, and to bring Malaysia back on the right footing towards greater growth and development."

He adds that the strength of the GPS and Sarawak's political stability led the party to play a crucial role throughout the political upheaval.

"For GPS, our priority is always, first and foremost, the well-being of the people and the stability of the country," Fadillah says.

Many political watchers termed Sarawak the king-maker as the fragmented political landscape made GPS' support essential in forming a stable government, which in turn elevated Sarawak's importance and position.

The days of Sarawak being the "fixed deposit", providing large victories and a slew of members of parliament for the ruling Barisan Nasional coalition-led governments, are clearly over.

## SARAWAK MAKES ITS STAND

While visiting Kuching recently for this magazine, I noticed that there was clearly a buzz in the city. It is hard to explain but it was an air of excitement, that

people were generally anticipating good or great things to come Sarawak's way.

Fadillah says, "I am personally very proud of what the state government has outlined for Sarawak and her people."

Sarawak's comprehensive policies, such as the Post Covid-19 Development Strategy 2030 (PCDS 2030), provide direction in accelerating development and are designed to pioneer the path towards making Sarawak a developed and high-income state by 2030.

Sarawak aims to increase economic growth from RM136 billion in 2019 to RM282 billion in 2030 through PCDS 2030. There are six main economic sectors that are growth drivers — manufacturing, commercial agriculture, tourism, forestry, mining and social services — which are supported by seven variables, namely digital transformation, innovation, basic infrastructure, transport, utilities, renewable energy and education, and human capital development.

Fadillah explains: "The development of six economic sectors guided by these seven variables will drive Sarawak towards [being] an attractive investment destination and this will increase the value and quality of economic growth in Sarawak.

"Sarawak has vast natural resources that can be utilised to generate economic development, thus transforming Sarawak into another growth region for the country. With strong support and collaboration with the federal government, there is no reason why we cannot achieve this."

With its increasing influence, Sarawak has flexed its muscles and sought higher oil royalties.

In the process, it has set up its own oil company, Petroleum Sarawak Bhd (Petros), which gives the state more involvement in oil and gas via the management of onshore oil and gas resources, among others.

Petros basically safeguards the interests of the state, ensuring that Sarawak gets its dues from its natural resources.

Sarawak's oil royalties have been increased from 5% of gross value to include 20% of net profit from state oil producing activities.

*“For GPS, our primary interest is always the well-being of our people and the stability of the nation ... We are also cognisant of the multiethnic, multireligious nature of Malaysia, because Sarawak itself is a living representation of Malaysia’s harmony in diversity.”*

FADILLAH



And the state has been vehemently fighting any perceived injustices. In September 2020, national oil company Petroliaam Nasional Bhd (Petronas) paid close to RM3 billion in sales tax to Sarawak as part of a settlement agreement, bringing an end to a thorny legal dispute. Such legal disputes between a state and the national oil company were unheard of in the past.

Petronas’ president and chief executive Tan Sri Wan Zulkiflee Wan Ariffin opposed the RM3 billion payment and stepped down. This did not change things, as Sarawak stood its ground.

Fadillah explains the state’s stand: “Sarawak only demands its right as stipulated in the Malaysia Agreement 1963 (MA 63). We claim for our rights, allocations that Sarawak should receive, based on MA63 when Malaysia was formed. Our oil royalties should be demanded as we are the producers of resources. If the oil is taken from Sarawak, we have the right to demand additional royalties for us to carry out further development. So, I don’t see Sarawak as being more demanding, but rather we are more assertive in asking for what was

previously agreed upon to be fully honoured.”

Other than oil royalty and related issues, Sarawak has also bucked the trend, preferring to use English as its main language for official business, as opposed to other states in the peninsula, which use Malay.

#### **POSITIVE IMPACT ON STATE COFFERS**

In a nutshell, Sarawak has sought more control on matters pertaining to the running of the state and has been firm in its decisions.

The Sarawak government has been diligently working towards becoming a high-income economy. Towards that end, it was the first state to develop a strategy on digital economy way back in 2017, and developed its own e-wallet — S PAY GLOBAL, which has also collaborated with Union Pay International.

Many building blocks have been put in place over the past few years. Sarawak set up its own development bank, Development Bank of Sarawak Bhd, in May 2017, to support the state government’s efforts in rolling out strategic infrastructure projects. Petros was incorporated

## MAN IN THE SPOTLIGHT

Datuk Seri Fadillah Yusof, who turns 61 on April 17, has the distinction of being the first East Malaysian politician to hold the position of deputy prime minister of Malaysia (DPM). He was also made Minister of Plantations and Commodities last year.

Fadillah is not new to the federal government. He was one of four senior ministers in Datuk Seri Ismail Sabri Yaakob's and Tan Sri Muhyiddin Yassin's administrations, and was the Minister of Works from 2013 under Datuk Seri Najib Razak's premiership.

He has been gaining prominence since he was appointed deputy minister of science, technology and innovation in 2008.

Fadillah ventured into politics with Parti Pesaka Bumiputera Bersatu Sarawak (PPBS), a component party of the ruling Barisan Nasional (BN) coalition, immediately after graduating with a law degree from Universiti Malaya in 1986.

While waiting for his big break in politics, he was involved in construction and other businesses with his family.

After exhibiting strong leadership skills, he was chosen in 2004 as the BN candidate for the Petra Jaya parliamentary seat in the 10th general election, which he won convincingly. He has retained the seat until today.

The ninth of 14 children, Fadillah was born in Kampung Hilir, Sibul, located on the banks of the Rejang River. His father, the late Yusof Merais, was an activist and freedom fighter who opposed British colonisation and rule of Sarawak. Yusof was jailed on numerous occasions, including when he was implicated with native Sarawakian hero Rosli Dhobi, who stabbed and mur-



Fadillah has been gaining prominence since he was appointed deputy minister of science, technology and innovation in 2008

dered British Governor Sir Duncan Stewart on Dec 3, 1949. Rosli, at nearly 18, was hanged with three others who assisted him in the murder.

Yusof, who passed away in 2018 at the age of 91, was part of the outlawed Pergerakan Pemuda Melayu and also the Gagak Hitam group, which sought independence for Sarawak. He was also active in Barisan Pemuda Sarawak, which was helmed by former Sarawak governor, the late Tun Ahmad Zaidi Adruce.

This perhaps explains how the roots of Fadillah's political ambitions were sown.

His older brother Tan Sri Bustari Yusof is a well-known businessman who controls 29% of oil and gas outfit Petra Energy Bhd, and one of billionaire Robert Kuok Hock Nien's partners. Another brother, Datuk Ahmadi Yusoff, is an executive director of Petra Energy.



in July of the same year, enabling Sarawak to actively participate in the extraction of oil and gas. The imposition of State Sales Tax on petroleum products since 2019 has allowed the Sarawak government to strengthen its financial capability to fund more development projects.

And with new added revenue streams, Sarawak chalked up a record revenue of RM11.9 billion for 2022, surpassing earlier estimates of RM10.2 billion, or by a huge 17% quantum.

Sarawak's revenue was largely from four main sources — tax revenue, non-tax revenue, non-revenue receipts and federal grants and reimbursements — with tax revenue contributing RM6.7 billion, or 56% of total revenue. A big chunk of tax revenue was from state sales tax on oil and gas, oil palm and aluminium, which accounted for 84%, or RM5.6 billion of the total tax revenue collected.

Fadillah has played a key role in Premier Tan Sri Abang Johari Tun Openg's plan for Sarawak to be a developed state by 2030.

He says: "Sarawak has undergone monumental changes in the last 60 years. Major developments have taken place, especially in terms of infrastructure and connectivity. An iconic representation of this is the Pan Borneo Highway Sarawak, which is 92% complete.

"That said, we must of course acknowledge the vastness of Sarawak, which is almost as large as the entire Peninsular Malaysia and has a challenging geographical terrain. This contributes to the difficulty in bringing faster development to the remote areas and rural communities, although the effort towards that has been continuous. But I feel that at this juncture in history, we are in the best position to bring rapid development and leapfrog the state to a new era of progress and growth."

Prior to his appointments last year, Fadillah was Minister of Works from May 2013 to May 2018, and from March 2020 to November 2022, which is why the 1,060km

Pan Borneo Highway — stretching from Telok Melano at the extreme western point of Sarawak to Merapok near Lawas at the Brunei border — is close to his heart.

Plans for a trunk road connecting Sarawak, Brunei and Sabah date as far back as the 1960s. But it is only becoming a reality now with the Sarawak portion 92% completed and Sabah's 74% done.

Significantly, Sarawak has been able to approve a large budget of RM10.8 billion for 2023, compared with RM10.14 billion for 2022 and RM9.8 billion for 2021.

According to Fadillah, both foreign and domestic investments into Sarawak remain positive and robust. Total approved investment in the manufacturing sector is favourable. Despite the Covid-19 pandemic, in 2020, Sarawak approved investments of RM16.07 billion. In 2021, it was RM7.09 billion, of which RM2.18 billion was domestic while RM2.13 billion was foreign. In 2022, the total approved investment was largely for the expansion in the production of electrical and electronic products in Samajaya High Tech Park.

Fadillah says: "For GPS, our primary interest is always the well-being of our people and the stability of the nation. The two must come hand in hand because you cannot achieve one without the other. We are also cognisant of the multiethnic, multireligious nature of Malaysia, because Sarawak itself is a living representation of Malaysia's harmony in diversity.

"As such, the political moves of GPS are always guided by the determination to bring Sarawak in particular, and Malaysia in general, forward. To that end, we will work with the parties that we feel are on the same page as we are, in delivering those objectives for the benefit of the country and the rakyat."

With so much going on and with a strong leadership, Sarawak is in a good position to grow and play a more prominent role in Malaysia's future. ●



# PARKCITY SETS THE BAR HIGH WITH CATALYTIC DEVELOPMENTS IN MIRI AND KUCHING

**B** **OUNDED BY THE** South China Sea, Sarawak is a land of verdant forests, colonial history and multicultural ethnicity such as Iban, Melanau, Bidayuh, Orang Ulu, Chinese, Malay, Indians and others.

From its lively events, namely the Rainforest World Music Festival and Borneo Jazz Festival, to its tradition-filled indigenous tribes in the longhouses and villages of Mount Santubong, there is still plenty to discover in Sarawak.

Its charm transcends time and its rich identity reverberates and is reflected in its main economic sectors of energy, manufacturing and tourism, as well as real estate.

Unsurprisingly, the real estate sector in Sarawak is set to gain further prominence through more upcoming developments, and connectivity via the Pan Borneo Highway that is under construction.

The values of properties in Sarawak have consistently surged over the years. According to the East Malaysia Region Property Market Report 1H2022 by the National Property Information Centre (NAPIC), the overall performance of the Borneo region's property market improved in 1H2022, indicated by higher volume and value of transactions as compared with 1H2021.

The region registered 20,114 transactions worth RM7.30 billion, an increase of 42.9% and 30.1% in volume and value respectively from 1H2021.

Sarawak has led the region's

“  
*ParkCity builds beyond new property developments; our vision is to build holistic communities*”

Datuk Joseph Lau,  
Group CEO, ParkCity Group

“  
overall property transactions' volume and value with 14,787 transactions (73.5%) worth RM4.45 billion (61%), followed by Sabah and Labuan. Meanwhile, the residential rental market in Sarawak was generally stable with average gross rental yield between 1.3% and 8.0%, according to the report.

Additionally, the Sarawak government has unveiled its Post-COVID-19 Development Strategy 2030 (PCDS 2030) in a bid to ensure that the Land of the Hornbills

recovers from the pandemic with a stronger economy, and to position it as an attractive investment destination by increasing its gross domestic product (GDP) through private investments from RM21 billion in 2020 to RM61.5 billion in 2030, with real estate being one of the core industries.

## KEY PLAYER IN THE INDUSTRY

Award-winning ParkCity Group recognises Sarawak's burgeoning potential, and has established itself as one of the key players there. Founded in 1990, the group is a regional property development and investment company in Malaysia and Vietnam.

ParkCity Group is a regional brand underpinned by a solid portfolio, which is not just limited to property development but also includes investments in private education, hospitality and retail assets in its townships in Malaysia and Vietnam.

In recognition of the group's vision, commitment, efforts and value creation made towards the building of sustainable developments, it has received numerous international and local recognitions. Especially for its flagship master-planned township Desa ParkCity in Kuala Lumpur, Malaysia; which





has resulted in ParkCity to be the first Malaysian developer to be honoured with the 2022 ULI Asia Pacific Awards for Excellence. The group has also won EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2020.

In fact, its stalwart track record has also accorded ParkCity such a strong reputation that it has become a benchmark for liveability in Hanoi, Vietnam. In 2012, the property scene in the capital city of Vietnam irrevocably changed with the introduction of ParkCity Hanoi Township.

Marrying age-old traditions with a cosmopolitan lifestyle, the township integrates ParkCity's signature DNA in all its offerings as it continues to flourish and grow.

By breaking convention, ParkCity has become a highly esteemed brand, marked by innovative, sustainable and liveable developments and tangible achievements.

This achievement is anchored firmly in the group's five pillars — family, neighbourhood, community, connectivity and convenience — while creating value and instilling

heart and soul into the communities.

"ParkCity builds beyond new property developments; our vision is to build holistic communities," remarks ParkCity Group CEO Datuk Joseph Lau.

### **TRANSFORMING THE BORNEO SKYLINE**

The developer aims to introduce catalytic developments to spur further growth in Sarawak with its three, visionary developments — Marina ParkCity and ParkCity Eastwood in Miri, and Kenny Heights in Kuching.

Making its mark in East Malaysia and adding more vibrancy to scenic Miri and Kuching, the group plans to establish the developments as regional destinations that amalgamate live, work, visit and trade.

### **Marina ParkCity in Miri — 'Transforming Miri into an atmospheric city'**

Bordered by the west side of South China Sea, the 550-acre Marina ParkCity is the realisation of a vision to expand Miri using a master-planned

township that sets a new benchmark for sustainability, liveability and accessibility for the community in Miri and the region, which is synonymous with ParkCity's DNA.

Conceptualised more than 20 years ago, Marina ParkCity, which is also one of the largest master-planned integrated townships there, is known to have contributed to the growth of Miri into a vibrant, green and liveable resort city. To align with the city vision, Marina ParkCity has also now become the destination for a community-centric lifestyle and central business district (CBD) in Miri.

Marina ParkCity has created a strong urban connection to the ocean waterfront with a marina, luxury residences and a modern European high-street commercial hub, setting a new benchmark as a regional destination for people to live, work, visit and trade in the region itself.

The coastal development has four main districts – Waterfront, Riverpark, Cityfront and Market. Each features unique elements that contribute to the urbanisation of Miri.

Marina ParkCity has transformed and expanded the city centre of Miri with its popular marina, central park, luxury residences, signature office tower, high-street commercial and financial hub, and many more.

### **Miri Times Square @ Marina ParkCity**

The 19.2-acre Miri Times Square is located right in the heart of Miri's CBD area within Marina ParkCity's township.

Miri Times Square is redefining "mixed-use" and revamping the concept of traditional shophouses while preserving its community bonding role. It offers a modern public open space retail experience that focuses on providing ideal spaces for com-



munal gatherings as well.

It has attracted several key anchors including those that have relocated their corporate offices there, which comprise local commercial and investment banks, Harvey Norman, government agencies, various selections of F&B outlets and many more. There is also a signature corporate tower.

Miri Times Square has catapulted Marina ParkCity into the key destination for living, work, dining, retail, entertainment and leisure.

### **Miri Central Park @ Marina ParkCity**

Holistically, the integrated township also focuses on benefiting the communities in Miri through landscaping and greenery. For instance, its Miri Central Park is renowned as a pet-friendly park, which has attracted plenty of joggers and those walking their pets.

The developer also encourages "ownership" of the space to keep the park clean and maintain it at its best condition, especially for pet owners.

Pet waste disposal stations have been installed within the park. Owners are advised to keep their pets on a leash at all times to ensure a safe and fun environment for the commu-



nity. It is akin to a practice that has achieved overwhelming response at The Central Park of Desa ParkCity in Kuala Lumpur.

"The entire development demonstrates how a responsible developer should act and shows the commitment from ParkCity to build a better Miri, improve the livelihood of the Miri community and make cities healthier and more sustainable. In the future, we are looking forward to incorporating more environmental, social and governance (ESG) elements into the services provided to the community," adds the developer.

Overlooking the Miri Central Park with its unobstructed

360-degree view is the Miri City Hall.

Unveiled in late 2021, Miri City Hall's façade is designed to resemble an oil barrel to pay tribute to the city's past as a thriving oil town, according to the developer. The nine-storey building has changed the landscape of the marina and city with its green features, and has been accredited with the Green Building Index (GBI) status, the first in northern Sarawak.

Moving forward, Marina ParkCity will be introducing the final phase of its development in Miri Times Square, which includes a new SoHo (small office/home office) that is due to be launched in 2Q2023. Miri Times Square is also set to welcome a key MNC occupant into its new GBI's Gold Rating Signature corporate tower by the end of 2023. Poised to be the upcoming, exciting landmark in Miri, the green building will be packed with sustainable features and unbeatable views.

#### **ParkCity Eastwood – exciting township with immense potential near east of Miri**

ParkCity Eastwood to the east of Miri is another visionary sustainable master-planned township by

the ParkCity Group that is primed to add to the city's growing appeal. It has excellent connectivity via the upcoming Pan Borneo Highway, which will stretch across Sarawak, Sabah and Brunei, and various public amenities at Miri's CBD.

The 517-acre township will also be accessible via the 4.3km Canada Hill Dual-Carriageway in the near future. The proposed link road will assure ease of travel and quick access for its residents and businesses located in the vicinity. It will shorten the travelling distance to Miri's CBD area.

ParkCity Eastwood comprises residential homes, commercial facilities and public amenities. It also includes the Eastwood Valley Golf and Country Club, which is acclaimed as the largest 36-hole golf course in Sarawak, as part of the whole master-planned township. It is also set to propel the urbanisation and expansion of the area towards the east of Miri.

#### **Kenny Heights by ParkCity – designed for affluent living in Kuching**

Situated in a prestigious address and preserving the rich heritage of

the colonial suburb of Kenny Hills in Kuching, Kenny Heights is set to attract homeowners and investors who embody the special curated lifestyle concept of living by the park, with similar attributes to ParkCity's flagship township – Desa ParkCity.

Kenny Heights by ParkCity sits in the heart of the British colonial enclaves that were established since the 1950s. After the formation of Malaysia in 1963, the locale became well-known as residential neighbourhoods for high-ranking federal and state civil officers.

Lined by quaint bungalows and luxury villas where age-long trees and cool breezes carry lingering stories of the past, Kenny Hills remains a prominent location to date among the locals as an upper-class neighbourhood steeped in history and heritage.

The Kenny Heights brand was crafted to be a modern reimagination of the yesteryears. This integrated infill development is designed to encapsulate the spirit of Borneo and old-world colonial charm where nostalgic reminiscence of the laid-back past comes with delightful anticipation of modern comforts.

Sprawled on a 45-acre tract, Kenny Heights comprises four phases that include exquisite bungalows, semi-detached homes and high-rise condominiums, with amenities and leisure components as well as a neighbourhood mall – all set within scenic landscapes of a central park.

The central park is spread out over a 3.5-acre parcel and serves as the perfect setting for play, rest and recreation and to foster a strong sense of identity and belonging for the community of Kenny Heights.

Staying true to its core values, ParkCity Group is committed to transforming the development landscape in Sarawak, while taking it to greater heights, and realising its holistic communities in the long term.



## DIGITAL TRANSFORMATION

# LEAPFROGGING INTO IR 4.0

BY PATHMA SUBRAMANIAM AND MALEEN BALQISH SALLEH

**W**HEN MOST OF the industrial states in Malaysia were readying themselves for changes brought about by the onset of the Fourth Industrial Revolution (IR 4.0) in 2010, the state of Sarawak found itself in a dilemma.

The state's economy was still heavily reliant on natural resource extraction and exports, including oil and gas, timber and palm oil, which resulted in the lack of a diversified economy. Moreover, many of its large industries were still stuck in the era of the Second Industrial Revolution.

Upon taking the reins of the state's leadership in 2017, one of the first things Premier Tan Sri Abang Johari Tun Openg did was to diversify and modernise its economic sectors. This vision culminated in the rollout of the Sarawak Digital Economy Strategy (SDES) 2018 to 2022, which was launched at the inaugural International Digital Economy Conference Sarawak, which has been held annually since 2017.

In June, Abang Johari initiated the Sarawak's Digital Economy Blueprint to replace SDES, which ended last year. The blueprint lays the road map for the state to secure its future as a modern and leading digital economy and society by 2030. The blueprint is also the foundation for the state's Post Covid-19 Development Strategy (PCDS) 2030, for which RM63 billion has been allocated for digital transformation, basic infrastructure, transport and renewable energy.

"To fully embrace digitalisation, the government needs to ensure that we have the right infrastructure in place and provide an ecosystem that is conducive and able to meet the needs of the communities and businesses," Abang Johari tells *The Edge*.

"We need to lead the way to show the benefits of digitalisation, such as in terms of efficiency, transparency and ease of doing business."

Through the digital strategies, the state government aims to achieve an economic growth rate of between 6% and 8% annually, to double the size of its economy to RM282 billion by 2030, from RM136 billion in 2019.

Sarawak has no option other than to take the bold step of leapfrogging its development plan, says Abang Johari. One of its significant moves was to bypass the Third Industrial Revolution altogether to keep pace with other states and nations.

Under the SDES, the goal was for Sarawak to be a high-income economy, especially focused on seven enablers: digital infrastructure, digital skills and talent development, research and development, digital innovation entrepreneurship, digital and data, cybersecurity and digital inclusivity.





Abang Johari testing a flight simulation at the International Symposium on Digital Industry Transformation 2022 in Santubong last year. For Sarawak to keep up with its peers in the peninsula, it was necessary for the state to bypass the Third Industrial Revolution altogether and leapfrog into IR 4.0.

To make these a reality, Abang Johari prioritised digital connectivity and focused on bridging the wide rural and urban divide. The state government had allocated RM2 billion to boost internet connectivity, setting up necessary infrastructure, such as laying down fibre-optic cloud computing and satellite to cover the whole state.

According to news reports, Sarawak Rural Broadband Network (MySRBN) has extended broadband coverage to 150 suburban and rural areas in Sarawak as at last October.

He also introduced two agencies that will spur the digital economy initiatives: the Sarawak Media Authority (SMA), which is in charge of the state's communications and multimedia affairs; and the Sarawak Digital Economy Corp (SDEC), whose role is to implement the development of the communications and multimedia activities in Sarawak.

Since then, the state government has spearheaded various initiatives to up the ante on its digital economy ambitions through public-private partnerships and agency-led strategies such as the Centre of Technical Excellence Digital Academy in collaboration with Huawei, Tabung Ekonomi Gagasan Anak Bumiputera Sarawak (Tegas) Digital Village, setting up Digital Economy Labs across districts and the SALURAN initiative for internet connectivity, among others.

The state government also digitalised its services. All affairs with the state government can be done through the Sarawak Gov app, such as local municipalities and scholarships for Sarawakians. Moreover, it is all integrated in one account under the Sarawak ID, which acts as Sarawakians' online identity.

Last year, Abang Johari announced further actions to boost the state's digitalisation endeavour, including increasing the household income to RM16,000 a month, from the current RM5,000, by 2030.

#### **HURDLES ALONG THE WAY**

While the many measures undertaken to elevate the state's digitalisation endeavour were well received, the process has been anything but smooth sailing.

Brain drain, scarcity of career opportu-

nities, challenging geographical landscape and lack of infrastructure have been major roadblocks in accelerating its digitalisation goals.

Sarawak has been bleeding talent to other states in Peninsular Malaysia as well as to other countries. The lack of job opportunities that suit their expertise, especially in tech, has forced young Sarawakians to leave their homeland and build their career elsewhere. The talent war is expected to worsen after the relocation of Indonesia's capital city to Kalimantan.

To overcome this, the government has set up a few initiatives to retain local talent as well as attract global talents to Sarawak.

"We are learning from Estonia, for example, in adapting elements of their e-residency programme to Sarawak. In fact, we are working with their e-Governance Academy to evaluate and assess our readiness and incentives to attract these foreign digital talents," says Abang Johari.

"Furthermore, we have implemented workforce planning and training, scholarships and industrial placements in our effort to attract global talents to Sarawak in partnership with our educational institutions and industries."

