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**Message from the CEO**

Dear members,



In this final volume for 2023, we are happy to highlight that we are starting to feature on insights and analysis on the current issues happening in Sarawak. We are starting with our perspective on the Federal Budget 2024 and its implication on Sarawak, written by Dr. Yuen Kok Leong, Senior Research Officer of SDI. This is part of our transformation plan where we will focus on topics of interest to be shared with the members and the general public via our social media accounts. We invite members to contribute to this feature as well. We hope this initiative will enhance SDI's visibility among the general public and the relevant stakeholders on its activities and programmes.

We are also highlighting the different types of microalgae that are currently being researched by Sarawak Biodiversity Centre for its various potential especially for biofuel. We hope this information will shed light on the diverse types of microalgae and its current potential applications.

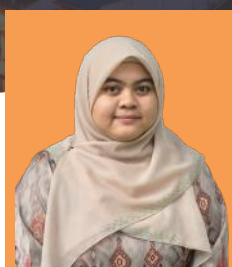
As the year come to a close, we are pleased to share some of the activities held such as the 27<sup