Efforts to assist the deployment of talents in the workforce include TEGAS Digital Village's internship programme. Selected participants will undergo their internship with partnering companies and their allowances will be covered by TEGAS as an incentive for companies to participate in the programme.

At the end of the programme, participants are required to present their key takeaways and learnings to prospective companies. The idea is to get companies to hire interns and provide them with jobs right away.

This initiative has helped retain and bring back Sarawakian talent and a motivation for local start-up founders to start their companies in their homeland.

Jonah Lau, co-founder and chief technology officer of Sinisana Technologies, a Sarawak-based Web3 blockchain traceability company, says: "It was a conscious decision for us to be based in Sarawak [and] build a Sarawakian tech company, and being able to build a company that pays as well or better



than companies in Kuala Lumpur and Singapore so that our tech workers in Sarawak, and Sarawakians, have an option to say, 'I don't have to leave the state to find a good paying job, to have a long-term career. I don't have to leave Sarawak for my tech career.'

"They may still leave for other reasons, but we don't want them to leave just because they feel that the only way they can advance and make money is by leaving, and that's why we really want to start here." Lau worked in multiple C-suite roles in China prior to establishing Sinisana with CEO Gary D'Agostino and other partners.

#### **RAMPING UP STEM EDUCATION**

Sarawak aspires for 100% of the population to have access to accredited science, technology, engineering and mathematics

The International Digital Economy Conference Sarawak is one of many platforms for the state to showcase its advancement in science and technology and commitment to digital transformation

(STEM) training and education online, as well as engaging 3,000 full-time equivalent (FTE) researchers for every million people, in PCDS 2030.

To achieve this, the state government has taken the initiative to implement STEM education programmes, especially in rural and remote areas, by providing equipment and facilities, as well as upskilling programmes, says Abang Johari.

"So far, through programmes in schools [that are] coordinated by the Ministry of Education, Innovation and Talent Development (MEITD), SDEC and their partners, we have reached out to 19,047 primary and secondary school students and 1,763 teachers across Sarawak."

Nigel Ng, chief technical officer of Chumbaka — a Malaysian social enterprise

## DIGITAL LEARNING FOR REMEDIAL ASSISTANCE

Early childhood education is pivotal to addressing inequities faced by children, particularly for those who come from disadvantaged backgrounds.

Sarawak in its Post Covid-19 Development Strategy (PCDS) 2030 recognises the disparity when it comes to access to quality education. Early last year, the Sarawak Digital Economy Corp (SDEC) together with Teach For Malaysia (TFM) and US-based social impact enterprise Enuma Inc, started a cost-effective e-learning solution to help children learn reading, writing and arithmetic.

The pilot was conducted in three public primary schools — SJK(C) Chung Hua No 5 in Kuching, SK Jagoi in Bau and SK Temong in Serian — and a total of 370 students were targeted to benefit from the programme. Enuma also conducted the pilot in government schools in Kuala Lumpur and Sabah, with different stakeholders.

“The SDEC, the state-owned company entrusted to lead the implementation of Sarawak’s digital initiatives, was a natural partner and our first port of call when we decided to include Sarawakian schools in our pilot,” says P Ming Wong, Enuma’s vice-president of government relations and strategic partnerships.

“SDEC’s innovation and entrepreneurship team, led by Hazwan Razak, was helpful and enthusiastic from the get-go. In fact, SDEC helped Enuma and our partner Teach for Malaysia to select the three schools in our pilot programme,” he adds.

The goal was simple: “To give this pilot the best chance of success during a period when the state was partially closed because of the Covid-19 pandemic,” Wong says.

“SDEC also recognised that

Sekolah Enuma’s learning application would help close learning gaps after such a long period of school closures. The only request it made was to make our Mathematics subject available in English, in addition to Bahasa Melayu.”

Sekolah Enuma is the company’s proprietary digital learning solution that is focused on using gamification for self-directed learning and is adaptable to suit local needs. It was first launched in secluded schools in Lampung and Medan in Indonesia in 2021 after Enuma secured a US\$1 million grant from an Indonesian education foundation and two plantation companies.

The rollout was such a success that Enuma was able to scale its education technology programme to include over 2,000 students in 47 schools across Java after striking up a strategic partnership with Muhammadiyah — one of the biggest NGOs in Indonesia.

According to the Human Rights Commission of Malaysia (Suhakam) Sarawak, just three months of the Movement Control Order and Conditional Movement Control Order in 2020 had seriously affected children’s access to education.

In the report “On Challenges of Children’s Rights to Education During the Covid-19 Pandemic in Sarawak”, the researchers stated that the loss in education was “irreplaceable” and would “surely result in financial implications to Sarawak”.

“The children once graduated will be considered as a generation that lost their three months of education time as compared to other generations,” Suhakam added.

### LENDING A HAND

Sekolah Enuma is most effective when used by underperforming students or those who require remedial help. “A few teachers told us they noticed that some students became more confident in their speaking after using Sekolah Enuma,” Wong says.

“Using Sekolah Enuma during school hours was less effective as the

teachers must closely follow the prescribed Ministry of Education curricula and, therefore, felt that a student-led independent learning application, while effective, sometimes hindered their daily work.”

Although the pilot ended in September last year, Wong says all the schools involved are still using the Sekolah Enuma application for learning.

“The three Sarawakian schools are asking their students who require remedial help to either come to the school an hour earlier or stay on after school ends to play with Sekolah Enuma,” he shares.

Since the pilot was the first one for Malaysian schools, Enuma had two objectives. “The first was to obtain feedback from students, teachers and parents on how best to use and how to improve the application.

“The second was to gather data that supports the app’s efficacy to improve learning outcomes. We are delighted to say that from this perspective, the pilot was a huge success, and we must thank all our partners. The Sarawak Education Department also provided us with a lot of useful feedback and encouraged us to continue with our efforts in the state,” says Wong.

For the next phase, Enuma is planning to introduce “literacy hubs” in schools and community centres. Each hub will be equipped with 10 to 20 tablets installed with Sekolah Enuma.

“For schools, the aim is to provide children in need of remedial help with these self-learning tools to help them catch up. SDEC has indicated it is open to collaborating with Enuma and MYReaders, our next phase implementation partner, to place tablets in four of the Digital Innovation Hubs so that children in nearby communities also can play with and learn from Sekolah Enuma,” says Wong.

He is also hoping to include children with special learning needs in this phase of the rollout. ● *By Pathma Subramaniam*



***SDEC recognised that Sekolah Enuma's learning application would help close learning gaps after such a long period of school closures. The only request it made was to make our Mathematics subject available in English, in addition to Bahasa Melayu.***  
WONG

that uses technology to develop children's life skills — believes the ambition is achievable with political will, partners and a good network. But availability of infrastructure such as wide internet coverage and digital devices need to be improved to make it a reality.

“If you want children to learn tech without the infrastructure, you can't do anything,” says Ng, who is also the person in charge of Chumbaka Kuching.

Chumbaka Kuching has conducted a set of projects to empower learners with multiple partners, including Sarawak's MEITD, SDEC and Khazanah Nasional's subsidiary, Yayasan Hasanah.

One of the projects in the pipeline uses Raspberry Pi technology with 10 schools in Sibul that have no internet connection. All participating school teachers will be provided with a Secure Digital (SD) card, which acts as a server with pre-downloaded content. All students will submit their work through the Raspberry Pi system.

The Raspberry Pi is a series of small single-board computers plugged with a monitor or TV, and use a standard keyboard and mouse. The system enables people to explore computing and learn how to program in coding languages such as Scratch and Python.

Participating teachers will return the SD card to Chumbaka after six months to a year for the team to extract necessary information to improve the system; the same SD card will then be returned to the teachers with updated content to continue their lessons.

“While we are putting in efforts to upskill, reskill and retool our local talents, we stand to benefit tremendously from the knowledge transfer and expertise that global talents can provide our local ecosystem,” says Abang Johari.

The state government is actively engaging with the rural community to get onboard the digital economy strategies. It has identified key technologies for facilitating their day-to-day processes, such as leveraging blockchain technology.

“[Blockchain technology] strength in traceability plays an important role in supply chain management, which can resolve challenges of ingredient authenticity and



Through blockchain, Neocrab is able to expand its product traceability from an end-product back to the original mother crab, allowing the company to authenticate that its frozen soft-shell crabs were produced at its processing facility

product counterfeit in the global e-commerce market and instil stronger customer confidence, enabling improved sharing of benefits and income generation for the indigenous people and local communities,” says Abang Johari.

This coincides with Sinisana Technologies' blockchain expertise to provide product traceability for local small and medium enter-

prises such as mud crab farming company, Neocrab.

Through blockchain, Neocrab is able to expand its product traceability from an end-product back to the original mother crab, allowing the company to authenticate that its frozen soft-shell crabs were produced at its processing facility.

Abang Johari believes that Sarawak, which is in the first stage of PCDS 2030 implementation, is on the right path to achieving its goal of becoming a developed state by 2030.

At this stage, the state government is focusing on infrastructure and utilities development, he adds. ●

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Sarawak is coming up with regulations for carbon trading from its forest assets. This is expected to protect its communities and ensure the state can benefit from any of the trading activities.



ESG

# SARAWAK CHARGING AHEAD WITH ITS SUSTAINABILITY STRATEGIES

BY TAN ZHAI YUN

**E** NVIRONMENTAL SUSTAINABILITY HAS been identified as one of the three main pillars of Sarawak's Post-Covid-19 Development Strategy 2030, which is the critical document that is guiding the state's development in the next few years.

The state established the new Ministry of Energy and Environmental Sustainability last year and has plans to introduce related ordinances, blueprints and a climate change policy that is arguably ahead of many states.

In March, the Premier of Sarawak, Tan Sri Abang Johari Tun Openg, will launch the state's Carbon Ordinance, which will introduce regulations and licensing for carbon storage and trading, while an upcoming Hydrogen Ordinance will do the same for hydrogen production, storage and usage.

Deputy Minister of Energy and Environmental Sustainability Dr Hazland Abang Hipni has been the point person spearheading all these developments.

"Sarawak has been planning for the last three to four years to set up this ministry because we feel that we can contribute to climate change mitigation. We are blessed with natural resources. Our land mass is almost the same size as Peninsular Malaysia, and 62% of that is forest. We also have a lot of peat, which can hold more than 25 times as much carbon [as other plant life]," says Hazland.

"We have over 300 rivers for hydro-power, and we have four big dams now. We can do cascading dams later and put floating

solar panels on the dam, which we have now done on the Batang Ai dam and soon, the Bakun dam. We are also outside the ring of fire, so it's very safe to store carbon [here]."

Hazland adds that the stable political situation and visionary leadership of the state have enabled them to make huge strides in this area.

"Sarawak is in the process of [drafting our climate change policy]. We also have the low-carbon society blueprint for Kuching, Miri, Sibul and Bintulu. Each city will have its own target on carbon emissions," says Hazland. The greenhouse gas (GHG) emissions baseline will be calculated for each city. The climate change policy, meanwhile, will include GHG reduction targets and strategies for reducing it.

Hazland says he hopes for these to be completed this year. "We will also very soon have our carbon registry because our law permits us to have our own environment management [in Sarawak]. The carbon registry will cover all sectors in Sarawak."

### **INTRODUCING REGULATIONS AND LICENSING FOR CARBON STORAGE AND TRADING**

Sarawak's carbon trading licences will only be issued to three parties, says Hazland. One is the landowner, who can be an individual or company. The second is the owner of gazetted native customary lands while the third is the owner of state lands, which would be the government.

The third is the biggest category, and licences will be issued to a special government-linked company, he says. "Only these three parties can do carbon trading."

There will be a minimum amount of land required and three layers of verification or measurement. The first involves getting a licence from the state government. After the licence is issued, the owner can engage their own carbon consultant to measure the carbon emissions avoided or eliminated through the carbon trading project. "That figure will have to be checked by an independent, international body such as Verra or Gold Standard. Only after these three layers [are completed] can the [carbon] certificate be verified and traded," says Hazland.

For a forest reserve to generate carbon credits with additionality, he explains that

the carbon credit-generating project must demonstrate that it is adding value to the community or biodiversity, for instance.

Additionality in this context refers to the principle where carbon credit project developers must demonstrate that the project caused emissions to be reduced or removed. This is to ensure the integrity of the project.

They must also engage with the local indigenous population who may be residing in these areas. "It is in our rules. Once we have these rules, regulations and licences, it means our carbon credit is of high value," says Hazland.

The state encourages carbon credit trading licensees to look for their own buyers as well. "We believe we can get a better price than going through the Bursa Carbon Exchange, which is [currently] using an auction method. We will find our own buyers so we know who they are."

The carbon storage licence, meanwhile, will be issued for each oil block, which could have a few hundred oil wells. There are over 1,600 such depleted or abandoned oil and gas fields off Sarawak that could be used to store carbon dioxide, says Hazland.

"According to our Land Code, only the owner of the land can be given the licence. Petroleum Sarawak Bhd will be the main resource manager and licensee. Petronas [Petroleum Nasional Bhd], for instance, will come in as a joint-venture partner to do the carbon storage and apply for a permit. That is extra income for Sarawak, and we will also collect rent for storage."

Already, the state is courting a fair bit of interest from foreign companies and countries, like Singapore, that are interested in using the carbon storage facilities.

### **TRANSFORMING THE ECONOMY**

Introducing carbon storage and carbon trading will generate revenue for the state through the issuance of licences, rental fees and sales tax. This makes sense for Sarawak, says Hazland, because the state is huge and has plenty of natural resources. The regulations will also serve to protect the state's interests and resources.

"We even have an ecosystem fee charged for carbon trading because we want the ecosystem to be maintained. This is to ensure permanence. If the forest has



already been traded [as a carbon credit], [licensees] must make sure the forest is still there for a long time.”

Hazland gives an example of encouraging timber plantation companies to set up a separate area for reforestation, where they plant fast-growing species such as Acacia for export, instead of cutting down primary forests. “They agree because they calculated that if they have carbon trading plus replanting [for export], the income is actually more.”

Sarawak’s push for renewable energy — through hydropower and, subsequently, green hydrogen — is also attractive to foreign companies that want to decarbonise. If the electricity grid is green, the companies’ Scope 2 emissions are drastically reduced.

“Hydrogen is going to be the new energy of the future. Anything produced in Sarawak will be labelled green ... More companies will set up their factories here,” says Hazland. Singapore, for instance, has been in discussions with the state about carbon storage and the export of green energy through submarine cables.

***“Sarawak has been planning for the last three to four years to set up this ministry because we feel that we can contribute to climate change mitigation.”***

HAZLAND

The circular economy is also another important thrust in Sarawak’s sustainability vision. One of the innovations that Hazland has his eyes on is transforming used tyres — almost one billion tyres are used per year in the state — into playground rubber mats and as raw material to build roads.

“There is a new technology to produce roads by combining [used rubber crumbs] with bitumen to produce high-quality roads that last longer ... We want to do a pilot project,” says Hazland.

The bioeconomy, which includes the production of biofuels and bio-based plastics and sustainable agriculture, is another area of interest for him. The transition of industries will be a big one to watch and prepare for in the coming years.

“We are learning from overseas. For instance, it’s not accurate to see the oil and gas industry as a sunset industry. It will shift from [fuelling] the transport sector to the manufacturing of chemicals and materials. With climate change, we have to reduce the amount used for transport and change the usage,” says Hazland. ●

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# PIONEERING CARBON STORAGE AND TRADING REGULATIONS IN MALAYSIA

BY TAN ZHAI YUN

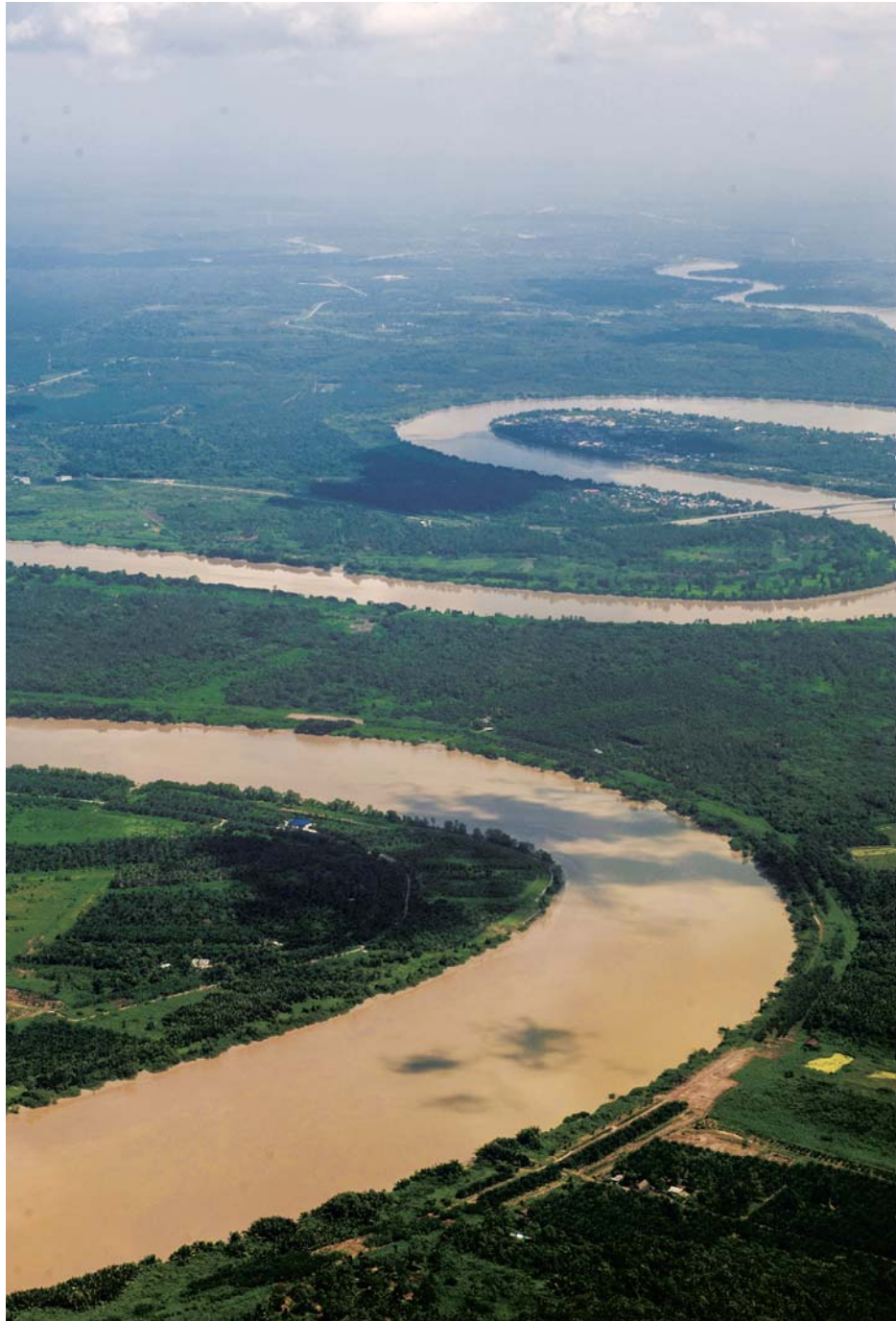
**I****N RECENT YEARS**, at least two states in Malaysia have been implicated in heavily criticised carbon trading deals. Vague details, protests from locals and a lack of confidence in the parties involved were the main arguments against these deals.

Various parties have called for clearer regulations and guidelines on how carbon trading activities should be done in the country to protect natural resources and the local communities that rely on them. Sarawak has gone ahead of other states and the country to amend two laws in the past year, allowing it to regulate carbon storage and trading. This would ensure that such projects are completed properly and benefit the state.

“This is the vision of our premier. He wants to look into the future. In our Post-Covid-19 Development Strategy 2030, one of the main thrusts for Sarawak to become a high-income state by 2030 is the focus on environmental sustainability. We aim to have net zero carbon emissions. The premier has the vision to see that we need to have legislation to push this forward,” says Datuk Sharifah Hasidah Sayeed Aman Ghazali, deputy minister in the Premier of Sarawak’s Department.

Sharifah was in charge of tabling the amendments. Among other things, the Land Code (Amendment) Bill 2022 was passed to regulate and control the use of land, onshore and offshore, and on the seabed for the storage, retention, capture and sequestration of carbon dioxide and other greenhouse gas emissions. The Forest Ordinance was amended to allow for the trading of carbon credits from Sarawak’s forests.

The potential for carbon storage in Sarawak is huge, says Sharifah. The state is estimated to have the largest carbon storage capacity in Malaysia, with 30 trillion cubic feet of storage capacity in offshore areas.



Borneo river line seen from the air in Kuching

The state can generate up to RM3.5 billion worth of carbon credits a year through carbon storage.

There is already one ongoing carbon storage project off the shore of Sarawak. Petroliam Nasional Bhd (Petronas) is leading the RM4.5 billion carbon capture and storage (CCS) project in the Kasawari gas field.

In the first phase of the project, natural gas from the gas field will be sent for processing in Bintulu to extract unwanted carbon dioxide. In the second phase, the carbon dioxide will be pumped underground.

“Our land area in Sarawak is huge at almost 12 million hectares. Our land also extends to the seabed up to the continental shelf, which is 200 nautical miles offshore,” says Sharifah. Depleted oil fields in the state can be used to store carbon.

“Environmentally and geographically, we are in a safe area. We are not in the Ring of Fire. There are no earthquakes or active volcanoes in the country. Besides that, we have political stability and a leadership that is very focused and driven to ensure net zero carbon emissions.”

She adds that the state also has the financial strength to support such projects and investments from foreign players.

#### ENSURING THAT SARAWAK BENEFITS

The laws had to be amended to ensure that such projects can proceed smoothly. This is essential if Sarawak wants to become the carbon hub for the region, says Sharifah.

A legal framework is needed to show the state’s commitment to this vision and protect investors and other stakeholders. “This law must comply with international protocol and standards.”

Secondly, the amendments are also needed to allow the state to gain benefits from the usage of land for these purposes. If a company wants to build a carbon storage facility under the seabed within Sarawak’s borders, for instance, it has to be regulated by Sarawak, which has the right to monetise it.

“Our law will provide for things like [requirements for] approval by the state. Our state planning authority must approve all licences or permits and whatever is necessary for building the facility and operation of the CCS facility. We also have provisions for fees, levies, taxes and penalties for issues



***“We will make it very clear that the land in Sarawak is ours, the air space is ours, and the boundary of the continental shelf up to 200 nautical miles [offshore] is ours.”***

SHARIFAH

of decommissioning and enforcement. Our purpose is to regulate and control the use of land onshore and offshore,” says Sharifah.

If a company fails to comply with the rules, the state will have the right to revoke the permits.

The same goes for carbon trading from Sarawak’s forests. The amendment to the Forest Ordinance will allow the state to regulate any carbon trading activities. “We have rules and the state planning authority will have to be the approving body to give a licence or permit,” says Sharifah.

“We will make it very clear that the land in Sarawak is ours, the air space is ours, and the boundary of the continental shelf up to 200 nautical miles [offshore] is ours.”

It will also be important to safeguard the environmental integrity of the state’s forests, seabed and other natural ecosystems that will be affected by carbon trading and storage. When asked, Sharifah says project developers will have to perform feasibility studies and necessary environmental impact assessments. “Our rules will include these things. We want to be transparent and follow international protocols and standards.”

“We hope to be the leading state in the country to have carbon trading and storage. We are the only state in the country with this legislation. This is thanks to the foresight of our premier... this is the way forward. But at the same time, we have to be practical and realistic. We cannot run away from fossil fuels. We must have a balance,” she says. ●

ESG

# A PROMISING GREEN FUTURE WITH MICROALGAE

BY PATHMA SUBRAMANIAM

**S**USPENDED ON NEAT rows of horizontally erected metal railings on a 1,000 sq m pilot plot at the Sarawak Biodiversity Centre (SBC) in Semenggoh, Kuching, are transparent rectangular plastic bags — known as flat-panel photo-bioreactors — containing swirling greenish slime growing on a steady diet of sunlight, water, carbon dioxide (CO<sub>2</sub>) and fertilisers.

The slimy substances are unicellular photosynthetic microorganisms — also known as microalgae — and the cornerstone to meeting Sarawak's sustainable energy agenda. It is the quintessence of a promising economically viable and environmentally friendly biofuel technology solution critical to the global transition to a cleaner energy alternative.

The world's reliance on non-renewable fossil fuels is becoming increasingly unsustainable, and its footprint on the environment and climate change is driving a global push towards adopting renewable energy sources, says Charlie Yeo, CEO of SBC.

Microalgae and their many uses have been steadily gathering scientific momentum for their unique features such as adaptability in growing in controlled laboratories as well as open ponds, high CO<sub>2</sub>-sequestering capability and high-lipid productivity.

Moreover, biomass can be processed for various commercial applications such as jet fuel, plastics production, paints, surfactants, truck fuel, proteins, feed for aquaculture and food products, as well as for pharmaceutical and cosmetics purposes.

For biofuel production, the raw component — or lipids — extracted from microalgae can be chemically converted into different feedstock for fuels.

“Algae is not only relevant as a big part of Sarawak's biodiversity, but they are also an important source that can be developed for

renewable energy. The characteristics of algae include rapid growth rate, ability to be cultivated in non-arable land, and needing only light, warm temperature, water with nutrients and carbon dioxide to grow,” says Yeo.

Sarawak is looking to reduce its carbon emissions by at least 30% to 40% over the next eight years as the state embarks on its low-carbon journey towards 2030. Premier Tan Sri Abang Johari Tun Openg emphasises that Sarawak aims to reduce its CO<sub>2</sub> emissions by 600,000 tonnes a year by 2030.

According to research papers, to produce 1kg of dry biomass of algae, 1.88kg of CO<sub>2</sub> will need to be absorbed or used.

Yeo says: “SBC is working on algae research and cultivation because Sarawak is moving to a sustainable bio-industry that is related to algae. Together with Japan's Mitsubishi Corp, we decided to address the issue of a global challenge by harnessing Borneo's microalgae biodiversity to produce biofuels and as a sustainable source. In 2012, we signed a research collaboration agreement to start exploring Sarawak's microalgae biodiversity as a potential source of renewable energy.”

The microalgae project is funded through Mitsubishi Corp's wholly-owned company, Diamond Gas Holdings Sdn Bhd. “The partnership aims to open a new chapter in efforts to spur green technology innovations and offer an alternative to achieve sustainable renewable energy production,” says Yeo.

“Microalgae is different from other plant-based feedstock biomass as it represents a complete biorefinery concept for obtaining multiple products from one strain. It does not compete for arable land, exhibiting a high growth rate and high lipid content. This makes algae an exciting addition to the sustainable fuel portfolio.



For every 1kg of dried algae biomass produced, about 1.8kg of CO<sub>2</sub> is absorbed





The cost effective flat-panel photo-bioreactor system developed in-house by Sarawak Biodiversity Centre with Mitsubishi Corp and Chitose Laboratory, is built with smart digital monitoring and artificial intelligence for detecting contamination

PATRICK COH/THE EDGE



“Also, microalgae is reported to be able to naturally fix CO<sub>2</sub> from 10 to 50 times that of terrestrial plants to produce oxygen and generate value-added products.”

The biological capture of CO<sub>2</sub> using microalgae is considered an attractive solution for recycling the excess CO<sub>2</sub> generated from, among others, heavy industries, transport and natural disasters such as volcanic eruptions and wildfires.

Although the partnership between SBC and Mitsubishi Corp was established in 2012, it was quite a challenge to set up the pilot facility in 2019, says Yeo.

Among the difficulties involved in the commercial deployment of microalgae biofuel technology, cost and efficient extraction of lipids remain a major bottleneck.

Algae cultivation facilities in the US and Japan commonly use tubular glass vessels to grow the substance, but it is a costly method. This is one of the reasons that has

deterred commercialisation, despite much of the research on the usefulness of algae, he adds.

“One of the questions we often get from the public is, if microalgae is so good and can be used to make biofuel, how come no one in the world is pursuing this? Well, that is because wider adoption has been hampered by the cost of the entire process,” says Yeo.

“To make it commercially attractive, algae production needs to be scalable and we need to be able to produce enough for a big supply. For that, we need to expand to 1,000ha to 5,000ha.”

Moreover, unlike terrestrial oilseed crops, lipids cannot be pressed out of microalgae, considering its minute cell size, complex cell membrane, and thick and rigid cell wall. According to the research paper “Enhancement of lipid extraction from marine microalga, *Scenedesmus*, associated with high-pressure homogenisation process” published in the *Journal of Biomedicine and Biotechnology* in 2012, oil extraction from algae is performed using non-traditional, costly techniques such as organic solvents, electroporation, ultrasonic and supercritical CO<sub>2</sub> methods.

Later studies and experiments on using durable plastic bags as simple photo-bioreactors instead of tubular glass vessels also drastically reduced the cost.

Despite the limitations, the SBC and Mitsubishi Corp partnership has endured, as the ample sun and rainfall makes Sarawak an ideal location for the microalgae farm, owing to the humid temperature throughout the year and abundance of fresh water, says Yeo.

“Sarawak is also strategically located to access major international markets such as Japan, Taiwan, China and Singapore, as well as having the availability of qualified and skilled local workforce.”

#### EXPANSION PLANS

Ever since Abang Johari launched the pilot in 2019, SBC — the state’s statutory agency in charge of harnessing traditional knowledge, bioprospecting and commercialisation of research — has been working to realise the state’s agenda for diversifying its revenue stream with biofuels.

Yeo says: “SBC, together with our partners in the innovation cluster of Post-

Covid-19 Development Strategy 2030, are involved in the implementation of several of Sarawak's catalytic initiatives such as the establishment of the first Sarawak Bioindustrial Park, and the initial phase of the BioHub port project, which is related to biomass conversion and green innovations.

"Other projects under the PCDS 2030 cluster include commercialising digital-based research and development, and empowering digital and innovation ecosystems, as well as setting up a venture capital for investing in technologies."

Thanks to the successful pilot, the world's largest mass microalgae biomass production facility, Chitose Carbon Capture Central (C4), spanning about five hectares, is set for its official opening in Sejingkat, Kuching, in April.

The C4 is adjacent to the Sejingkat power station and Sarawak Energy Bhd (SEB) will supply exhausted gas containing CO<sub>2</sub> for microalgae cultivation.

According to *Borneo Post*, Chitose Laboratory Corp executive officer and chief bioengineer Takanori Hoshino says the project — which is being funded by the Japanese government for about ¥2.5 billion (RM83.4 million) until 2024 — involves a collaboration with SBC, SEB and ENEOS Corp.

Once the five-hectare plant is rolled out, the plan is to expand the farm to 100ha in three years and 2,000ha towards 2030.

SBC's speciality is the ability to culture different species of algae and experience in operating a flat-panel photo-bioreactor system developed in-house over the last five years with Mitsubishi Corp and Chitose Laboratory, says Yeo.

The photo-bioreactor system is supported by smart digital monitoring and



***"Microalgae is different from other plant-based feedstock biomass as it represents a complete biorefinery concept for obtaining multiple products from one strain. It does not compete for arable land, exhibiting a high growth rate and high lipid content. This makes algae an exciting addition to the sustainable fuel portfolio."***

YEO

Microalgae can be processed for pharmaceutical and cosmetics purposes, in addition to commercial applications such as jet and truck fuel, plastics production and paints, among others

artificial intelligence for detecting contamination. These technology-aided tools have been very useful in developing algae-growing protocols, he adds.

The pilot test beds have been crucial to determining the engineering requirements and cost analysis for a commercial-scale algae cultivation facility.

"Our focus on establishing the protocol for outdoor [field condition] pilot scale production of different species of algae enables the study of its production rate, the yield of components such as protein, carbohydrate, lipids and bioactive compounds that are important for the next stage of commercial production. It is also important to develop an economically viable media formula that will allow the cost for large-scale production, which can reach up to five million litres of culture, to be lower," he explains.

In collaboration with Mitsubishi Corp, the Japanese government and Chitose Laboratory between 2012 and 2020, SBC was able to establish that there was a "live" collection of more than 600 strains of algae from Sarawak.

"Sixty-five per cent of strains in the library were identified with known applications in biofuel, health supplements, pigments, nutraceuticals [nutrition that is also used as medicine] and cosmeceuticals. Interestingly, 35% of these strains have not been studied in terms of their potential industrial application," says Yeo.

Apart from the work SBC is undertaking, Petronas Research Sdn Bhd (PRSB), a subsidiary of Petroliaam Nasional Bhd (Petronas), and SEDC Energy Sdn Bhd, a subsidiary of Sarawak Economic Development Corp (SEDC), signed an agreement on Jan 19 to develop technology for microalgae oil production.

Under the agreement — undertaken to further Petronas' "Net Zero Carbon Emissions by 2050" aspiration — PRSB and SEDC Energy will jointly develop algae production technology, which includes cultivation, harvesting and extraction of crude algae oil to be refined to produce sustainable aviation fuel.

Both parties will also dive into the commercial production requirements for crude algae oil, including developing algae strains with high oil content at a competitive production cost. ●



# OCBC BANK SEES SIGNIFICANT OPPORTUNITIES AHEAD FOR HIGH-NET-WORTH INDIVIDUALS

OCBC Bank (Malaysia) Berhad (OCBC Bank) sees significant opportunities ahead for high-net-worth individuals (HNWI) in Malaysia through its Premier Private Client (PPC) business as it looks to consolidate its presence in the country's wealth management space.

According to its Managing Director and Head of Consumer Financial Services Ms Anne Leh, the country's population of high-net-worth individuals (HNWI) is expanding on the back of old money and the emergence of new wealth.

"OCBC Premier Private Client is designed to create greater wealth opportunities for these high-net-worth clients whose needs are significantly different from the broader affluent segment," she says, adding that Sarawak, in particular, will always have a special place in the history of OCBC Bank.

"We were the first foreign bank to set foot here. It's one of our key markets, being the third largest contributor to Malaysia's GDP after Selangor and Kuala Lumpur.

"Being a relatively new entrant in this extremely competitive space, we have the advantage of being able to leverage on the resources of the banking group without any legacy concerns or any entrenched approach to operating so that we can anticipate needs and respond promptly to an evolving market landscape and emerging trends," Ms Leh adds.

## New expectations

OCBC Premier Private Client has a presence in market centres nationwide including Kuching, Sibu, Miri and Kota Kinabalu, and coverage in the rest of East Malaysia. Ms Jessie Lim, who heads the OCBC Premier Private Client and is a veteran banker with 30 years of experience, herself hails from Kuching.

"An emerging trend is the rise of the new rich because of wealth transfer and entrepreneurship," she says. "We see the passing of the baton from one generation to another in family businesses. We also see many young clients who have become successful through entrepreneurship. In time to come, they will be the ones controlling a sizeable portion of investible assets. There's significant growth potential ahead in this market.

"This new generation of clients will have very different expectations and investment styles from their parents. They seek not just monetary returns from their investments, but also themes that are aligned to their values.

**Anne Leh**  
OCBC Bank  
Managing Director & Head of  
Consumer Financial Services



*OCBC Premier Private Client is designed to create greater wealth opportunities for these high-net-worth clients whose needs are significantly different from the broader affluent segment.*

*-Anne Leh*

Sustainable investing is one of those themes. We are proud to share that by 2025, about 90% of our retail product offerings will be sustainability-linked investments."

## The switch in banking behaviour

Digitalisation is another dominant trend. The pandemic served as a wake-up call for many people and accelerated a change in banking behaviour. Clients, especially the younger ones, are now more digitally savvy and desire more independence to be availed by their bank. To stay relevant, OCBC Premier Private Client adopts a multichannel strategy to offer multiple touchpoints for clients to choose the way they want to do banking.

"We aim to break new ground, and we take a pragmatic approach towards digitalisation. We embed experience design in our user journeys to develop not just innovative but also practical ways to elevate the way our clients bank with us to avail them a distinctive blend of human and digital experiences," Ms Lim says.



**Jessie Lim**  
Head of OCBC Premier  
Private Client

"Relationships remain central to our business. Our service model remains high touch, and our client advisors the linchpin for human interaction and expertise. Alongside these, our brick and mortar branches serve as a vital base for complex advisory. We also seek to improve the client-banker relationship using technology to increase client satisfaction and loyalty and expand our geographical reach. We have a dedicated wealth management dealing desk and the digital OCBC RM Chat that support a broad range of paperless transactions, conveniently and efficiently."

## Client coverage model

OCBC Premier Private Client aims to strengthen core banking relationships and create a value chain for clients on the back of the bank's comprehensive onshore presence and collective strength of its many divisions.

"We run our private client services within a universal bank model which allows us to deliver an integrated proposition to our clients. We work closely with our trusted colleagues from other divisions onshore and beyond such as business banking and investment banking to connect our clients to the right experts with their deep industry knowledge, and local and regional insights. And we employ a collaborative approach to create value for our clients.

"For privacy and ease of arrangement, we have clients who prefer to deal only through their Client Advisor who understands their circumstances and preferences. We continue to invest heavily in our people to ensure they have the right mindset and skill sets to deliver quality and exceptional service," Ms Leh says.

## The bottom line

She adds that Malaysia offers a conducive environment for clients to grow their wealth.

"We are a natural choice to bank with for those who carry out their business and professional activities here and for those who wish to hold ringgit-denominated assets. We also provide a broad range of alternative investments and beyond to meet the needs of people with diverse financial aspirations. We have been steadily growing our presence here on home ground with wealth management being our key strength."

Scan the QR code here  
for more information about  
OCBC Premier Private Client.



# Taking Sustainable Steps for Future Generations

Championing ESG stewardship with OCBC Group through **Responsible and Sustainable** financial solutions

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House Awards

**Special Awards for Sustainable Energy Financing:**  
National Energy Awards (Ministry of Energy and Natural Resources)

**Malaysia International Initiative of the Year for Green Financing:**  
ABF Wholesale Banking Awards

Transaction Awards

**Best Sustainability-Linked Term Financing:** The Asset Triple A Islamic Finance

**Best ASEAN Sustainability SRI Sukuk:** The Asset Triple A Islamic Finance

**Green and Sustainable Finance Deal of the Year:** Islamic Finance News

**Best ESG Green Financing, SEA:** Alpha Southeast Asia

**Best SRI Sukuk:** The Asset Triple A Islamic Finance

**ESG Top Issuance:** BPAM Bond Market Awards

**Best SRI Sukuk:** Alpha Southeast Asia

**Building a Sustainable Future**

For over “90 Years of Giving,” the theme of our 90th anniversary last year, OCBC Group has always believed that “businesses do well by doing good.”

According to OCBC Bank (Malaysia) Berhad (OCBC Bank) Chief Executive Officer Mr Tan Chor Sen, the Bank’s long-term value creation strategies are driven by the quest to be a key change agent in catalysing the transition towards sustainable development and ensuring the next generation will inherit a habitable future. The growing threat of climate change and the urgent need for sustainable development pose both business risks and opportunities for the banking industry.

“Financial institutions can play a key role in cultivating the right behaviour and ensuring that the culture of sustained ESG best practices is cascaded down to all our stakeholders including our customers and the communities we serve. Given the undeniable fact that a transition to a greener and more sustainable posture is a long and costly journey, we believe that OCBC Bank bears the social responsibility to encourage, guide, and facilitate a just and orderly transition of our business partners to be fully ESG-compliant,” he says.



*“Given the undeniable fact that a transition to a greener and more sustainable posture is a long and costly journey, we believe that OCBC Bank bears the social responsibility to encourage, guide, and facilitate a just and orderly transition of our business partners to be fully ESG-compliant.”*

**Tan Chor Sen**  
Chief Executive Officer

“OCBC Group has set for itself a target of S\$50 billion in sustainable finance portfolio by 2025, which signifies our commitment to support the sustainability agenda and ride along the transition journey with our clients across the markets in which we operate.”

OCBC Bank is also the first foreign bank to collaborate with Bursa Malaysia under the financing4ESG initiative as part of our ongoing contribution to further the sustainability agenda in Malaysia. Pursuant to the collaboration, OCBC Bank together with Bursa Malaysia, will jointly promote ESG adoption by public-listed companies in accordance with the FTSE4Good assessment criteria and offer tailor-made sustainable financing solutions to support such initiatives.

**Synergistic Collaboration**

OCBC Bank is inspired by the Sarawak State Government’s (SSG) proactive initiatives in driving the sustainability agenda in the State. Sarawak has the advantage of abundance of natural sustainable resources such as natural forest, agricultural land and water, as key enablers to stimulate its sustainability agenda. Having been Malaysia’s largest hydro-powered renewable energy producer, the SSG is currently eyeing other green resources for revenue diversification which include production of green hydrogen as alternative fuel. The State is also developing the regulations for nature-based carbon removal activities and trading of carbon credit as well as forming Sarawak’s own carbon registry.

The Premier of Sarawak has shared the State’s roadmap and strategic initiatives towards championing economic prosperity, social inclusivity and environmental sustainability, during the first Asia Carbon Conference recently held in Kuching with OCBC Bank as Gold Sponsor. These initiatives will position Sarawak on track to realising its low carbon and inclusive green economy transition goal by 2030.

OCBC Bank’s Managing Director, Senior Banker and Head of Investment Banking, Ms Tan Ai Chin says, “We are indeed honoured to have played key leading roles as one of the Principal Advisers and Lead Arrangers in the establishment of an award-winning AAA-rated Sukuk Murabahah Programme of RM15.0 billion by a special funding vehicle wholly-owned by the State Financial Secretary of Sarawak. The Sukuk programme was established to fund infrastructure development projects in Sarawak and strategic investments to be undertaken by the SSG.”

“This successful partnership and the parallels between OCBC Bank’s vision for sustainable best practices and SSG’s commitment towards its sustainable development and goals, provide opportunities for many other synergistic collaborations between the State and OCBC Group.”



*“The parallels between OCBC Bank’s vision for sustainable best practices and the Sarawak State’s commitment towards its sustainable development and goals, provide opportunities for synergistic collaborations between the State and OCBC Group.”*

**Tan Ai Chin**  
Managing Director, Senior Banker and  
Head of Investment Banking

“Being a market leader for responsible and sustainable finance, OCBC Bank looks forward to supporting ESG transition initiatives in Sarawak by offering bespoke financing solutions and playing a key role in the sustainability ecosystem.”

OCBC Bank has been a strong proponent and prime mover for driving innovations in the sustainable finance space. The Bank pioneered the world’s first Islamic multi-currency sustainability-linked financing and the inaugural issuance of sustainability-linked bonds in Malaysia. OCBC Bank also recently structured an Islamic ESG-linked financing for a major conglomerate, with the unique added feature of an ESG-linked derivative solution, the first-of-its-kind in Malaysia.

OCBC Bank was the first foreign bank to set foot in Sarawak when it established its Kuching branch in 1948. It has since added two more branches in Miri and Sibul, the latter being its first Islamic banking branch in East Malaysia. For over 75 years, OCBC Bank has offered a wide range of financial products and services to cater to the different customer segments in Sarawak.

Scan the QR code here for more information about OCBC Corporate and Investment Banking services.



ESG

# ADVANCING THE GREEN HYDROGEN REVOLUTION

BY TAN ZHAI YUN

**I**N THE PAST few years, Sarawak has been ahead of the country in developing one of the most anticipated sources of clean energy in the low-carbon economy: hydrogen.

The state has plans to produce 100,000 tonnes of hydrogen by 2026, through collaborations with well-known corporations from South Korea and Japan. Some of this will be used for industrial developments in Sarawak, while the rest will be exported.

Sarawak has the potential to produce green hydrogen, which is its cleanest form, thanks to the excess hydropower that is powering the state. Hydropower, solar and hydrogen will become the main three sources of clean energy for the state going forward.

“Renewable energy has been on the minds of our leaders, especially the premier of Sarawak and the chairman of the Sarawak Economic Development Corporation (SEDC). They have been talking about it for many years. Our hydropower dams started to be built in the 1990s,” says Datuk Abdul Hadi Abdul Kadir, general manager of SEDC.

Green hydrogen is generated through the electrolysis of water molecules using renewable energy. In Sarawak, the source of energy is hydropower. Abdul Hadi emphasises that the state’s hydropower has been certified as green by a third party.

According to Sarawak Premier Tan Sri Abang Johari Tun Openg, the state’s energy generation mix transitioned from 92% fossil fuels in 2010 to 70% hydropower by 2015.

SEDC is the state agency responsible for the research and development of renewable energy (RE) projects in Sarawak, including the hydrogen economy.

In 2019, three hydrogen buses began operating in Kuching. An integrated hydrogen production plant and refuelling station were launched that year by energy develop-

ment company Sarawak Energy Bhd, which the state says is the first in the region. The refuelling station will be used by the buses owned and managed by SEDC.

According to Sarawak Energy, the production plant can produce 130kg of hydrogen a day with a purity of 99.999%. It can fully refuel up to five fuel-cell buses and 10 fuel-cell cars per day. When these fuel cells are used in transport, they emit no carbon and produce only water and heat as byproducts.

Last year, the government announced

Top: The first three-in-one multi-refuelling station in Kuching, which has petrol pumps, an electric vehicle charger and a hydrogen fuel charger.

Bottom: Three hydrogen buses began running in Kuching in 2019





that an automotive assembly plant to produce hydrogen-powered fuel cell electric vehicles (FCEV), in collaboration with Australian company H2X Global, is in the pipeline.

Meanwhile, SEDC subsidiary, SEDC Energy Sdn Bhd, launched the three-in-one Petroleum Sarawak Bhd (Petros) petrol station in Kuching that serves conventional fossil fuel-powered vehicles, electric vehicles and hydrogen-powered FCEVs. Five hydrogen-powered FCEV Toyota Mirai vehicles were delivered to the state in January.

#### PRODUCING HYDROGEN FOR EXPORT

The state's biggest project, however, is its collaboration with Japan's Sumitomo Corp and Eneos Corp and South Korea's Samsung Engineering, Posco and Lotte Chemical to produce hydrogen for export to the two countries.

This is aligned with Sarawak's Green Energy Agenda, which also involves decarbonising the public transport sector. SEDC's subsidiary, Sarawak Metro Sdn Bhd, has developed the Kuching Urban Transportation System that will introduce hydrogen-powered

***“This is an investment in the future and that’s what we are looking at. If we don’t start now, it will never start. That’s why many people are coming to Sarawak now to see our progress.”***

ABDUL HADI

autonomous rapid-transit vehicles to the city.

It will take years for this vision to be realised. The state premier has mentioned that large-scale commercial production of hydrogen will begin in 2027.

“But right now, hydrogen is being produced for smaller needs,” says Abdul Hadi.

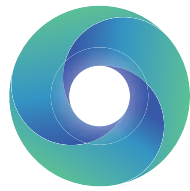
The three-in-one refuelling stations are a first step and will be expanded to other cities in Sarawak, such as Miri, Bintulu, Sibul and Sri Aman.

“It is about 200km from Sibul to Kuching and 400km from Kuching to Sarikei. If you drive a hydrogen-fuelled car on a straight road, the car can go 1,000km with 5.5kg of hydrogen, which is almost a full tank. One day, this may go up to 1,200km,” says Abdul Hadi. With technological advancements and an increasing scale of production, the cost of using hydrogen will eventually go down.

“This is an investment in the future and that’s what we are looking at. If we don’t start now, it will never start. That’s why many people are coming to Sarawak now to see our progress.” ●



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# TSG GROUP PAVES THE WAY FOR SUSTAINABLE BUSINESSES THROUGH INNOVATION, INCLUSIVITY

**W** HILE SARAWAK HAS always been recognised for its traditional industries and logging business, the state's premier has over the last five years been advocating for a shift towards sustainable development and community building to reshape the economy.

TSG Group is working in line with that shift by building transformative businesses that are involved in cultivating tissue cultures and planting future trees; building bridges to connect rural communities; developing, constructing and managing world-class and unique property developments; cultivating and commercially planting oil palm; and attracting capital and talent into Sarawak.

TSG Group CEO and founder Dato Chris Chung Soon Nam says: "As an entrepreneur of 25 years, I have founded different businesses, and I have found that a purpose-driven strategy is a great differentiator. It can drive financial performance and bring people together.

"A 'purpose drives people and profit' system generates sustainable impact. This results in a sustainable cycle of growth. So, just before the Covid-19 pandemic, I began a strategic review to unite all my businesses around a meaningful purpose to shape the state's future. The reason behind it was not just financial growth but to contribute meaningfully to shape the future of Sarawak."

Via its subsidiary, TSG Green Sdn Bhd, the group seeks to plant



“

***“Sarawak is undervalued and there is a lot of latent value in terms of talent and uniqueness”***

Dato Chris Chung Soon Nam,  
Group CEO and founder, TSG Group

”

a million trees for Sarawak by end-2023 under its FutureTrees project. "This project is close to my heart and represents what Sarawakians can do. We have a tissue culture lab, the first in Kuching, that produces RT-Paulownia clones that can generate quality trees. This species is known as the empress tree in Japan and is known as the most effective natural carbon-capture tree in the world, capturing up to 10 times more than most tree species can absorb. It took us five years of experimenting with a partner to find an acclimatised version of this tree that is non-invasive and can be scaled up in Sarawak."

He notes that the FutureTrees project is important in terms of developing the biotech industry in Sarawak as well as opening a viable economic pathway for the rural communities. "As it is, the state has a constant brain drain, as the young see few opportunities here, but a project like this can change that perception. We also seek to partner with the rural communities, as they can help us scale up, which can benefit them as well. It is a win-win-win situation in terms of the business, socio-economic and environmental aspects."





**(Above) The Saradise Gallery promotes local culture, arts and design and currently features 800 local artists; (left) Saradise is not just about creating a physical space but a vibrant community**

Founded with a vision of developing a world-class township in Sarawak that boasts its own unique identity, the group's Saradise Sdn Bhd has a vision to shape a new kind of Sarawakian township. "The Saradise model of a township is not typical in Kuching, and took us eight to nine years to get right," says Chung.

"Our aim is to raise the bar of property developments in the state and set a benchmark that is on a par with international standards. Saradise is not just about creating a physical space but, rather, a vibrant community. We want to ensure that the township is not just aesthetically pleasing, but also functional and liveable. We aim to create a sustainable and inclusive environment where residents can thrive and enjoy a high quality of life."

The company plans to launch a new residential development called Saradise Dreams in the Saradise township in Stutong. "We believe Kuching is an attractive second home; it is safe, offers great food and is surrounded by the best that nature can provide. We are also focused on bringing technology-oriented industries into our township for a good mix of community, technology and sustainability," says Chung.

Under Saradise, the company has also set up the Saradise Gallery to foster the spirit of creativity and be a venue to promote local culture, arts and design, be a platform to

showcase "Sarawakiana" creative works by local artists. The gallery currently features 800 local artists. "If you look at the most liveable places on earth, like Melbourne and Singapore, they have unique stories and cultures," Chung says.

The group's investment holding arm DesignFutures Venture Pte Ltd was set up to attract capital and talent to Sarawak, from Singapore, through the development of projects involving food security, environment as well as the data and space sector.

Through its subsidiaries Titanium Management Sdn Bhd and

Titanium Project Management Sdn Bhd, the company has built 652 bridges in rural communities throughout Sarawak. Through Grand Olie Sdn Bhd, the company is exploring new ways to establish a circular economy by ensuring every part of the oil palm it cultivates can be reused.

"Sarawak is undervalued and there is a lot of latent value in terms of talent and uniqueness. Also, just a decade ago, few paid attention to the social or environmental impact, but I knew then that the way of doing business had to change. By addressing these two factors, businesses in Sarawak can be examples of sustainable and inclusive growth," says Chung.

**(Right) The group's investment holding arm was set up to attract capital and talent to Sarawak from Singapore; (below) through its Titanium subsidiaries, the company has built 652 bridges in rural communities throughout Sarawak**



## RENEWABLE ENERGY

# HARNESSING THE FORGOTTEN ENERGY SOURCE

BY PATHMA SUBRAMANIAM

**T**HE GLOBAL RACE to transition to clean and sustainable sources of energy has put hydroelectric power, otherwise known as hydropower, back in the spotlight.

As an affordable means of producing and storing energy over the long term, hydropower has been the backbone of low-carbon electricity generation in Malaysia for decades. In Sarawak, it has been at the heart of its economic growth.

Over the years, Sarawak Energy Bhd — the state's wholly-owned electricity utility and a power development company that manages its hydroelectric power plants — has been working on greening the infrastructure and has decarbonised its power system by 72% between 2010 and 2020.

"In Sarawak, about 70% of our electricity is generated from renewable hydropower. The rest comes from fossil fuels. Renewable hydropower allows us to maintain energy security, affordability and sustainability.

"We are blessed with abundant natural resources, and Sarawak Energy has been able to embark on our energy transition ahead of many peer utilities in the region," says Sarawak Energy Bhd's Group CEO Datuk Sharbini Suhaili.

The International Energy Agency (IEA) has stressed that low-carbon hydropower capacity is vital for faster integration of wind and solar power, especially given that its capabilities for providing flexibility and storage for electricity systems are unmatched, says the agency.

The advent of the Covid-19 pandemic, increasing occurrences of extreme weather conditions and constant disruptions to the global energy sector have ramped up the deployment of clean and efficient energy technologies.

If the world is to have a chance of limiting global warming to 1.5°C, hydropower is essential to fill in the gap in the transition to intermittent renewables, says Sharbini.

"Energy transition is key to climate resilience and a crucial enabler of sustainable development. The Covid-19 pandemic, increasing impact of climate change and extreme weather, geopolitical disruptions, subsequent price hikes for fossil fuels and disruptions to the energy sector have brought home the importance of addressing the energy trilemma and the need to shift towards renewable energy.

"The Sarawak government is very much ahead of the curve in terms of recognising





Bakun hydroelectric plant

the potential of renewable hydropower in pursuing sustainable energy development. Strong political will and a focus on pursuing sustainability strategies to further accelerate a transition towards renewable resources, cost-sharing initiatives, investments and incentives to encourage the shift as well as diversifying traditional businesses or changing the way of doing things must be part of the solution, as demonstrated by Sarawak," he says.

The state's hydropower potential was studied in the 1960s and its first hydropower dam was built in Batang Ai in 1985. Until that point, the state was fully dependent on energy generation from fossil fuels.

Sarawak Energy currently has an installed capacity of up to 5,643MW from its three large hydropower dams: Bakun (2,400MW), Murum (944MW) and Batang Ai (108MW). Another 1,285MW from the Baleh hydropower dam will be added to the installed capacity when the dam is commissioned by 2027.



*"We have accelerated renewable hydropower development over the last decade, transforming our energy landscape significantly and decarbonising our grid emission intensity by 72% from 2010 to 2020."*

SHARBINI

Transmission lines connecting to Bakun hydroelectric plant

When the Sarawak Corridor of Renewable Energy was launched in 2008, Sarawak Energy began focusing on the state's hydropower potential to spearhead socio-economic development.

"We have accelerated renewable hydropower development over the last decade, transforming our energy landscape significantly and decarbonising our grid emission intensity by 72% from 2010 to 2020," says Sharbini.

Under the state's Post Covid-19 Development Strategy 2030 (PCDS 2030), Sarawak Energy will continue to pursue the development of sustainable hydropower while exploring other renewable energy sources, such as large-scale solar, biomass and green hydrogen as an energy carrier, he adds.

"We will maintain renewable energy as the predominant part of our generation mix. However, we will also continue to generate some thermal energy from indigenous Sarawak coal and gas to maintain energy security.

"The state has decided that the Balin-gian coal-fired power plant is our last coal power plant to be commissioned in Sarawak. To support the load (demand) growth in Sarawak, Sarawak Energy is working closely with Petros, a state-owned agency like us, which has been entrusted with

implementing the Sarawak Gas Road Map.

"In addition, Sarawak Energy will continue to expand its hydropower portfolio and explore other renewable and sustainable energy resources, such as floating solar, to maintain the long-term generation mix of at least 60% renewables.

"We are also sharing the benefits of renewable hydropower with neighbours through power exchange agreements — working towards realising the Borneo and Asean grids for energy security at the regional level," says Sharbini.

Sarawak Energy offers the lowest average unsubsidised tariffs in Southeast Asia to date. The power producer has been exporting electricity to neighbouring West Kalimantan, Indonesia, since 2016 and is currently supplying up to 300MW to the province.

According to news reports, Sarawak Energy will next export electricity to Sabah Electricity Sdn Bhd upon the targeted completion of the Sarawak-Sabah power interconnection project in May this year. There are also plans to export electricity to neighbouring Brunei.

As part of its commitment to include other forms of renewable energy in its mix, Sarawak Energy was awarded the 50MW floating solar project at the Batang Ai Hydroelectric Plant last year.



Batang-Ai dam



Murum hydroelectric plant

The project, which is expected to be completed by next year, will be developed and operated as an independent power producer (IPP), with Sarawak Energy as an equity partner in the IPP.

“This 50MW Batang Ai floating solar project will serve as a demonstration of the solar-hydro synergy,” says Sharbini.

“As we know, solar itself is intermittent whereas hydro is flexible. The flexibility and storage capacity of hydroelectric plants make them ideal for supporting the use of intermittent sources of renewable energy, as they can store energy and generate it when other renewable resources are not available.”

As the rough terrain of Sarawak make it impossible to have full grid-connected electricity, the state utility provider is also imple-

menting the Rural Electrification Scheme (RES) – which is under the purview of the Ministry of Utility and Telecommunication Sarawak – to extend the grid into the rural areas as well as off-grid solutions using alternative renewable energy sources via solar and mini-hydro under the Sarawak Alternative Rural Electrification Scheme (Sares).

“Sares has since been able to displace a large majority of diesel generators for communities living in Sarawak’s remote hinterlands, where grid connectivity remains very challenging. Through this system, the communities enjoy free 24-hour electricity from a renewable source,” says Sharbini.

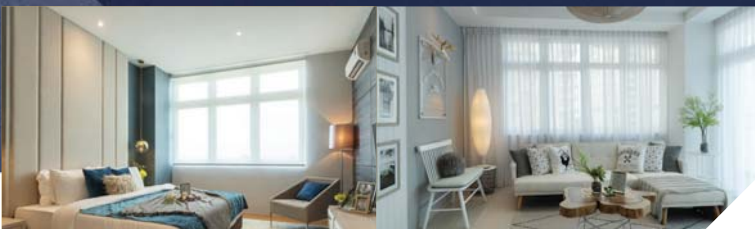
With RES in place, he says the hope is to achieve full electricity coverage in the state by 2025, which currently stands at 99%. ●

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## HEALTHCARE

# THE ROAD TO AUTONOMY

The Sarawak state government has been pushing for greater autonomy in healthcare for many years. One of the main reasons is the unique challenges faced by the state, which is geographically larger than those in the peninsula, with many remote and isolated communities, making it difficult for the government to provide equitable access to basic services.

BY PATHMA SUBRAMANIAM

**T**HE SHORTAGE OF manpower and facilities in healthcare in Sarawak has long been a point of contention. These issues have been exacerbated in the aftermath of the Covid-19 pandemic, with the state facing insurmountable difficulties in attracting and retaining healthcare professionals.

A big part of the problem is the concentration of power and resources at the federal level, prompting the state's leadership to seek greater autonomy over the health sector.

Matters concerning public health and medicine currently fall under the Concurrent List, Ninth Schedule of the Federal Constitution, which means it is the state government's responsibility to plan for improvement of the services, says the state's deputy premier Datuk Seri Dr Sim Kui Hian.

"This has led to Sarawak having to follow the national norms in terms of facilities and staffing. For instance, certain facilities and services such as a cancer hospital for Sarawak and public health laboratories have been low on the priority list of the federal government.

"If Sarawak were to be given health autonomy, then Sarawak could overcome the shortcomings in the healthcare systems in the state, which are primarily caused by the centralisation of decision-making at the federal government.

"Sarawak will be able to plan healthcare services that will be more suited to its needs without being constrained by the national norms, given that we have a low population density that is scattered over vast areas," says Sim, who is also the state's minister of public health, housing and local government.

Decentralisation and greater autonomy over the health sector were one of the prom-



***"If Sarawak were to be given health autonomy, then Sarawak could overcome the shortcomings in the healthcare systems in the state."***

SIM

Decentralisation and greater autonomy over the health sector were among the pledges in Pakatan Harapan's manifesto

ises in the Pakatan Harapan — which was then still a federal opposition coalition — manifesto in 2018 and 2022. The coalition had then promised to decentralise autonomy in Sarawak's healthcare and education and to establish heart and cancer units in the central and northern regions of the state.

Healthcare autonomy will deal with the three main pillars of financing, infrastructure development and the recruitment and placement of medical professionals, all of which are currently under the purview of the federal government.

Since the unity government took over last November, calls for Prime Minister Datuk Seri Anwar Ibrahim, who is also the leader of Pakatan Harapan, to deliver on the promise have intensified. On Jan 11, it was reported that Anwar and Sarawak Premier Tan Sri Abang Johari Tun Openg will be meeting to start ironing out the kinks with grants needed for the much sought-after decentralisation.

While health autonomy is in line with the rights accorded to Sarawak under the Malaysia Agreement (MA63), the unmaking





of a 60-year-old system is complex and financially taxing.

In its manifesto, Pakatan Harapan promised a full devolution of power in the areas of education and healthcare, where the state would then take responsibility for managing these two critical departments. There will be the return of healthcare decision rights as the over-centralised healthcare system has not been efficient enough to cater to the different health needs and demographics of Sarawakians, it stated.

The federal standards are not appropriate to Sarawakian aspirations, Sim stresses. “For example, the Pan-Borneo Highway is as long as the North-South Highway, which is over 800km. If there is a motor car accident in Peninsular Malaysia, there are trauma centres with the necessary specialists all over the North-South Highway. In Sarawak, we only have a full trauma team and specialists in Kuching.

“If we genuinely believe in accessibility and equity in healthcare throughout Malaysia, after 60 years of MA63, Sarawakians are still waiting for the Ministry of Health to fulfil their visions and missions because their national norms are based on the population,

With 8,243 nurses in Sarawak, the nurse-to-population ratio is one to 342 compared with one nurse to 283 at the national level

not considering and fulfilling the Sarawak needs of geographical distance.

“With health autonomy, arrangements can be made for the performance of federal functions, particularly the setting up, maintenance, human resources and equipment of hospitals, clinics and more to be implemented or undertaken by the Sarawak government with the provision of necessary funds, as provided under Article 80(5) of the [Federal] Constitution, could be agreed upon between the state and federal governments.

Article 80(5) states that arrangements may be made between the federation and a state for the performance of any function by the authorities of the one on behalf of the authorities of the other, and such arrangements may provide for the making of payments in respect of any costs incurred under the arrangements.

According to the Ministry of Health’s 2021 statistics, the total number of doctors in Sarawak is 4,262 — with 3,656 and 606 in the government and private sectors, respectively. “This makes the doctor-to-population ratio one doctor to 662 persons, compared to one doctor to 420 persons at the national level.”

As for nurses, there are a total of 8,243 — 6,606 in the government sector and 1,637

in the private sector — in Sarawak, giving a nurse-to-population ratio of one to 342 compared to one nurse to 283 at the national level.

Considering the extent of the problem, health autonomy, however, will not completely eradicate the disparity and inequitable distribution of medical officers and specialists, admits Sim.

“However, health autonomy will enable the state to address the disparity through various strategies, such as giving better incentives to medical and health staff who are willing to serve in unpopular areas of Sarawak. This is not possible if there is no health autonomy,” he says.

### BUILDING EXCELLENCE

The state also hopes that more control over healthcare will help develop a world-class health sector and improve the service provided to its people.

The health sector is made up of several subsectors that can be grouped into clinical medicine and population or public health, each with its own subdisciplines; government or public sector and private sector; service provision, the teaching of health staff and research in medical and health; clinical and health, and support such as pharmaceuticals, manufacturing; and scientific medicine, traditional and complementary medicine; and more.

“While it is not possible to have a world-class health sector that includes all the subsectors in a short time, we can definitely develop world-class facilities and services starting with subsectors that we are strong in,” says Sim.

“For example, in the government sector,



Sarawak hopes more control over healthcare will help it develop a world-class health sector and improve the service provided to its people

The health sector is made up of several subsectors, including clinical and health

the Sarawak Heart Centre and the Sarawak Clinical Research Centre have received global recognition in terms of the services provided as well as research and publications.

“In the private sector, several private hospitals have received accreditation by international bodies such as the Joint Commission International (JCI) from the US. Such accreditation is especially useful for medical tourism,” he says.

Prior to the Covid-19 pandemic, Sarawak was one of the most sought-after destinations for medical tourism, with more than 53,000 people visiting the state to seek medical treatment in 2019.

The state is now working on reopening its international border fully, particularly for medical tourists from Indonesia, adds Sim. “The Sarawak government will assist in establishing more direct flights from various cities in Southeast Asia, particularly Kalimantan and Jakarta, to Sarawak to bring in more medical tourists. And upgrade the road facilities connecting neighbouring Indonesian cities to facilitate more medical tourists to the state.”

Another existing world-class facility is the Institute of Health and Community Medicine at Universiti Malaysia Sarawak (Unimas), which conducts research and provides teaching and support services such as genome sequencing of the Covid-19 virus. The state is in the midst of setting up its Infectious Diseases Centre, which will be another facility that will be a world-class research and disease surveillance establishment, he says.

The state is working on improving medical access for people in Kota Samarahan,



Photo Courtesy of Sabah Forestry Department

# CHAMPIONING SABAH AS A NET-ZERO STATE, ADVANCING MALAYSIA AS A NET-ZERO NATION.

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approximately 30km from Kuching.

“The Unimas Teaching Hospital in Kota Samarahan will improve access to quality care for Samarahan Division once it is completed. Construction is taking place in two phases. The first phase involves building a primary care centre and is expected to be completed in the later part of 2023. The second phase involves constructing the main hospital block and should be completed in 2025.

“It is a tertiary referral hospital with a capacity of 300 beds, providing medical care in various fields. Its niche areas will be skull base surgery and ear implants, as well as integrated pulmonology and sleep care.

“The hospital serves as a teaching hospital for the Faculty of Medicine and Health Sciences at Unimas, providing opportunities for medical students, residents and other healthcare professionals to receive hands-on training and experience in patient care. The hospital is also involved in various research and development activities in collaboration with the university,” says Sim.

The Unimas Teaching Hospital — pivotal to establishing the next generation of health-

The rollout of 5G connection will benefit patients in rural areas

care professionals — will also provide community outreach programmes to promote health and wellness in the surrounding areas. These programmes include health screenings, health education and disease prevention campaigns.

Other than that, the state is also gearing up for the completion of the Sarawak Cancer Centre, which is estimated to cost between RM800 million and RM1 billion, by 2030.

It is also developing the Health Metropolis Sarawak Cancer Centre, together with the Sarawak Infectious Centre and the Sarawak Heart Centre, the Sarawak Biodiversity Centre, the Unimas Teaching Hospital, the Unimas Campus, the UiTM Campus and the Sama Jaya Free Industrial Zone — all of which are in proximity to each other in Kota Samarahan.

“This will evolve into a health metropolis with an ecosystem from the bench — drug discovery, development and more — to bedside (which is clinical services) as well as manufacturing.

“As for the digitalisation of healthcare, once 5G connections are rolled out, it will benefit the patients in rural areas,” says Sim. ●

# About Business Events Sarawak (BESarawak)

Business Events Sarawak is a non-profit organisation supported by the Sarawak Government, industry, and academia to bring domestic and global business events to Sarawak in addition to developing homegrown events.

As Malaysia's first convention bureau, we have the resources and excellent connections to help you develop, organise, and host business events that deliver social and economic impact. Our services are impartial and free.

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### Eligibility

- ✓ Supports all types of business events
- ✓ Application to be made at least 1 - 4 months prior to event date (depending on type of business event)
- ✓ Event must be held for a minimum of 2 days
- ✓ Delegates attending the Convention/ Conference/ Seminar/ Workshop or similar will be required to pay a registration fee

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-  Site Inspection
-  Professional Conference Organiser (PCO), Professional Exhibition Organiser (PEO), Destination Management Company (DMC) and other services
-  CMCI Enhancement
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For conventions, conferences, seminars, workshops, exhibitions, tradeshows and similar, email **Donny Tan, Senior Business Development Manager** ([donny@sarawakcb.com](mailto:donny@sarawakcb.com))

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Sarawak Convention Bureau (740761-P)

## TIMBER

# SUNSET TODAY, SUNRISE TOMORROW?

STORIES BY KUEK SER KWANG ZHE

**T**HE TIMBER INDUSTRY is seen as a sunset industry, not without good reason. Timber has been facing intense competition from other raw materials, such as steel and plastic, in the construction of high-rise buildings, houses, furniture and more. Its growth in the past decade has not been strong.

More importantly, timber companies are facing mounting pressure from non-governmental organisations (NGOs) and stakeholders to make their business more sustainable. They have received flak from NGOs for logging natural forests, while their clients in the West reject timber products that do not come from sustainable sources.

Banks are increasingly reluctant to

finance companies in sectors deemed unsustainable, including the logging of natural forests. Governments are demanding that timber companies better manage their forests and diversify into other sectors.

In Sarawak, the timber industry is a major contributor to its economy. Given the current challenges faced by the industry, the Sarawak government, under the Post Covid-19 Development Strategy 2030 (PCDS 2030), has put in place a series of initiatives to ensure the industry's sustainability in the long term. The target is for the industry to generate RM8 billion in revenue by 2030.

According to the Timber Trade Portal, the forestry sector comprises four major sub-sectors: sawn timber; veneer and panel products



(plywood); mouldings and builders' joinery and carpentry (doors, windows and more); and furniture and associated components.

A report revised by the Economic Planning Unit (EPU) in 2021 shows that forestry exports comprised 9.6% of the country's total exports of RM79.6 billion in 1990. Fast forward to 2020, it has dwindled to only 0.4% of the country's total exports of RM983.8 billion.

Sarawak's timber exports grew slightly to RM3.9 billion in 2021, compared to RM3.7 billion in 2020.

To avoid being in a sunset industry, timber companies must transform their businesses to become environmentally friendly. Timber companies may feel sidelined by stakeholders, but there is no other way forward as the world moves towards a net-zero target by 2050.

## BALANCING DEVELOPMENT AND FOREST PRESERVATION

Lawrence Chia, CEO of Sarawak-based Samling Group, one of the largest timber companies locally, says that timber companies are hard pressed to place greater emphasis on sustainability.

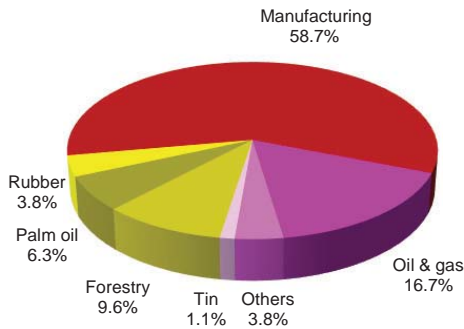
Even if they are not, it will be a matter of time before they need to do so, as more natural forests are being logged and sources of timber are depleted.

Moving deeper and deeper into forests to conduct logging activities would also mean higher operating costs for timber companies, which would result in being uneconomical.

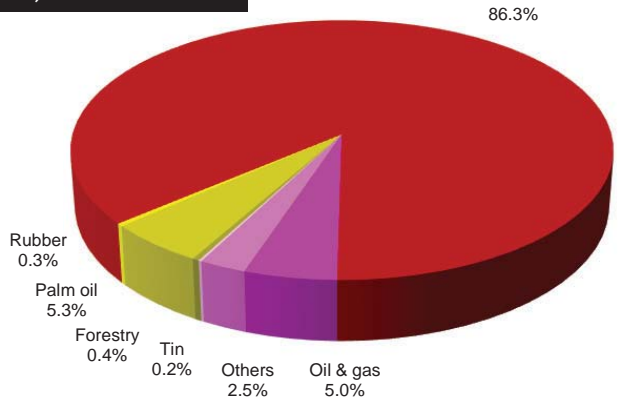
### Past performance of the Malaysian timber trade

Year	Export value (RM bil)
2012	20.20
2013	19.50
2014	20.52
2015	22.14
2016	22.11
2017	23.20
2018	22.30
2019	22.50
2020	22.08
2021	22.74
2022	25.12

## Diversification of exports (1990 and 2020) (% of total)



1990  
RM79.6 bil



2020  
RM983.8 bil

“It goes without saying that the rate of depletion [of natural woods and timber], coupled with the pace of development and urbanisation of the Sarawak state, means our resources are slowly getting depleted.

“The question, then, becomes: how do you balance development and forest preservation?” says Chia.

It is a balancing act that involves the cooperation of various stakeholders. The transformation of the timber industry into a more sustainable model will not be smooth, as it has been a major contributor to the state economy for decades and provides hundreds of thousands of jobs.

The Sarawak state government has set a deadline of one million hectares of planted forest by 2025, which could relieve timber companies from the pressure to conduct logging activities in natural forests.

Another term for “planted forest” is “industrial tree plantation” (ITP), which involves planting fast-growing trees on degraded land to meet existing market demand.

Degraded land has lost some degree of its natural productivity because of multiple factors, including extreme weather conditions such as drought or human activity that pollutes the quality of the soil.

Meanwhile, several other timber companies in Sarawak have diversified their busi-



**“Ta Ann is also committed to the Malaysian Sustainable Palm Oil (MSPO) standard and adopted a no-deforestation and no new [oil palm] planting on peat soils policies.”**

ONG

nesses into other sectors. Ta Ann Holdings Bhd is one of them.

Maybank Investment Bank research analyst Ong Chee Ting says the company operates three main businesses in Sarawak: oil palm plantations, integrated timber operations (logging, plywood and sawmilling) and reforestation. The timber division was its main contributor to earnings two decades ago.

Today, its palm oil business is the largest profit generator for the group, which Ong estimates has contributed more than RM150 million in sales tax to the Sarawak government since 2010. The business has played a part in improving the socioeconomic status of the people in the state.

“Ta Ann is also committed to the Malaysian Sustainable Palm Oil (MSPO) standard and has adopted a no-deforestation and no new [oil palm] planting on peat soil policy.

“As for its timber division, all its operational timber concessions are MTCC-PEFC certified for sustainable forest management, a journey that started in 2014,” he says.

In his view, Ta Ann is ahead of its peers in the timber industry in embracing change by steering its business strategy in the direction of sustainability.

Jaya Tiasa Holdings Bhd, a member of the Rimbunan Hijau Group and once primarily a timber company, has also pivoted much of its business into oil palm planta-



tions and other businesses. According to its 2022 annual report, timber contributed 10.63% to its total revenue, with 89.32% from oil palm operations.

Similarly, WTK Holdings Bhd, another Sarawak-based timber company, has also diversified into oil palm plantations as well as the tape manufacturing and trading businesses.

Samling, Rimbunan Hijau group of companies (including Jaya Tiasa), Shin Yang Group of Companies, Ta Ann group of companies, WTK group of companies, and KTS Group of Companies are often referred to as the “Big Six” timber firms in Sarawak.

In West Malaysia, smaller timber businesses also face a challenging environment as local forests become more sustainably managed and wood supplies dwindle.

Under ITP, timber can be reproduced for a long time on designated land to meet market demand while preserving natural forests

Goh Chee Yew, president of the Malaysian Wood Industries Association (MWIA), says the supply of rounded logs in West Malaysia fell about 80% to about 2.8 million cu m currently, compared to the installed capacity of local sawmills of about 12 million cu m (after deducting the installed capacity of dormant mills). Installed capacity refers to the full capacity of sawmills in relation to their ready machinery and manpower.

“So, we have less than three million [rounded logs] for a capacity of about 12 million. It is hard for some players to survive,” he says.

#### ITP EXPERIMENTS, CARBON CREDIT

All these challenges do not mean, however, that there are no new opportunities in the timber industry. Citing a favourite quote from Tan Sri Low Kian Chuan, president of the Associated Chinese Chamber of Commerce and Industry of Malaysia (ACCIM) and a veteran in the timber industry, Goh says “sunset today, sunrise tomorrow”.

“People say the timber industry is a sunset industry, but I’m a positive thinker. Sunset today means sunrise tomorrow.”

Goh’s optimism stems partly from the fact that timber, if managed well and sustainably, is an unlimited resource and part of the circular economy. Under ITP, timber can be reproduced for a long time on designated land to meet market demand while preserving natural forests.

“Timber is actually one of the best sustainable sources of raw materials compared to steel, plastic, fuel or whatever. Those things get exhausted one day. But you can always grow trees and the future supply won’t stop,” he says.

The challenge now is to implement ITP, which requires a large amount of capital investment and the right species of fast-growing trees that would yield satisfactory results for investors.

The industry is already working on it. Goh says MWIS has been working with an entity in China to plant a hybrid species of Eucalyptus, a fast-growing tree grown locally. The hybrid species is the work of the particular party that has been carried out for more than 50 years with proven results in China.

“Based on the data provided by them,

# SAMLING ON JOURNEY OF TRANSFORMATION



*“Twenty years ago ... very few people talked about sustainability and the effects of climate change, as nobody likes to incur higher expenses. But the discussions have shifted dramatically these days and people are extremely aware of pollution and GHG.”*

CHIA

The Samling Group (Samling) embarked on its sustainability journey five years ago, says its CEO Lawrence Chia. The global discourse on sustainability has changed drastically in recent years, with a lot more scrutiny placed on it, and rightly so, says Chia.

“Today, if the global temperature goes up by 1.5 to 2 degrees, 80% of the living organisms in the ocean will die. There will be food shortages around the world, which is where the term ‘food security’ comes into play.

“Twenty years ago, there wasn’t such a discourse. Very few people talked about sustainability and the effects of climate change, as nobody likes to incur higher expenses. But the discussions have shifted dramatically these days and people are extremely aware of pollution and GHG (greenhouse gas).”

Samling has embarked on a programme of transforming its timber businesses through Sustainable Forest Management (SFM) of its natural forests, and aggressively adopting industrial tree plantation (ITP) as additional avenues of wood resources.

All of the company’s concessions will be fully certified under the Malaysian Timber Certification Council’s certification programmes by 2025. Timber from ITP will gradually replace timber from the natural forest.

As sources from ITP increase over the years, Samling has to transform its traditional businesses so that they use ITP timber instead of natural timber. As the species of trees in ITP are different from those used in natural timber, the firm has to develop a whole new set of businesses. This means new methodologies of peeling and processing, new products, new customers and new markets.

As a result, a plethora of businesses using ITP wood — such as flooring, furniture and kitchen cabinets — is developed. The group also embarked on a zero-waste strategy of using residual wood from forests and wood waste to manufacture biomass wood pellets for the replacement of coal in power plants, and for the manufacture of door skins.

The sustainable forest management

programme is essentially a conservation and restorative/regeneration programme of the forests, with a much reduced level of controlled logging. Samling began to revisit many of these concessions and identify areas for further enhancement of conservation of flora and fauna and protection of the environment.

Chia says: “As these areas are populated by the indigenous communities, it is essential that we work with them to ensure that their livelihood is protected or further enhanced. One such programme we have started to look into is the carbon project as promulgated by the Sarawak Government. In essence, the project entails the removal and avoidance of carbon emissions. We started such a project in the Marudi area. Trees absorb carbon dioxide and produce oxygen. The peaty swampy areas were originally earmarked for development, but have now been abandoned to avoid disturbing the terra firma, thus avoiding significant levels of emissions.”

A significant part of the project is to work with the communities under the purview of the United Nations Sustainable Development Goals. This project, in essence, is a win-win situation for all stakeholders — the communities, environment, biodiversity, government and non-governmental organisations. ●



Timber, if managed well and sustainably, is an unlimited resource and part of the circular economy

the tree can grow and be felled or logged in seven years. Ideally, it could take only six years in Malaysia. The yield could be better than an oil palm plantation. That’s why some local private players are excited about it and have embarked on the experiment by forking out capital,” he says.

Goh says the trees were planted on a plot of land in Perak and are expected to yield results by 2024.

While Samling has embarked on ITP, it is also setting its sights on carbon credit and biomass. The former is a novel initiative in the market launched last December when Bursa Malaysia established the Voluntary Carbon Market Exchange. Carbon credits and carbon offsets are permits that allow its owners to emit a certain amount of carbon dioxide or greenhouse gases (GHG). By planting trees on degraded land that absorb GHG, the owner or manager of the replanted forest can sell carbon credits on an exchange to local or international buyers to generate income. ●



Samling’s zero-waste strategy involves manufacturing biomass wood pellets from residual wood from forests and wood waste

INVESTING

# THE RISE AND RISE OF BINTULU PORT

The Sarawak facility has grown into one of the largest and most vibrant in Southeast Asia

BY JOSE BARROCK

**F**ROM A SMALL, sleepy fishing village, Bintulu town has grown exponentially, buoyed largely by the discovery of vast oil and natural gas fields off the coast of Sarawak in the late 1960s.

And so has its port. With heightened gas exploration, Bintulu Port Holdings Bhd has grown to become one of the world's largest liquefied natural gas (LNG) export terminals.

The increase in oil and gas activity has also spurred growth in other areas of the port, thanks to its strategic location between the trade routes of Europe and the Far East and as a gateway to the thriving East Asean Growth Area, comprising Brunei, Indonesia, Malaysia and the Philippines.

Datuk Mohammad Medan Abdullah, CEO of Bintulu Port from March 2017 to end-February this year, tells *The Edge*: "The Bintulu Port group is most strategically located to take advantage of the current and future economic and infrastructure developments undertaken not only in Sarawak but also the wider Borneo region.

"Operating two ports — the Bintulu Port and Samalaju Industrial Port — the Bintulu Port group has great potential in synergising capacities, realising operational efficiencies and growing the business."

Mohammad Medan, who has more than 30 years' experience in the oil and gas industry — as managing director of Gazprom Marketing and Trading Singapore Pte Ltd, managing director of Malaysia LNG



***"Operating two ports, the Bintulu Port and Samalaju Industrial Port, the Bintulu Port group has great potential in synergising capacities, realising operational efficiencies and growing the business."***

MOHAMMAD MEDAN



An employee overseeing container operations at Bintulu International Container Terminal

group of companies, general counsel of national oil company Petrolim Nasional Bhd's (Petronas) upstream business sector and senior general manager of group supply chain management at Petronas — hands over the reins to Ruslan Abdul Ghani.

With a market capitalisation of about RM2.4 billion, Bintulu Port is one of the largest public-listed East Malaysian companies, known for steady dividend payments.

In a nutshell, Petronas uses Bintulu Port's facilities, including its jetties, to pump LNG into shipping company MISC Bhd's vessels. MISC is 51%-owned by Pet-

Bintulu Port is recognised as the world's second-largest LNG terminal in a single location

ronas and is Bintulu Port's largest client. Similarly, Bintulu Port rakes in revenue from other port users as well.

Bintulu Port's earnings track record has been steady, with Malaysia being the fifth-largest exporter of LNG and accounting for 7% of global LNG exports in 2021.

Malaysia LNG, the complex in Bintulu where LNG is cooled to liquid transportable form, has a production capacity of 29.3 million tonnes a year. Malaysia's LNG exports are also likely to be stable because of robust global demand.

Anchored by the LNG business, Bintulu Port has managed to grow its container handling business and is now the largest container port in East Malaysia, handling more than 330,000 20ft equivalent units (TEUs) in 2022. The port has also developed downstream timber processing and other agro-based industries.

Another business unit, Biport Bulklers Sdn Bhd, operates a vegetable oil bulking terminal. It caters for the palm oil industry in Sarawak, specialising in the storage and export of vegetable oils.

Another arm of Bintulu Port, Samalaju Industrial Port Sdn Bhd, commenced operations in April 2014, catering for the Sarawak Corridor of Renewable Energy (SCORE) and playing a pivotal role in facilitating and managing the needs of the industries in SCORE.

Samalaju Industrial Port's business is seen as a beneficiary of the expansion at

Samalaju Industrial Park, which is part of the SCORE initiative.

Samalaju Industrial Park has investors such as Press Metal Aluminium Holdings Bhd, which is increasing the production capacity at its aluminium smelter; Malaysia Phosphate Additives (Sarawak) Sdn Bhd, which has set up a phosphate plant; Elkem Carbon Malaysia, which produces Søderberg electrode paste, a raw material for smelting; Cosmos Chemicals, which operates a polysilicon plant; and Sakura Ferroalloys Sdn Bhd, a joint venture that operates a smelter.

Just prior to Mohammad Medan's stepping down, Sarawak Premier Tan Sri Abang Johari Tun Openg said the state would like to take back control of Bintulu Port from the federal government. It will hold discussions with Putrajaya to de-federalise Bintulu Port so that it can be administered and developed as a state port. Abang Johari's plans involve Bintulu Port being part of a cluster of state ports under the stewardship of a state-controlled port authority.

Abang Johari's plans for Bintulu Port come at a time when the port is negotiating its concession agreement. Bintulu Port's 30-year concession ended on Dec 31, 2022. The government, via Unit Kerjasama Awam Swasta, has in principle approved the extension of the concession for Bintulu Port Sdn Bhd to operate Bintulu Port for another 30 years, from 2023 to 2052. Towards this

Biport Bulkers Sdn Bhd is the largest palm oil product exporting terminal in Malaysia



end, an interim agreement was signed on Nov 24, 2022.

At present, Bintulu Port is 39.72%-owned by state-controlled entities, State Financial Secretary Sarawak and Equisar Assets Sdn Bhd, and 28.51%-controlled by Petronas.

Pension fund Kumpulan Wang Persaraan (Diperbadankan) has 9.17% equity interest and the Employees Provident Fund holds a 5.27% stake. Other notable shareholders

Bintulu International Container Terminal





Bintulu Port serves the hinterland, which includes the nation's oil and gas hub, and is the export gateway for LNG as well as a transshipment gateway for East Malaysia

profit of RM127.72 million on the back of RM791.26 million in revenue. In FY2021, it raked in a net profit of RM363.19 million from RM728.39 million in revenue.

As at end-December last year, Bintulu Port had cash and cash equivalents of RM735.09 million. On the other side of the balance sheet, the port operator had long-term borrowings of RM943.36 million and no short-term debt commitments. It had retained earnings of RM862.5 million.

With its strong balance sheet and entrenched position as the sole export terminal for LNG in Malaysia, Bintulu Port is likely to gain more traction as the Sarawak economy continues to expand.

In a note accompanying its financials, Bintulu Port says of its prospects: "For 2023, the global economy is expected to remain resilient, with moderate growth prospects amid global uncertainty while Malaysia continues its economic recovery momentum.

"The group remains positive and expects growth from the handling of Sama-laju cargo as well as palm oil and other project cargo. LNG cargo volume will remain neutral in 2023 and is the main revenue contributor to the group."

With so much going on, Bintulu Port, much like Sarawak, seems likely to hog the limelight in the near term. ●

include Permodalan Nasional Bhd, which controls 5.81% via its various units; Minister of Finance Inc-controlled Urusharta Jamaah Sdn Bhd, with 3.67% shareholding; and MISC, which has a 2.31% stake.

To its credit, Bintulu Port has been performing well financially, which could explain the interest it is generating.

For its financial year ended December 2022, Bintulu Port chalked up a net

## PROPERTY

# A STEADY MARKET

Sarawak's property market remains healthy, but will need a new way of doing business to stabilise costs

BY E JACQUI CHAN

**T**HE PROPERTY LANDSCAPE in Sarawak has changed greatly in the past two decades. From the 1970s to 1990s, most homes were terraced houses. The first modern high-rise residential development — the 112-unit Riverbank Suites by Rahsia Estates Sdn Bhd — was completed in 1996 in Kuching.

The Riverbank Suites was met with scepticism. Many could not understand the logic of living in a small space when one could have a spacious two-storey house with a garden, and the fact that there was still ample land to develop.

While acceptance of high-rise living has grown since then, Sarawakians are generally

accustomed to landed residential properties and open spaces, says Sarawak Housing and Real Estate Developers' Association (Sheda) president Augustine Wong.

“Widespread reports of poor management of strata buildings in the 1980s and 1990s also served to cement a social preference for landed property,” says Wong. “The Sarawak government is seeking to change this perception through the introduction of several laws, which came into effect early to mid-2022. With clear regulations in place through the Strata Management Ordinance 2019, Strata (Management and Maintenance) Regulations 2022 and the Strata (Subsidiary





**“Younger generations are steering away from the conventional and are drawn towards experiential products. Ambience and synergy have become important in retail.”**

TING, C H WILLIAMS  
TALHAR WONG & YEO

After being hit by Covid-19, 2022 was the year of recovery for the property market



Titles) Ordinance 2019, Sheda expects to see an upward trend of strata-titled properties in Sarawak, not just in Kuching, but also in Miri, Bintulu and Sibu.”

He adds that given the scarcity of urban land, strata living is becoming more of a necessity.

Housing is not the only segment that is changing. C H Williams Talhar Wong & Yeo (WTWY) partner and managing director Robert Ting says that more hybrid/mixed-use developments are being built, particularly in Kuching.

“These mixed-use developments combine residential and commercial components under one roof. Examples are Saradise and Galacity in Kuching. These developments trend towards more lifestyle products, with emphasis on comfort, convenience and conduciveness – a juxtaposition of stay, work and play. Younger generations are steering away from the conventional and are drawn towards experiential products. Ambience and synergy have become important in retail,” says Ting.

Wong believes that the Sarawak property market is generally conservative, with purchasers favouring double-storey terraced houses (about 26% of transacted homes as at 1Q2022), while normal strata-titled transactions in the same period stood at 8%, with an equal number purchasing vacant lots.

**A GROWING MARKET**

The past few years have been interesting. According to Ting, between 2010 and 2015, there was an increase in the development of high-rise residential and retail units. The market moderated between 2016 and 2019, before being hit by the pandemic in 2020 and 2021. He says 2022 was the year of recovery and expects things to be back on track this year and next.

“The downward trend in the volume of overall transactions between 2012 and 2017 started to pick up in 2018 and 2019. It would have maintained its upward momentum had it not been for the Covid-19 pandemic. Despite a drop in transactions in 2020, 2021 saw a good bounce back and value has continued to increase,” says Ting.

According to the Rahim & Co International Property Review 2022/2023, Sarawak registered a total of 6,369 residential transactions valued at RM2.05 billion in 1H2022, an improvement of 31.5% and 31.2% respectively, compared with 1H2021.

“The residential sector regained the momentum of pre-pandemic levels by recording growth of 9.3% and 24.9% in volume and value compared with 2019. Two- to three-storey terraced houses had the highest number of transactions at 1,722 units, largely priced between RM200,001 and RM300,000.

**Key facts** (as at 1H2022)

**Residential**

Supply	280,894 units	↑ 1.4% y-o-y
Transaction Volume	6,369 units	↑ 31.5% y-o-y
Transaction Value	RM2,050.72 mil.	↑ 31.2% y-o-y

**Purpose-Built Office**

Supply	8.81 mil. sf	↔ 0.0% y-o-y
Occupancy Rate	90.9%	↑ 0.2% y-o-y
Rental	Prime area: RM1.80psf – RM4.00psf	

**Hotel**

Existing Supply	20,387 rooms	↑ 1.4% y-o-y
Incoming Supply	318 rooms	

**Retail**

Supply	11.67 mil. sf	↑ 3.9 % y-o-y
Occupancy Rate	76.3%	↑ 1.6% y-o-y
Rental	Prime: RM3.00psf – RM23.00psf	

**Shop Office**

Supply	33,345 units	↑ 0.9% y-o-y
Transaction Volume	1,006 units	↑ 32.7% y-o-y
Transaction Value	RM478.59 mil.	↑ 18.3% y-o-y

**Industrial**

Supply	7,327 units	↓ 0.3% y-o-y
Transaction Volume	254 units	↑ 19.2% y-o-y
Transaction Value	RM206.12 mil.	↓ 0.1% y-o-y



Single-storey houses were the second-highest transacted category, with 1,113 units sold; 34.6% were also in the same price range.

“The state had four serviced apartment and 11 SoHo transactions in 1H2022 compared with one and five units respectively in 1H2021, as recorded by the National Property Information Centre (Napic). The total transaction value rose to RM1.78 million and RM3.95 million in 1H2022 from RM550,000 and RM1.54 million respectively in 1H2021,” says the report.

According to Wong, house prices in Sarawak have been consistently ranked in the top five of the most expensive list in Malaysia, if not the top three. Yet, despite being placed within a house-price-to-income ratio that translates as “severely unaffordable”, the fundamentals of a growing market in Sarawak are still curiously intact.

“Data sourced from Napic reveal that

Miri recorded increases of 14.5% y-o-y in landed transactions, particularly for two-storey terraced houses, in 1H2022

since 2018, year-on-year [y-o-y] volume of transactions for both residential and commercial properties has continued to grow. Even the lull in 2020 was overcome by 13% growth in residential transactions and 37% growth in commercial transactions, from 2020 to 2021, compared with a 4% and 3.7% growth respectively, pre-pandemic,” says Wong.

Reasons for the mini surge include redistribution of funds that would otherwise have been spent on travel or activities that were prohibited during lockdown, as well as a sense of self-preservation and urgency, adds Wong.

He notes an anomaly in the value of residential transactions reported in Napic’s 1Q2022 publication, which stated that the average selling price of residential properties in Sarawak was RM365,712.

“This, as well as the reported cost per



In 1H2022, the transaction volume of landed residences in Bintulu remained stable

**Miri – Average transacted price and yield for 2022**

	Price (RM)			Average yield (%)	
	2021	2022		2021	2022
Terraced house	476,000	485,000	Per unit	3.0	3.0
Semi-detached house	695,000	698,000	Per unit	3.0	3.0
Condominium	580 psf	587 psf - 665 psf	Per sq. ft.	4.0	3.0-4.0

**Bintulu – Average transacted price and yield for 2022**

	Price (RM)			Average yield (%)	
	2021	2022		2021	2022
Terraced house	503,000	574,000	Per unit	3 - 3.5	3 - 3.5
Semi-detached house	786,000	803,000	Per unit	3 - 3.5	3 - 3.5
Condominium	440 psf	480 psf	Per sq. ft.	2.5 - 3	2.5 - 3

Source: WTWY Research

psf figures, is uncharacteristically low for Sarawak. Based on data we collected, both the general trend as well as the actual cost of increase point towards a market valuation increase of over 50% from 2016. One explanation for the discrepancy may be due to the type of houses completed and approved during this period. A high volume of transactions on single-storey terraced houses (under 1,000 sq ft) would account for the anomaly. We are waiting for Naptic’s 3Q2022 report to obtain a better overall picture,” says Wong.

**SUPPLY AND OVERHANG**

Rahim & Co reported that the existing supply of residential properties in Sarawak stood at 280,895 units in 1H2022, up 1.4% from 1H2021. Terraced houses made up the largest supply with 64%, followed by two- to three-storey semi-detached houses at 13.6%.

“The state had almost an equal distribution of condominiums/apartments and low-cost houses at nearly 10% share of total residential stock. Serviced apartments and SoHo units were found only in Kuching (at 1,042 and 157 units respectively) and in Miri (60 and 248 units respectively),” says Rahim & Co.

There is an overhang of 2,006 units in 1H2022, down 7.6% from 2021. Some 52% (1,044 units) of the overhang units were condominiums/apartments, followed by single-storey terraced houses at 16.4% (329 units).

Rahim & Co notes that most of the unsold condominiums/apartments were in Kuching (528 units) and Bintulu (380 units), priced in the range of RM500,001 to RM600,000 followed by RM200,001 to RM300,000.

WTWY’s Ting says that due to the high level of condominium/apartment launches in recent years, especially between 2016 and 2019, the current supply has yet to be fully absorbed.

“However, there is an increasing preference for strata-titled high-rise residences due to a lack of new landed units in prime areas, and also the fact that landed houses are more costly,” says Ting.

“Sarawakians generally prefer open spaces over strata living, although this trend will likely change as more and more young Sarawakians enter the workforce. Depending on the delivery of the anticipated Autonomous Rapid Transit



(ART), the centre of the Kuching Urban Transportation System (KUTS), by Sarawak Metro, purchasers may either choose to live in suburban areas and commute via public transport or choose strata-titled properties and be close to urban and commercial centres,” says Wong.

Only 449 units were launched in 1H2022 with two- to three-storey terraced houses at 51.2%. Rahim & Co notes that the two- to three-storey terraced houses (RM400,001 to RM600,000) saw a take-up of 27.5% within the first six months.

**CITIES AND TOWNS**

According to the CBRE | WTW Market Outlook 2023, Kuching saw increases in volume (40%) and value (43%) in 2022 y-o-y, with incoming supply expected to comprise more high-rises. Most of the launched projects were in the Batu Kawa locality.

“There were slightly more high-rise launches than completions, with the latter down by more than 57% y-o-y as at 1H2022 (539 units) compared with 1H2021 (1,251 units). However, incoming supply increased (1H2021: 4,692 units and 1H2022: 5,522 units). The unit types ranged from affordable two-bedroom units (600 sq ft) to bigger 3+1 bedroom units of about 2,000 sq ft,” says CBRE | WTW.

It notes that the prices of high-rise resi-

The landed residential market in Sibu is seeing reasonably good demand and sufficient supply

dential units in Kuching remained at an average of RM500 psf with a yield of 3.5% per annum. Residential prices are expected to hold steady and even increase further for those in short supply in prime and popular areas.

Miri recorded increases of 14.5% y-o-y in landed transactions, particularly for two-storey terraced houses in 1H2022, but decreased by 6.2% in 2H2021. CBRE | WTW attributes the lower rates to the hike in overnight policy rate (OPR). Similarly, transacted prices were up 18.1% in 1H2022 against 1H2021 but down 10.4% against 2H2021.

“Occupancy and take-up rates are expected to remain stable. There is an emerging trend of gated-and-guarded housing estates and the continuing demand for

**Sibu – Average transacted price and yield for 2022**

	Price (RM)			Average yield (%)	
	2021	2022		2021	2022
Terraced house	460,000	500,000	Per unit	3	3
Semi-detached house	700,000	750,000	Per unit	3	3
Condominium	510	540	Per sq. ft.	4	4

Source: WTWY Research

## RETAIL MARKET

The supply of retail space in Sarawak stood at 11.67 million sq ft in 2021 and occupancy rate increased slightly to 76.3% in 1H2022 from 76% in 2021, says Rahim & Co. Sarawak had a total of 79 retail complexes in 1H2022, with the highest number found in Kuching (47 complexes).

Rahim & Co reports that some 93.9% of retail spaces in Sarawak are shopping centres, and the remainder, hypermarkets. Kuching has 41 shopping centres, followed by 10 shopping centres in Miri.

There will be 448,597 sq ft of new retail space coming up with one new establishment each in Bintulu and Limbang.

In the CBRE | WTW Market Outlook 2023, it is stated that there was significant expansion of supermarket chains in Kuching, which reflects better retail sentiment and performance.

“The occupancy rate is improving, anchored by hypermarkets and supermarkets. Pharmacies, personal and household essentials are also performing better than other sub-sectors,” says CBRE | WTW.

In Miri, retail demand comes from local shoppers and Bruneians. The key factors driving this sector

would be the oil and gas industry and the high purchasing power of Bruneians.

“There is an increase in retail expenditure, particularly on basic necessities, electrical appliances and food and beverage [F&B], with some shift to online or home-based retail businesses. In the future, DIY retail may be the new trend,” it says.

Over in Bintulu, retail shop transactions fell year on year from 16 units (RM2.88 million) to four units (RM1.6 million).

“Rental rates remained stable, including for major retail complexes such as Boulevard Mall and the Spring Mall. Retail malls/units are mainly owned by developers. There are few transactions and units owned by developers have a stable yield of 4% to 4.5%,” says CBRE | WTW.

Sibu saw the latest opening of Hann’s Esplanade, which attracted major F&B retailers. “The increased occupation of vacated spaces has increased overall rental income and capital values. This has translated into a reasonable retail yield of 5% and is expected to improve from 5.5% to 6% next year,” says CBRE | WTW. ●

affordable housing,” says CBRE | WTW.

Miri’s high-rise residences transactions were down by 17.6% in 1H2022 compared with 1H2021. “Occupancy and take-up rates remained stable. Growth will be moderate depending on demand from expatriates and non-local professionals. High-rise apartments with sea/beach views and smaller unit sizes continue to trend,” says CBRE | WTW.

It adds that the target buyers are mostly local young families and first-time home-buyers as well as some property investors and buyers under the Sarawak My Second Home (S-MM2H) programme.

WTWY’s Ting says: “Compared to MM2H, S-MM2H is currently doing better in attracting foreigners to make Sarawak/Malaysia their home, judging by the applicants compared with the drop in numbers in the rest of Malaysia. Kuching, being the capital and administrative centre, will be the most popular for S-MM2H.

“Apartments are expected to be the preferred choice due to security, convenience and less maintenance. Under S-MM2H, approved participants are allowed to pur-



**“Sarawakians generally prefer open spaces over strata living, although this trend will likely change as more and more young Sarawakians enter the workforce.”**

WONG, SHEDA

chase a residential property at a minimum price of RM600,000 per unit in Kuching and RM500,000 in other divisions.”

Overall, CBRE | WTW expects the residential market in Miri to continue on an upward trend this year.

In 1H2022, the transaction volume of landed residences in Bintulu remained stable while the average transacted value was up by 10% to 15% compared to 2021. CBRE | WTW notes that as a developing industrial town, Bintulu has seen an influx of migrant workers and demand continues to be healthy with a strong rental market.

Transaction volume and the value of high-rise residential increased from 28 to 33 units in 1H2022 and from RM10.47 million to RM13.60 million respectively. CBRE | WTW notes that high-rise residential units are popular choices for the migrant and transient population as these are more affordable.

Over in Sibu, the landed residential market is seeing reasonably good demand and sufficient supply, while take-up rates are expected to remain stable, says CBRE | WTW.

“Anticipated increases in raw material and

## INDUSTRIAL MARKET

Rahim & Co reports that the industrial sector recorded 254 transactions worth RM206.12 million in 1H2022. While the volume rose by 19.2%, total value dipped by 0.1%.

“The state’s industrial sector activity has yet to reach the pre-pandemic level. Semi-detached factories/warehouses were the most transacted with 134 units, where almost half were within the range of RM200,001 to RM500,000. The second-highest transacted category involved vacant plots, which saw 49 parcels sold with 69.4% priced at RM300,000 and below,” it says.

The supply of existing industrial properties in Sarawak stood at 7,327 units; semi-detached industrial properties made up the largest portion with 66.1% and detached type at 16.6%. As at 1H2022, there was a total of 320 units of incoming supply.

Kuching’s industrial sector remained stable in 2022 with several large projects in the works,” says CBRE | WTW. “With the lifting of Covid-19-related restrictions on business operations, the industrial sector has gone back to full operations to catch up on low supply due to disruptions in production over the last two years. And the government



In 1H2022, semi-detached factories/warehouses were the most transacted category with 134 units

### Average rent and yield of industrial units in Miri

	2022	2023
Average rent (RM psf)	0.80 – 1.20	0.80 – 1.20
Average yield (%)	3.00 – 3.50	3.00 – 3.50

### Average rent and yield of industrial units in Bintulu

	2022	2023
Average rent (RM psf)	2.00	2.00
Average yield (%)	4	4

### Average rent and yield of industrial units in Sibü

	2022	2023
Average rent (RM psf)	1.20	1.30
Average yield (%)	4.0 - 4.5	4.5 - 5.0

Source: WTWY Research

has continued to provide some financial aid.”

It notes that occupancy and take-up rates have increased as new entries exceeded exits and rental rates remain between 80 sen and RM1.20 psf for semi-detached units.

In September 2022, Sarawak Energy and SEDC Energy signed a memorandum of understanding with Samsung Engineering, Lotte Chemical and Posco Holdings to produce Sarawak’s first large-scale green hydrogen for export by 2027. A new plant will be built in Tanjung Kidurong, Bintulu to produce 220,000 tonnes of green hydrogen, 630,000 tonnes of green ammonia and 600,000 tonnes of blue ammonia. The bulk of green hydrogen produced will be exported to South Korea, says CBRE | WTW.

“The industrial sector is expected to be more active in the next few years. In the medium and long term, good potential remains



for industrial developments particularly for the oil and gas industry, green energy as well as high-tech electronics sub-sector,” says CBRE | WTW.

Miri saw an increase in transactions in 1H2022 compared with 1H2021. According to CBRE | WTW, demand comes mainly from large corporations, oil and gas-related companies and small and medium enterprises (SMEs) with increased demand from logistics companies.

Over in Bintulu, transaction volume in 1H2022 fell from 31 to 20 units compared with 1H2021, while transaction value decreased from RM39.97 million to RM31.1 million year on year, reports CBRE | WTW.

“Demand remains stable with major upcoming projects in Bintulu, such as the petrochemical hub and Wenan Steel projects in Samalaju. Continuous jobs awarded by big corporations, namely Malaysia LNG, Petroliam Nasional Bhd and so on will help create demand for warehouses/factories.

“The industrial sector shows a slow rate of supply. There was no completion as at 1H2022 and incoming supply stands at 98 units. Planned supply fell from 114 to 54 units as at 1H2022. With the continuous contracts for mega projects in Bintulu, it is foreseen that the demand for industrial property will increase.”

In Sibü, supply and demand in 2022 remain in equilibrium and the transacted prices indicate an upward movement due to inflation. “Demand continues to depend mostly on light industrial services, shipbuilding and ship repair businesses. The supply of industrial properties is generally from private and piecemeal developments scattered within existing industrial estates.

“The average rent and yield for industrial semi-detached units are maintained at RM1.20 psf and 4% to 4.5% per annum respectively for 2022, with slight improvement for 2023 with average rent perceived at RM1.30 psf and yield at 4.5% to 5% per annum.

“Although the industrial sector is generally stable, both light and heavy industrial sectors such as manufacturing, shipbuilding and ship repair services in Sibü are still affected by the weak economy,” says CBRE | WTW. ●

construction costs have caused potential buyers to reserve units in advance despite the rising housing loan interest rates. Apartments in Sibü are becoming more varied in order to cater to different income groups. Occupancy rates and asking prices for newly completed projects have improved over time. The primary market is expected to perform well while the secondary market might experience a slowdown. Selling prices are expected to rise due to inflation and increasing construction costs,” it says.

### THE ROAD AHEAD

According to Sheda’s Wong, much of Sarawak’s short-, medium- and long-term strategies are rooted in the Post-Covid-19 Development Strategy (PCDS) 2030, which is a road map to elevate Sarawak’s economy from RM136 billion in 2019 to RM282 billion in 2030. It is anchored on six key economic sectors.

“Sarawak’s Fourth Industrial Revolution has been characterised by digital transformation and innovation. Ongoing incorporation of technology into the housing and real estate industry directly impacts the entire cycle of property development from conception to possession. Together with property technology is the adoption of construction technology such as the underutilised industrialised building system (IBS) and newly introduced building information modelling (3D printing) by the Construction Industry Development Board (CIDB). Given the constraints of unaffordability affecting the property market, automation of the construction industry may resolve foreign labour shortages, increase local productivity, generate higher income median and contribute to the supply of affordable housing in Sarawak,” says Wong.

He believes that although indicators in the market suggest that the property market in Sarawak is healthy, in the long run, the property industry needs a new way of doing business in order to stabilise rising costs and prices to provide sustainable and suitable housing.

“Government policies are needed to stop the march on unaffordability and disparity. Without active intervention, the property market in Sarawak will likely grow increasingly imbalanced as both private developers and purchasers find themselves caught by the heavy cost of doing business,” says Wong.

Meanwhile, WTWY’s Ting expects recovery to be slow, although certain segments such as landed residences will continue to see demand, with only a marginal decrease in value, if any.

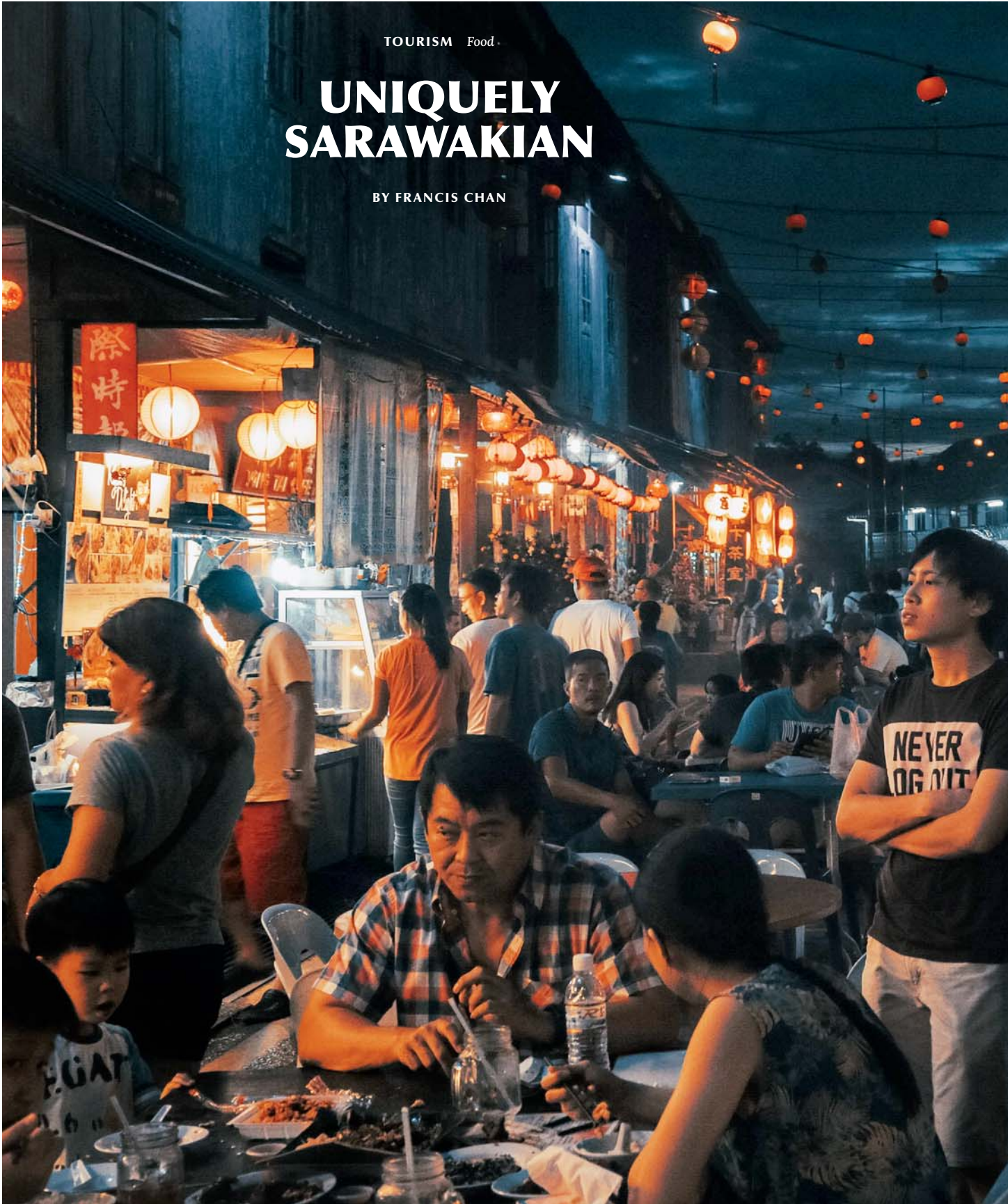
“Properties within popular locales are still holding steady in price and affordable residential units are still in demand. In view of rising construction cost pushing up new property prices, there has been renewed interest in the secondary market and those in good, prime and established locations are sought-after,” says Ting.

He notes that the release of pent-up demand for residential properties is more gradual than expected due to lack of economic impetus and financial support. ●

TOURISM Food

# UNIQUELY SARAWAKIAN

BY FRANCIS CHAN





**S**ARAWAK CUISINE IS a reflection of its native ethnic diversity and the influence of early Chinese migrants. It is a kaleidoscope of different dishes rather than a melting pot of food of the different races.

A guide to traditional Sarawak food sold in restaurants, coffee shops and street stalls will lead you to fried creepy-crawlies, marinated raw fish, wild ferns, chicken cooked in bamboo and the ubiquitous laksa and kolo mee.

#### SARAWAK LAKSA

Sarawakians are adamant Sarawak laksa is the best laksa in Malaysia, a claim boosted by the late Anthony Bourdain's endorsement when he visited Kuching in 2015 and hailed it as the "breakfast of the gods".

Sarawak laksa is a mainstay of most coffee shops in Kuching and a must-try dish for visitors to the state. It is a dish of rice vermicelli served in a spicy soup, topped with thin slices of omelette, boiled prawns and bean sprouts, and eaten with a dash of lime, pounded chillies and shrimp paste.

The soup, boiled with a base of chicken bones and heads of prawns, is what sets Sarawak laksa apart from the laksa of other states. The laksa soup paste is generally a concoction of coriander, turmeric, cumin and paprika powders, lemongrass, galangal and shrimp paste.

The exact ingredients are a closely guarded family trade secret. Everyone has their favourite laksa stall and the debate over the best laksa in town can never be settled. However, one of the best spots is Choon Hui Cafe, 34 Jalan Ban Hock, Kuching. It is packed on weekends, so go as early as 7am if you want to skip the queue. Weekdays are quieter.



Sago worms

### SAGO WORMS

The larvae of the sago palm weevil, known generally as ulat mulong, are cherished foods of the natives of Sarawak, especially the Melanau whose traditional staple food is sago starch and baked sago flour pellets.

Once considered a village food, this larva has wormed its way into towns as a gourmet food only available at some restaurants upon prior order. It is usually fried with soy sauce, roasted over an open fire or even eaten raw.

While it is not always on the menu, sago worms can be found at Lepau, No 99, Ban Hock Road, Kuching from time to time.

### MIDIN

This wild fern is one of the most popular vegetables in Sarawak. It grows in abundance on the fringes of secondary forests and empty land in towns and villages. Those sold in the market are still plucked from the wild by villagers who make a decent living foraging for it in the bushes. It is usually stir-fried with belacan (shrimp paste), chillies and anchovies or fried with garlic. Midin can



Midin



Belacan bee hoon

also be eaten as a salad or cooked in soup.

It is a popular vegetable served in restaurants and food outlets. Some of the best spots are Jong Seafood, Lintang Open Market, No 1, Jalan Batu Lintang; Topspot Food Court, Jalan Padungan; and, if you're up for a joyride, head to Lim Hock Ann Seafood restaurant in Buntal, a fishing village about a 30-minute drive from the city.

### BELACAN BEE HOON

This is a uniquely Sarawakian dish of boiled rice vermicelli served in a shrimp paste soup with toppings of julienned cucumber or bean sprouts and shreds of cured cuttlefish with the optional addition of century eggs. Sugar and slices of dried tamarind are added to the soup to balance the saltiness of the shrimp paste.

Ah Kheng, whose family runs several belacan bee hoon stalls, says his father is the first hawker to sell this simple dish in Kuching. He adds that not much is known about the origin of this dish as his father learnt its recipe from an itinerant hawker who peddled it on a bicycle back in the 1950s.

Belacan bee hoon has not gained the same level of popularity as kolo mee or Sarawak laksa but it has established its niche in Sarawak street food among all races.

Two of the most popular spots for belacan bee hoon are Yeo Kim Kee at Song Kheng Hai Hawker Centre, Jalan Song Kheng Hai and, of course, the OG, Ah Kheng Belacan Bee Hoon at Jubilee Ground Hawker Centre, Jalan Tan Sri Datuk William Tan.



eating umai made from the fish they caught did not require any cooking.

Umai is eaten with sago pellets, the traditional staple food of the Melanau. On land, it is a gourmet's delight and has spread from the coastal Melanau heartland to the rest of Sarawak. It is now served in some Malay and native restaurants, eateries and even hotels.

The traditional recipe has changed little except for the recent addition of thinly sliced ginger. The slices of raw fish can also be eaten like sashimi, with a dipping sauce of black vinegar, sugar, lime, pounded chillies, roasted groundnuts and lemongrass.

Head to Dapur Melanau, Metrocity Matang, Ground floor, Lot 14171, Section 65, for a taste of umai.

While umai can be found in a few food stalls and restaurants, the best umai is really the one you make yourself. If you're up for it, give the recipe below a try.

### CANGKOK MANIS

Cangkok manis, also known as sayur manis and *mani chai* in Chinese, is a wild vegetable which was once only grown in home gardens but is now commercially cultivated and widely sold in markets. It is a nutritious, high-protein green with antioxidants and vitamin C, and tastes somewhat like spinach with a hint of sweetness.

Stir-fried cangkok manis with egg and garlic or with dried prawns, shallots and chillies is a popular vegetable dish sold at many eateries and restaurants. It can also be cooked in soup or with coconut milk.

For stir-fried cangkok manis, head to Zheng Shan Mei Restaurant, Lot 9924, Block 16, RH Plaza Jalan Lapangan Terbang. And for a taste of Mani Chai Bee-hoon, go to Lian June Cafe, Ground Floor, Lot 945-944, Jalan Stutong.

### UMAI

This is a Melanau dish of sliced raw fish marinated in lime, onion, chillies and salt. It is a food of convenience for Melanau fishermen when they set out to sea as

Umai

White fish such as grouper, pomfret, sea bass or red snapper (about 800g)

2 inches of ginger

2 to 3 red chillies

Cili padi (optional)

2 to 3 red onions

1 to 2 yellow onions

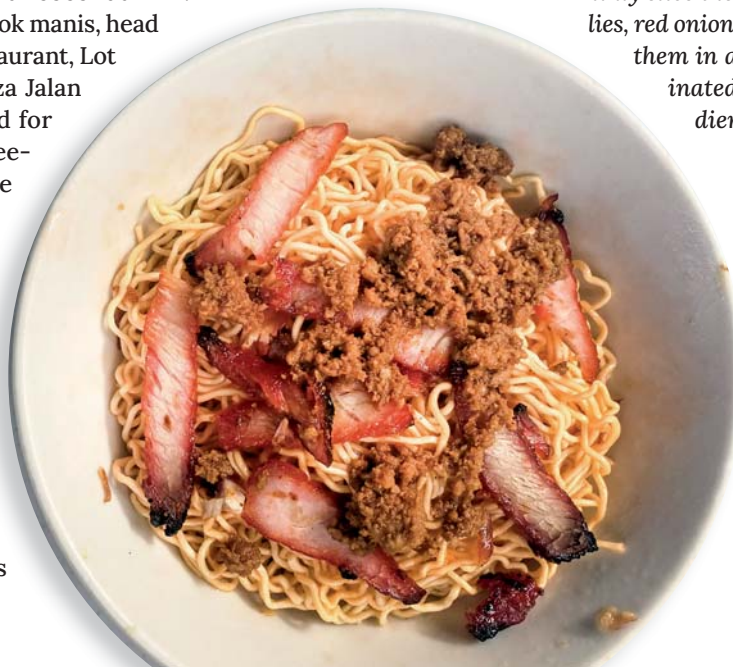
Lime or lemon

Fish sauce or light soy sauce

Cut the fish into thin slices and marinate with light soy sauce or fish sauce. Leave the fish in the fridge while you prepare the rest of the ingredients.

Thinly slice the ginger and cut the chillies, red onions and yellow onion. Place them in a bowl and add the marinated fish. Mix all the ingredients together.

Kolo Mee



### KOLO MEE

Arguably the most popular coffee shop food in Sarawak is kolo mee, a dish of boiled noodles tossed in fried shallots or garlic oil with light soy sauce and MSG.

Basically, it is served dry and garnished with slices of

barbecued pork, vegetables and spring onions. It is the cheapest dish available in coffee shops, although more expensive versions enhanced by extra seafood garnish are also available.

Although it was introduced by the Chinese community when they settled in Sarawak, kolo mee's popularity has transcended racial barriers as mee kolok. Its halal version with garnishes of chicken meat is widely sold in Malay stalls.

Many among the older generation have fond memories of kolo mee during their school days as their favourite food. Back in the 1970s, a bowl of kolo mee without meat was only 30 sen, while one served with meat was 50 sen. The price was within the meagre budget of students. Over the years, the price has risen but it is still available for RM4 at some stalls.

Go to Ah Pi's Kolo Mee at Gala Food Court, Gala Street Mall, Jalan Tun Jugah. The stall opens at 6.15am and stays open until the stock of kolo mee is sold out, which is usually between 9.30am and 10.30am on weekends, and the wait can be long.

Another spot for kolo mee, served with a cup of "opium coffee" (coffee served with butter), is a little shop in the alleys of India Street: Hiap Yak Tea Shop. It is located at No 25, Lorong Kai Joo, Kuching.

### TERUNG DAYAK

This eggplant is traditionally grown by Dayak paddy farmers in between planting seasons after clearing the land through burning. Also known as terung assam, it is usually



Pansuh ayam

SARAWAK TOURISM BOARD



Tomato kueh tiaw

added to fish or meat soups to add its sour taste to the dishes. When fried, a little water is added to soften its tough texture.

Once considered only a "kampung dish", terung Dayak dishes have found acceptance among the people in towns and are sold in restaurants and eateries. Because of its popularity and high demand, this once-seasonal brinjal is now commercially farmed and is even available in supermarkets.

A place to find the terung Dayak dish is Borneo Dayak Food 1010 at Premier 101 Food Centre, 154 Jalan Kempas, Tabuan Heights, Kuching.

### PANSUH AYAM

Cooking chicken or fish in bamboo culms (stems) filled with water over open fire is a common method of cooking among the natives of Sarawak.

The health benefits of cooking chicken in bamboo are enhanced by the use of natural ingredients of galangal, lemongrass and ginger chillies while daun bungkang (salam leaves) is used for seasoning. The open top of the stem is covered by tapioca leaves, which further enhance the taste of the dish.

Pansuh dishes have not found a large following in urban eateries probably because of the difficulty of getting the right bamboo culms for cooking as bamboo used for pansuh is larger compared to the ones used for cooking glutinous rice.

Pansuh chicken is mostly served in native



Kom pia

restaurants and food outlets in Kuching.

Awah Café at the Dayak Bidayuh building in Jalan Kumpang is one of the places in Kuching which regularly serves pansuh chicken.

#### KOM PIA

*Kom pia* was brought over to Sarawak by the Foochows when they settled in the central region of the state. It is unleavened bread sprinkled with sesame seeds and baked in charcoal-fired ovens, although most bakeries now use conventional ovens.

Comparable to the bagel, the *kom pia* has a crunchy crust and is chewy on the inside. Previously, it was sold only in Sibul and other towns in the central region of Sarawak where there was a large Foochow population.

With the spread of the Foochow population in Sarawak, *kom pia* is now commonly sold in other towns. Because of its plain taste, it was usually eaten with slices of braised pork belly between two slices of the bread. But today, that has been replaced with fillings of minced meat.

Like kolo mee, *kom pia* has transcended the racial barrier and is now sold in some Malay stalls with halal fillings.

#### TOMATO KUEH TIAW

This dish of meat, seafood and vegetables cooked in a tomato sauce base gravy poured over a plate of fried kueh tiaw is Sarawak's best-loved East-West fusion food.

Like the belacan bee hoon, it is a unique Sarawakian culinary innovation and a relatively new addition to the menu of Sarawak's

street food compared to kolo mee or laksa. The same gravy can also be added to deep-fried crispy noodles.

It is easily found at hawker centres and coffee shops for around RM7 depending on the ingredients in the gravy. Two stalls to visit are Chong Kee in Hui Sing Hawker Centre, Hui Sing Garden and Yee Ho Yan Café, Jalan Matang, Taman Matang Jaya.

#### DABAI

Dabai (*Canarium odontophyllum*) is an indigenous seasonal fruit found in Borneo. It is sometimes referred to as Sarawak olive because of its similar look to the olive.

The fruit is blanched or soaked in warm water to soften its flesh, which tastes somewhat like avocado, and sprinkled with salt or soy sauce and sometimes with a bit of sugar and eaten plain. The flesh can also be preserved in salt and used as a condiment for fried rice or eaten with rice porridge.

The fruit is much sought-after and always commands a high price in the market with high-quality fruits fetching princely prices.

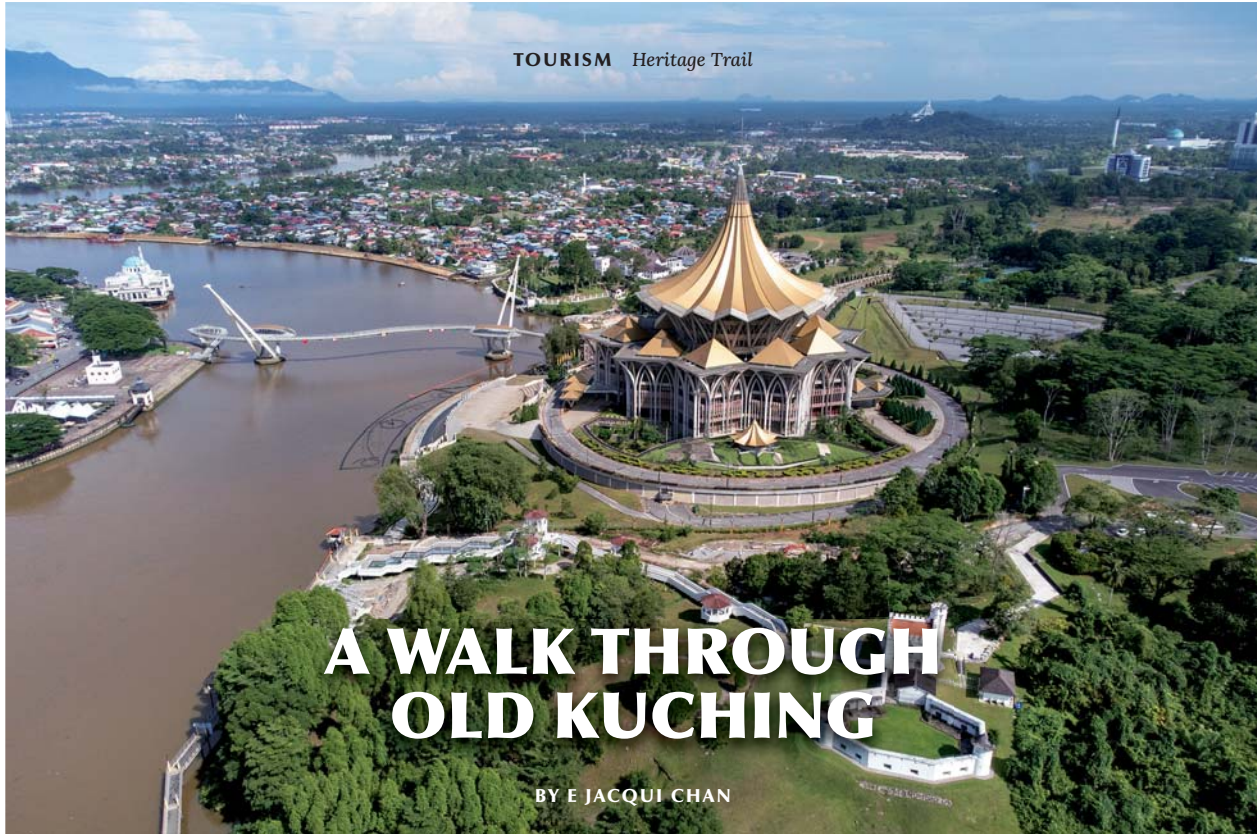
The best dabai in Sarawak comes from the hilly hinterland of Song and Kapit, two riverine towns in central Sarawak. Dabai from these areas can fetch mind-boggling prices of up to RM100 per kg, although at the peak of its season, it comes down to a more reasonable range of RM20 to RM50 per kg. Lower-grade dabai are usually sold for below RM20 per kg.

Dabai can be found in most wet markets in Sarawak when in season. ●

Dabai



TOURISM Heritage Trail



The Kuching Waterfront

**K**UCHING, THE CAPITAL of Sarawak, has long been a popular destination for local and foreign tourists. The city has a unique blend of cultures and traditions, which is reflected in its architecture in the heart of the city. Classical European neoclassicism and baroque designs stand alongside 19th-century traditional Chinese shophouses. From its early days as a trading centre to its current status as a tourist attraction, this old part of Kuching has something for everyone.

### 1 THE KUCHING WATERFRONT

The Kuching Waterfront is a riverside walkway and one of the most popular gathering places in the city. It stretches for about 900m along the south bank of the Sarawak River. The path is lined with food stalls and there are several colonial-era buildings there, including the Chinese History Museum, the Sarawak Steamship Building and the Square Tower, all of which have been repurposed for modern use. There is also a modern amphitheatre that showcases live entertainment.

The waterfront also offers scenic views

of the river with Astana Kuching, Fort Margherita and the State Assembly Building on the horizon as well as the floating mosque. One of the newest additions to the waterfront is the Darul Hana Bridge, a stunning pedestrian bridge that links the north and south banks of the Sarawak River in Kuching.

The bridge was completed in 2017 and was designed to blend seamlessly with the natural landscape of the area. It features a wave-like design, creating a dynamic visual effect, especially at night when the bridge is lit up by colourful LED lights. The best time to visit the waterfront is at sunset, when the sky turns hues of orange and red, bathing the waters and the surrounding area in a warm golden light, and the good folk of Kuching come out to enjoy the evenings with food and music.

You can also try out the evening river cruises that depart daily from the waterfront. For a taste of something more traditional, take a boat ride on the Perahu Penambang rowed by a boatman to the Malay kampungs on the other side of the river. The boat service has been around since the Brooke era.





The Main Bazaar

CHAI KIT SIANG/KCHOLDBAZAR

## 2 THE MAIN BAZAAR

The Main Bazaar was one of the first bazaars established in the 1860s. It comprises rows of old shophouses and fronts Jalan Tunku Abdul Rahman, which is Kuching's oldest street. The bazaar is known as the birthplace of modern Kuching and was the town's first trading centre, thanks to its location right on the riverbank.

In its early days, the rows of shops were made of wood and nipah. The great fire of 1884 destroyed most of the structures and they were replaced with the brick shophouses seen today. Many of the shophouses have been passed down from generation to generation, and one can find some shops doing more traditional business such as carpentry, tinsmithing and making coffins. Some of Kuching's best antique and hand-craft shops are found here, along with a number of old-fashioned coffee shops.

## 3 THE MARIAN BOUTIQUE LODGING HOUSE AND KANTIN AT THE GRANARY

The Marian Boutique Lodging House in Wayang Street has a long history. It was originally the home of Ong Ewe Hai, a leader of Sarawak's earliest Hokkien immigrants whose descendants became prominent figures in politics and business.

Ong's father moved to Singapore from Fujian, China, and later Kuching, in the 1800s. He picked one of the highest spots in Kuching, overlooking the Sarawak River, to build his family home, now in the compound of the present Bishop's House.

The house was completed in 1885 with sun-baked bricks and in 1933 was sold to the Anglican Mission for a few thousand dollars and converted into a boarding house for St Mary's School. The boarding house was taken over by the diocese in 1968 and used

as a diocesan guest house until renovations started for the conversion of the property into The Marian Boutique Lodging House in 2013.

Attached to the hotel is a popular dining hall, KANTIN at The Granary, which was a collapsed godown facing the main house. The building was formerly a "hanging garden" and was used as a playground for children and later as storage/godown space to store grains and other produce. Ex-boarders of St Mary's School recall looking out of the boarding house's windows and seeing men lying around smoking opium.

All the brick walls and wooden columns as well as the patina of the old walls and timber were maintained and kept as is, keeping its rustic charm and turning the restaurant into one of the most Instagrammable places in the city. The food is great as well, with its infusion of local produce such as Kacangma Alfredo pasta and the Rainforest Fried Rice, which is made with the Dayak's most significant ingredients: tapioca leaves and bunga kantan. It is the place to try tuak, the famous rice wine of Sarawak.

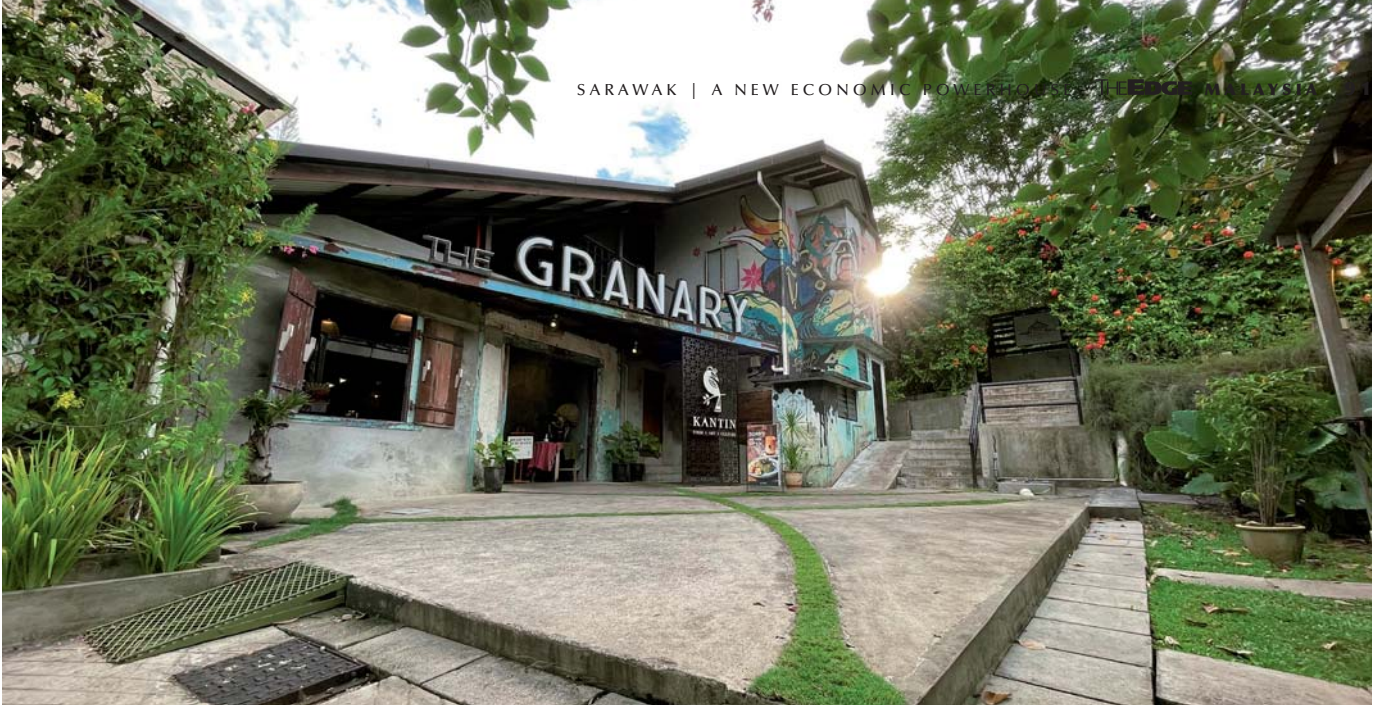
## 4 TUA PEK KONG TEMPLE

An iconic landmark in Kuching, Tua Pek Kong is believed to have been built before 1839, making it the oldest temple in Sarawak. Identified by its eye-catching façade of colourful tiles and carvings of dragons, the temple is dedicated to the Taoist god of prosperity and good fortune.

The Marian Boutique Lodging House



THEMARIAN.COM



E JACQUI CHAN

Above:  
KANTIN at  
The Granary

It was said that when the first White Rajah, James Brooke, arrived in Kuching in 1839, he noted the existence of an old temple by the riverbank. Some historians believe that temple is Tua Pek Kong Temple.

The temple was one of the buildings to survive the Great Fire of Kuching in 1884. It underwent major reconstructions in 1856, 1965 and 2002.



CHAI KIT SIANG/KCHOLDBAZAR

Tua Pek Kong  
Temple

## 5 THE OLD COURTHOUSE AND THE BROOKE MEMORIAL

The Old Courthouse was built in 1871 as the seat of Sarawak's government. All the Council Negeri meetings were held there from 1878 until 1973. Made up of found blocks, the architecture was influenced by the Roman courthouse design with magnificent belian (ironwood) roofs, massive columns enclosing outer galleries and beautiful detailing inside and out, reflecting local art forms. A colonial-baroque clock tower was added to the building in 1883 and a memorial to Charles Brooke was constructed in 1924.

Today, the place has been transformed into a cultural and art space that frequently holds exhibitions, concerts and other activities. It is also home to a fine dining restaurant, Roots Bistronomy; a café, Commons, by Food Journal Group; a bar, The Den; and The Rane Museum, which showcases the life and legacy of Margaret de Windt, the wife of the second white rajah, Charles Brooke.



SARAWAK TOURISM BOARD

The Old  
Courthouse  
and the Brooke  
Memorial



CHAI KIT SIANG/KCHOLDBAZAR

Hong San Si  
Temple

## 6 HONG SAN SI TEMPLE

Located at the intersection of Wayang Street and Ewe Hai Street, Hong San Si Tem-

ple is one of the most ornately decorated houses of worship in Kuching, with beautiful ceramic tiles and ceramic artwork adorning its roof.

The temple is managed by the Kuching Hokkien Association and is believed to have been built sometime in the 1840s. The Taoist temple is dedicated to the Hokkien child deity Kong Teck Choon Ong. Legend has it that during the great fire of 1884, the deity appeared on the rooftops in Ewe Hai Street to warn the people and summoned rain to put out the fire.

**7 KIEW FAMILY TAIPU JAM MIAN AT NYAN SHIN CAFÉ**

*Jam mian* is a traditional Dabu Hakka dish of handmade noodles cooked with minced meat. It is believed that the famous kolo mee evolved from *jam mian*. The first *jam mian* was sold by Kiew Shao Ngap, who hailed from Guangdong, China. He was said to have peddled the noodles in a basket around the Main Bazaar, Carpenter Street and Upper China Street.

He later rented a stall at a Hainanese coffee shop in Upper China Street. His stall is also believed to be the first to sell *mee tikus* (a type of noodles that looked like a rat's tail). Today, the third generation of his family continues to *jam mian* at Nyan Shin Café in Carpenter Street.

**8 ANN LEE RESTAURANT (NOW KHENG LEE CAFÉ)**

Most Kuching folk, especially those of a certain age, would have memories of the Ann Lee Restaurant in Carpenter Street. It was,



India Street



Nyan Shin Café

after all, the first high-end restaurant with air conditioning in Kuching.

The founder, Lee Seng Shen, came to Kuching in the 1920s. Lee, who is Hainanese, started working in a shop operated by one of the people from his village. The story goes that after a while, he started cooking two huge pots of curry rice daily and peddled the food on the streets of Kuching.

He later set up a sundry shop, and in the 1930s, he opened the restaurant. Its signature dishes included Qi Pan duck and roast pork. Sometime at the end of the 1980s, Lee's descendants returned to the original trade of selling curry rice and renamed the restaurant Kheng Lee Café, even though many still call it Ann Lee.

**9 KIM JOO CAFÉ**

Kim Joo Café in Carpenter Street is the place to go for authentic Sarawak kolo mee. The small no-frills café has been around since the 1950s and is famous for its “Zheng” in Hokkien, which is a bowl of *kosong kolo mee* (no meat or toppings) served with a bowl



Fort Margherita

of mixed pork soup. The soup is packed with bean sprouts, pork and internal organs. Of course, its kolo mee is another highlight.

**10 INDIA STREET** India Street was formerly known as Kling Street (Kling refers to Indian in Hakka). The street was named as such due to the large number of Indian merchants who set up shops there. The name was changed under the Brooke Administration in 1928. The street is now known for its many shops selling fabrics and textiles. In 1992, the street was converted into a pedestrian mall and, today, it is lined with shops and stalls selling all kinds of goods.

The street is also home to Masjid India, the oldest mosque and only Indian mosque in Sarawak. The mosque was built in 1837 by Indian Muslims who originated from southern India. The mosque is hidden away in a narrow alleyway that connects India Street and Gambier Street.

**11 FORT MARGHERITA** Built in 1879 by the second White Rajah of Sarawak, Charles Brooke, the fort was named after his wife, Ranee Margaret Alice Lili de Windt. It was intended as a defensive structure to protect Kuching

from pirates and other enemies. In the old days, a shot from the cannon was fired every evening to mark the end of the government work day.

Sitting on a hill overlooking the Sarawak River, the octagon-shaped fort offers a stunning view of the city and is an unmistakable landmark. Today, it is a museum featuring antique weapons, personal items of the Brookes and historical documents.

**12 THE MURALS OF OLD KUCHING** In 2015, the Kuching North City Hall initiated a street art project that aims to tell the history of the city through murals. This part of the city features a few of these murals. They include *The Big Well* and *Coolie Keng*, which depict groups of workers called coolies, which comes from the Chinese word meaning “hard labour”; *Wooden Clog Shops*, featuring the popular footwear of yesteryear — the wooden clogs or *cha-kiak* in Hokkien; and *Trading of Local Products*, which shows a group of traders; and the *I Heart Kuching* piece featuring a woman cuddling a cat, a nod to the city's name. Over in India Street, a two-storey wide mural of two pioneer textile traders — Wee Aik Oh and Sayed Ahmad — can be seen. All are the work of local artist Leonard Siaw. ●

A mural in old Kuching



TOURISM *Culture*

# LAND OF ADVENTURE AND CULTURE

BY E JACQUI CHAN

**S**ARAWAK IS KNOWN for its vibrant indigenous communities, stunning natural landscapes and unique wildlife. It offers a plethora of outdoor activities and cultural experiences to those who seek to explore and immerse themselves in the beauty of nature.

Sarawak's rainforest is home to an incredible array of flora as well as fauna, including rare and endangered species such as the orangutan, proboscis monkey and Bornean pygmy elephant.

The state is also famous for its longhouses. Traditional communal dwellings that are home to entire communities of indigenous people, the structures are often built on stilts and decorated with intricate carvings and colourful murals. Visitors can stay overnight, participate in traditional ceremonies and dances, and try local cuisine made from jungle produce and freshly caught river fish.

For adventure seekers, Sarawak offers

a range of exciting activities such as trekking, caving and diving. A Unesco World Heritage site, the Mulu National Park is one of the top destinations for caving enthusiasts, with its vast network of underground caves and stunning limestone formations.

The rivers that flow through the state also provide ample opportunities for bamboo rafting, kayaking and fishing. At the same time, the coast is home to some of the world's best diving spots, with colourful coral reefs and abundant marine life.

In addition to its natural wonders and adventure activities, Sarawak has a rich history and diverse traditions. The state is home to over 30 indigenous groups, each with its own unique language, customs and beliefs. Visitors can learn about their traditional crafts and skills, such as weaving, pottery and beadwork, and witness colourful festivals and ceremonies that celebrate the local cultural heritage.



#### **BAKO NATIONAL PARK**

Located just 37km from Kuching, Bako National Park is one of the oldest national parks in Malaysia. It was established in 1957 and covers an area of 2,742ha at the tip of the Muara Tebas peninsula.

Bako is home to nearly every type of vegetation found in Borneo. Its diverse landscape includes mangrove swamps, rainforests, rocky headlands and beaches. The park has a network of well-maintained trails, allowing visitors to explore the landscape and observe diverse wildlife. Among the animals are silver leaf monkeys, proboscis monkeys, long-tailed macaques and Borneo bearded pigs.

Its most popular trails include Telok Pandan Besar, which offers a stunning view of the bay below and the famous sea stack on the horizon; Telok Paku, which takes you to a small secluded beach and is one of the best places to spot the proboscis monkey; and Telok Pandan Kecil, which takes you through frosted hills overlooking Telok Assam, and along a sandy path lined with carnivorous pitcher plants before reaching the cliff top. A 10-minute descent through cliff vegetation will bring you to one of the best beaches in the park.

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#### **WIND CAVE NATURE RESERVE**

Located just 30 minutes from Kuching, the Wind Cave Nature Reserve was gazetted as a nature reserve to protect its cave and conserve a number of rare species in the surrounding forest. Wind Cave is known for its stunning stalactites and stalagmites, and unique cave-dwelling creatures. The cave is easily accessible, with boardwalks leading visitors through its chambers.

A highlight is the King Chamber, a large cavern with a high ceiling. It is home to several species of bats. Remember to wear non-slip shoes as certain parts can be slippery, and bring a torchlight.



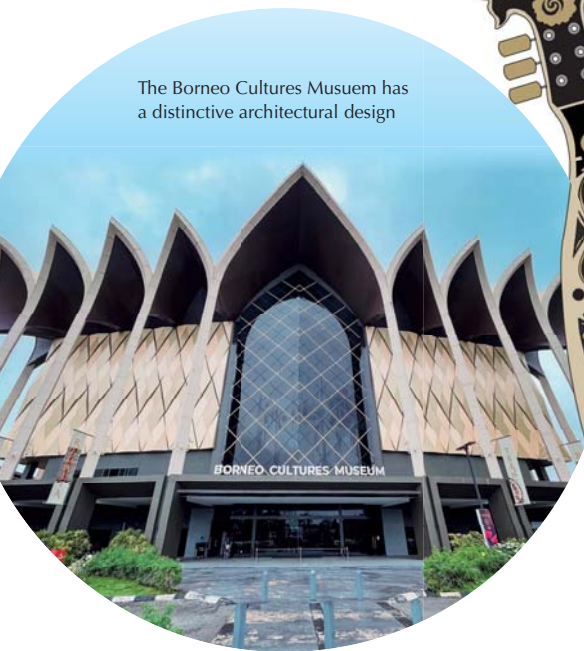
#### **SARAWAK CULTURE VILLAGE**

Known as Sarawak's living museum, the Sarawak Culture Village is the place to learn about diverse communities and cultures. Replica buildings representing every major ethnic group in Sarawak can be found in the 17-acre tourist attraction.

Visitors can explore the village, including longhouses, and learn about each community's traditions, customs and way of life through a series of interactive exhibits and demonstrations such as traditional music and dance performances. Handicraft workshops are also held.

A highlight is the daily cultural performance, which showcases traditional dances and music of ethnic groups.

The Borneo Cultures Museum has a distinctive architectural design



### BORNEO CULTURES MUSEUM

The Borneo Cultures Museum in Kuching is not to be missed, given its distinctive architectural design that reflects Sarawak's unique traditional crafts and cultural heritage.

Level One of the landmark is home to an auditorium and function rooms as well as the reception, a gift shop and restaurant. The Children's Gallery and the Arts and Crafts Gallery are on Level Two. The former features an interactive learning experience for children and the latter offers visitors the opportunity to learn traditional crafts, dances and music.

The largest gallery is on Level Three. The In Harmony With Nature exhibit explores the relationship between local communities and the surrounding natural environment.

The exhibition on Level Four is themed Time Changes, which tells the history of Sarawak — from the prehistoric era, including archaeological discoveries, to modern times. Material culture — which refers to the physical objects that the people of a certain culture make and use — is displayed on Level Five. Themed Objects of Desire, the exhibition showcases artefacts that reflect skilled craftsmanship and designs with divine powers, among others.

The Borneo Cultures Museum is part of the Sarawak Museum Complex, which also houses the old Museum Sarawak, Kuching Aquarium, Islamic Heritage Museum, Natural History Museum, Taxidermy Building, Annex Office Building and Sarawak Arts Museum.

### SINIAWAN NIGHT MARKET

An old town of over 100 years, Siniawan is about 30 minutes from Kuching. It is a popular spot for locals and tourists, thanks to the colourful and vibrant night market held from Fridays to Sundays.

Affectionately called a cowboy town by the locals, it is characterised by its traditional wooden shophouses, narrow streets and Chinese lanterns. It was once a thriving trading centre for Chinese immigrants who came to work in the nearby gold and anti-mony mines.

One can find a variety of local delicacies and street snacks in the night market, from *kolo mee* and *cangkuk manis* bee hoon to locally brewed beer and *kompia* (fried bun with braised pork).



The Siniawan night market is popular with both locals and visitors alike

Bario Highlands is blessed with stunning mountain scenery, lush forest, pristine rivers and cool temperatures all year round





### BATANG AI NATIONAL PARK

Batang Ai National Park is situated in the Batang Ai basin, home to one of the largest reservoirs in Malaysia. Covering 24,040ha, the park was established in 1991 to protect the region's rich biodiversity and preserve the cultural heritage of the local indigenous communities. It has also become a sanctuary for over 1,000 endangered orangutan.

Visitors can expect diverse landscapes, including dense rainforests, rolling hills and crystal-clear serpentine rivers. Other animals found there are the proboscis monkey, clouded leopard, sun bear and hornbill, and it is home to several species of pitcher plants.

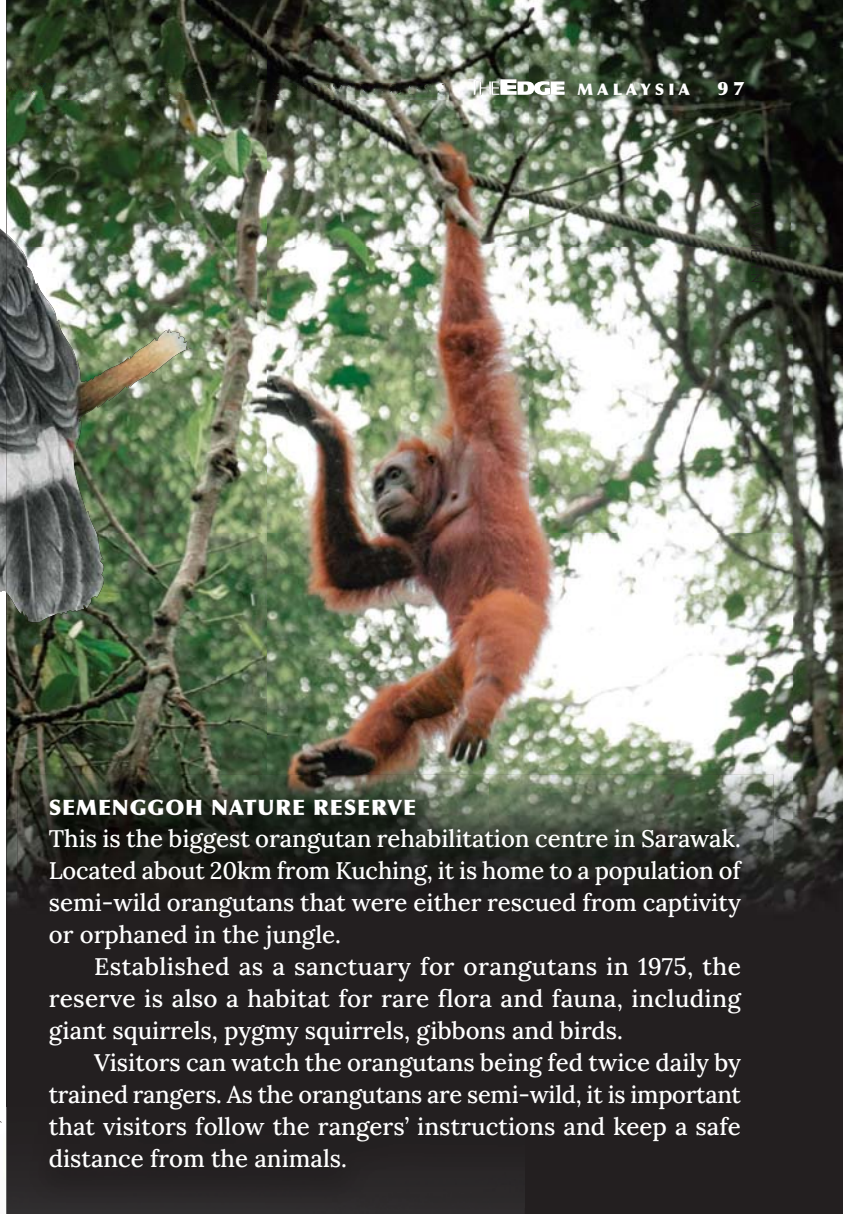
The indigenous communities have lived in Batang Ai for generations. Visitors can opt to stay in a longhouse and experience life in the rainforest. It is the place to visit if you are interested in conservation, eco-tourism and cultural tourism.

### BARIO HIGHLANDS

Situated in the north-eastern part of Sarawak, Bario Highlands is the home of the Kelabit, many of whom still live in traditional longhouses in the centre of the highlands.

Bario sits about 1,200m above sea level and is blessed with stunning mountain scenery, lush forests and pristine rivers, as well as cool temperatures all year round. Bario is also famous for its rice, cultivated using traditional methods passed down through many generations.

The highlands is popular with outdoor enthusiasts, offering exciting hiking trails and kayaking. You can also opt to trek to the summit of Mt Murud, the highest peak in



### SEMENGGOH NATURE RESERVE

This is the biggest orangutan rehabilitation centre in Sarawak. Located about 20km from Kuching, it is home to a population of semi-wild orangutans that were either rescued from captivity or orphaned in the jungle.

Established as a sanctuary for orangutans in 1975, the reserve is also a habitat for rare flora and fauna, including giant squirrels, pygmy squirrels, gibbons and birds.

Visitors can watch the orangutans being fed twice daily by trained rangers. As the orangutans are semi-wild, it is important that visitors follow the rangers' instructions and keep a safe distance from the animals.

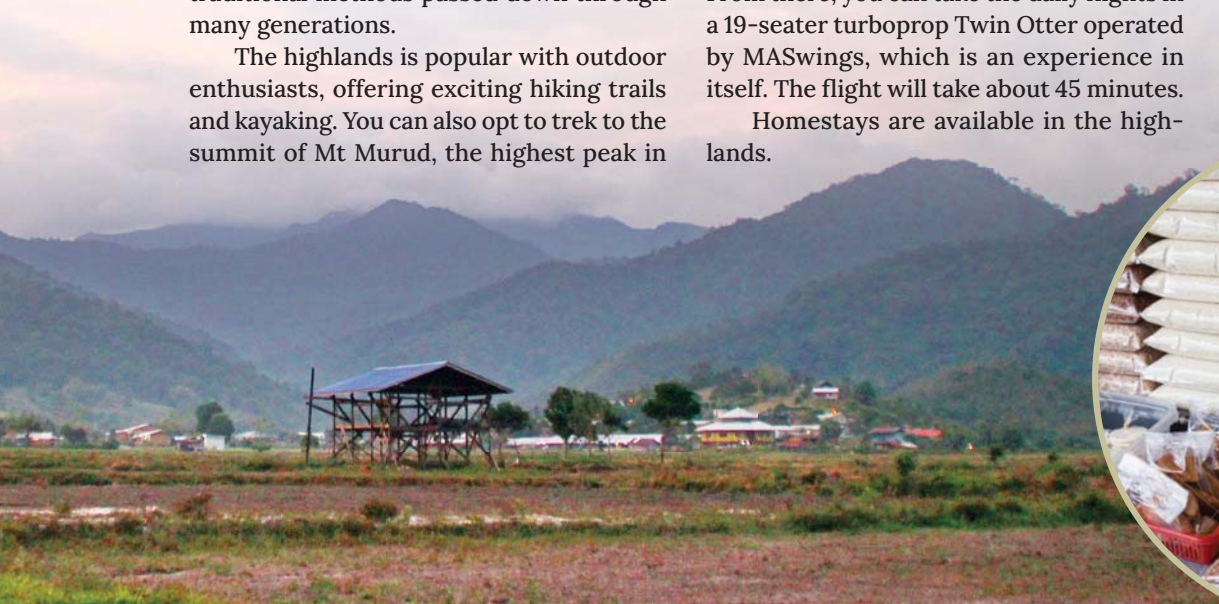
PAT WHELEN, UNSPLASH

Sarawak; visit the Bario Salt factory, which produces the famous Bario salt made from natural salt springs; or visit a longhouse.

To get to Bario, one has to fly to Miri. From there, you can take the daily flights in a 19-seater turboprop Twin Otter operated by MASwings, which is an experience in itself. The flight will take about 45 minutes.

Homestays are available in the highlands.

Bario is famous for its rice and salt made using traditional methods



### NIAH NATIONAL PARK

The famous Niah National Park is located about 100km south of Miri. Niah is believed to be the birthplace of civilisation in the region; the oldest human remains in Southeast Asia and relics of prehistoric man were discovered here in 1958. The items found, such as tools, cooking utensils and ornaments made of stone, bone or clay, suggest that the settlement reached back into the palaeolithic era, which is the earliest part of the Stone Age.

The park has 3,138ha of forest and limestone karst areas and was gazetted a National Historic Monument in 1958 and National Park in 1974.

The Subis River flows along the park's western border and Mount Subis, a large vertical limestone massif, covers about 60% of the area.



### PAYEH MAGA HIGHLANDS

About two hours' drive from Lawas in the far northeastern Sarawak, Payeh Maga Highlands is a haven for bird watchers. One can find many rare and endemic avifauna there.

According to the Forest Department Sarawak, over 180 bird species, including 27 endemic types, reside there. They include the Black Oriole, Mountain Serpent Eagle, Bornean Frogmouth, Whitehead's Broadbill, Whitehead's Spiderhunter, Bornean Spiderhunter, Black-throated Wren-Babbler, Bornean Bulbul, Bornean Leafbird, Bornean Barbet, Mountain Barbet, Pygmy Ibon, Bornean Flowerpecker and Bornean Treepie.

The area is also home to the sun bear, pangolin, leopard cat, yellow-throated marten, bearded pig and red langur. According to WWF-Malaysia, it is the only highland covered with forest peat, and has beautiful waterfalls and rock streams.



Niah is believed to be the birthplace of civilisation in the region

### GUNUNG GADING NATIONAL PARK

Home of the elusive flower Rafflesia, Gunung Gading National is located in the small town of Lundu in Southwest Sarawak. It was established as a forest reserve in 1929 and gazetted as a national park in 1983.

The Rafflesia is the world's largest flower and a member of the Rafflesiaceae parasitic plant family. The largest bloom was 91cm in diameter, and the park recorded 68 flowers on Gunung Gading in 1997. The flower has a faint carrion-like odour and flowers for only four to six days.

The national park also has hiking trails and waterfalls. For a more leisurely hike, take the Waterfall trail. It takes 1 to 1½ hours each way. The trail follows the Lundu River and will lead you past seven waterfalls. If you are up

for something more challenging, however, take the Gunung Gading summit trail up to the summit, which stands at 965m.



**ANNAH RAIS LONGHOUSE HOMESTAY & NANGA SUMPA LODGE**

If you want a taste of longhouse living, head over to Annah Rais Longhouse Homestay, located about 60km from Kuching.

Set against the beautiful Padawan mountain range, the longhouse is built from belian wood and bamboo and houses about 80 doors (one door equals one family). There are about 1,500 people living in the longhouse. Visitors will get to enjoy local dishes cooked by the Bidayuh villagers.

If you want a more off-the-grid adventure, head to the Nanga Sumpa Lodge in Batang Ai. The journey by car to the jetty takes about four hours and, from there, a longboat ride of about 1½ hours will get you to the lodge.

Borneo Adventure operates the lodge in partnership with the people of the neighbouring Nanga Sumpa longhouse. There is no electricity or internet connection at the lodge, but the generator will be turned on daily from 6pm to 10pm. To learn more about the experience, turn to Page 100.

**MULU NATIONAL PARK**

Sarawak's largest national park, Mulu is famous for its limestone formations, cave systems and rich biodiversity. It is a Unesco World Heritage site that covers more than 52,000ha.

The most famous cave is the Deer Cave, which is more than 2km long and is home to 2 to 3 million bats, belonging to 12 species. Also notable is the Clearwater Cave; the 200km cave system makes it the longest in Southeast Asia. There is also a bat observatory and a 480m rainforest canopy skywalk, which is the world's longest tree-based walkway.

If you are up for a challenge, climb to the Mulu Summit or head for the Pinnacles and historic Headhunter's Trail.



**JONG'S CROCODILE FARM**

Located 20 minutes from Kuching, Jong's Crocodile Farm is Malaysia's first and largest captive breeding crocodile farm. Feeding times are 11am and 3pm. The farm also has rare birds and other animals.

DEVA DARSHAN/UNSPASH



SARAWAK TOURISM BOARD

**MIRI-SIBUTI CORAL REEFS NATIONAL PARK**

For diving, head to Miri-Sibuti Coral Reefs National Park. The protected dive destination has an abundance of pristine patch reefs lying at depths of 7m to 30m, with visibility ranging from 10m to 30m. The diversity and accessibility among the corals and marine life are considered among the best in the region, and one can also find some interesting wrecks. The best time to visit is from late March to November. ●

Mulu is a Unesco World Heritage site





A slow, scenic boat ride



The peaceful spot where longboats are moored



Children at the longhouse



Loading ingredients for lunch



A village dog lounging on the bridge

TOURISM *Adventure*

## A LONGBOAT RIDE AND A LONGHOUSE STAY

BY CHAI YEE HOONG

“**THERE WILL BE** no mobile data, no WiFi, no internet,” our tour guide Stephanie said rather gleefully at the start of our journey. We were en route to Batang Ai from Kuching, where we would board a traditional longboat to Nanga Sumpa, an Iban longhouse in a remote part of the Borneo rainforest.

I had to brace myself mentally and physically at the thought of having no air conditioning, hot water or, worse, no internet access — even if it was just for a few days. “But a generator will be turned on from 6.30pm to 10.30pm in the evening,” Stephanie assured us. Better than nothing, I supposed.

We departed Kuching on a rainy Saturday morning. The journey to the longhouse took about eight hours, including two stopovers and a 90-minute boat ride. Located about 275km from the capital city, Batang Ai is said to be the site of the oldest Iban settlement in the state, dating back to the 15th century.

The Iban, or Sea Dayak, were said to be formidable headhunters and a strong warring tribe. While their head-hunting days are over, some groups of Iban still live in traditional longhouses across the island of Borneo, especially in Sarawak, where their population is the most concentrated. The Iban also make up the largest percentage of the state’s population by ethnicity. The more traditional longhouses can only be reached by river.

Our first stopover was at Serian Wet Market, about an hour into our journey. Serian is a small town known for its durians and its wet market is famous for jungle produce. Despite the rain, the indoor wet market with its labyrinth of crisscrossed aisles was typically bustling. What stood out was the variety of unfamiliar fruits and vegetables.

I tried some asam payak, which literally means “sour fruit from the swamp”. The small bulbous teardrop-shaped fruit has a similar appearance to the salak fruit with its scaly exterior and is popularly pickled and consumed as a snack or used in Malaysian dishes like asam laksa and umai.

We arrived at the Batang Ai jetty after a two-hour drive from the small town of Lachau, where we had stopped for lunch. The 24 sq km lake, which was created after a hydro-power project dammed the Batang Ai River, is the staging point of upriver trips to the Iban longhouses of Ulu Ai.

Although many communities were resettled after the dam was built, there are still a number of Iban longhouses here and the primary mode of transportation for the inhabitants is the traditional longboat.

When it was my turn to board the longboat, I eyed the narrow vessel nervously before putting one foot in and then the other. The boat wobbled as I took a seat, which was essentially a wooden school chair with its legs sawed off, and I shuddered at the thought of the boat flipping over.

Before long, the motors started grunting and whirring, and we were traversing the vast and clear lake at high speed. As the immense rainforest came into view, we forgot about the second-hand smoke coming from the boatman's cigarette. Birds flew overhead and some cruised close to the boat at eye level. Halfway through the journey, my phone lost signal and it felt like we had been transported into a different world.

From where the lake ended and the river started, we went through endless meanders and continuous stretches of rainforest. The farther and deeper we travelled, the cooler the air became. We also passed several longhouse settlements that were less obscure.

The whirring ended and the boat slowed as it turned into a peaceful spot, where other longboats were moored. We were greeted by the sound of chickens crowing and the sight of Iban children and village dogs on the overhead bridge, which connects the visitor's lodge with the longhouse.

The wooden lodge mimics the communal living style of a longhouse, where the main space is the communal veranda. For a longhouse, the communal space or ruai runs the length of the entire building and is the central area where the families get together.

As the limited en suite guest rooms were fully booked, our room was in the annexe building with its own communal space and a shared shower and toilet block. Although it was still bright outside, the bedroom was dim with only daylight coming in through the exposed ceiling beams and rustic louvres. Two identical single beds stood side by side, each covered with netting propped up by wooden poles. We were told the netting must be tucked under the mattress to keep the insects out.

After taking a quick shower, I went to the



A fisherman mending fishing nets in the longhouse

verandah for some quiet leisure time before dinner. I helped myself to some hot tea and was settling onto a bench when my colleague walked over, mug in hand and a grin on her face. "Want some? It's langkau, neat," she said.

Sometimes called Sarawakian moonshine, langkau is distilled from tuak or rice wine. I took a whiff of the clear, colourless spirit and sipped. It was potent, but surprisingly quite smooth. And unlike the popular tuak, langkau is much harder to find in your average Klang Valley bar.

At sundown, the generator kicked in and the lodge was illuminated by fluorescent lighting. The buffet-style dinner was served in the verandah. We helped ourselves to home-cooked soya sauce chicken, sweet and sour chicken, pumpkin, luffa with egg, manicai (sweet leaf) and fern.

We then strolled over to the longhouse for a visit and to meet the chief. The sturdy man with gentle eyes, dressed in a simple white polo shirt and camo trousers, welcomed us at the ruai. On one side of the corridor are the private quarters of around 20 families and on the other is the porch. The walls of the ruai are adorned with hand-woven baskets, mats, beaded jewellery and other handicrafts. All were for sale.

The Iban folk sat leisurely around the ruai, most of them on the floor. Looking around, I was immediately struck by the mobile devices the children were holding,



E JACQUI CHAN, CHAI YEE HOONG

As it turns out, the villagers have in their own way kept up with the times as they do have internet access and even satellite TV for that matter, but only in the evening when the generator is turned on. A young girl of around five looked up from her gadget and smiled at us before going back to what she was doing.

The longhouse chief gave us a tour of his living quarters, from his living-cum-bedroom space to the kitchen a few steps down. He said the longhouse was rebuilt after a fire in 2014 and lamented that many artefacts were destroyed by the flames.

Later, we gathered at the ruai for some tuak. In front of the chief sat coloured bottles, glasses, cups and mugs in various shapes and sizes. He poured a round of drinks and one of the guides taught us the toasting tradition — saying “Ngirup!” three times.

As the bottles of tuak were brewed by different families, they each tasted different — some sweeter, some drier. By the end of the evening, I had lost count of how much tuak I had consumed and how many bottles had been opened.

I was already settled in bed when the generator was turned off. The ceiling fan slowed to a stop and the sounds of the jungle filled the night. It is amazing how noisy the jungle became. I looked up to find fireflies flickering above in the dark and soon, sleep came upon me.



Some edible berries, fruits and fungus



A kelulut nest

## A TASTE OF NATURE

The chickens started clucking at the crack of dawn. I woke up to light rain. During breakfast, the guide told us that the morning hike along the river would have to be called off because of the weather. Alternatively, we could follow a more challenging route that goes into the jungle.

We decided on the latter. With a knapsack of hiking must-haves, I, along with two other travellers, followed Stephanie and local Iban guide, Ido, out of the backdoor of the lodge and into the thick of the jungle.

It was a steep, narrow and sometimes slippery climb from the get-go, and I clung on to a hiking stick Ido had improvised from a branch for dear life, almost regretting my decision to go on the hike. Each step I took felt like a leap of faith. I sure was thankful for the short breaks the guides would insist on during the trek.

We saw a tree bed abandoned by orangutans, an enormous ball of termite nest suspended from a tree, and a busy nest of kelulut, or stingless bees.

In between, we were treated to a jungle omakase, where we got to taste some of the edible berries and fruits Ido picked for us. Slightly sweet, they were similar to blueberries, apples, and guavas.

The guides showed us a plant whose leaves can be used as soap when you rub them



The Nanga Sumpa lodge

with wet hands, a plant with thicker and softer leaves that can be used as a pillow in the wild, and a type of grass that indicates that a river or water source is nearby. “If you see this type of grass, it means the river is near, around 30 minutes to an hour away,” Stephanie said as she pointed to the tuft of grass.

It took nearly two hours of hiking before we caught a glimpse of the river, and it was a slippery downhill slide to get there. Though much elated and relieved to see the longboats waiting for us by the riverbank, I decided that I would still do the hike again.

We travelled for thirty minutes before arriving at the Enseluai waterfall. Nestled within a peaceful nook surrounded by lush canopies, the waterfall was a sight to behold. It was the perfect spot after a hike as we could relax, take a dip and enjoy the soothing roar and feel the spray of the water.

Before long, our stomachs started to rumble. We called out to others on the opposite bank and a boatman came to take us over. Ido and Stephanie prepped ingredients by the river, one of the boatmen cut a watermelon in a parked longboat and, by the edge of the forest, a small group stoked a small fire under a bamboo frame. Cuts of chicken were cooked over the fire while bamboo stems were roasted nearby.

For the Iban, bamboo is a traditional cooking vessel. This method of cooking, which is known as pansuh, involves cooking dishes in a bamboo stem filled with water. An iconic pansuh dish is ayam pansuh, which is chicken cooked in bamboo.

It was as much a feast for the eyes as it was for the palate when the dishes were laid out on a long wooden plank. Accom-



Our Iban hosts cooking over a fire and in bamboo stems

panying the barbecued chicken and ayam pansuh were brinjal and long beans cooked in bamboo, and a spicy cucumber salad to go with lemong and white rice.

#### THE JOYS OF SIMPLE LIVING

Ido, our formidable lady of the jungle, taught us how to skip stones on the river. It was also a good way to communicate and interact with Ido despite not speaking her language.

After the fire was put out and our lunch things were packed, we got back into our longboats, leaving our little slice of paradise.

The slow, scenic boat ride could well be the highlight of my trip. Without the motors roaring, the sights and sounds of the river and rainforest were even more palpable. And to realise that the same rainforest existed 140 million years ago was truly amazing.

Midway, the boats stopped near a bank and Ido glided up the slope with a knife in hand. She disappeared briefly behind some rustling branches before dragging out a big bunch of wild rattan fruit.

Back at the longhouse, men, women and children were lounging around the ruai. A few gave friendly nods as we walked past while others continued chatting, mending fishing equipment or making handicrafts, unperturbed by our presence.

After breakfast the next morning, we got back into the longboats to return to the Batang Ai jetty. As excited as I was to be going back to the modern world, I muse that some of life's profound pleasures could only be found in places like Nanga Sumpa. ●



Stephanie (left) and Ido prepping ingredients by the river

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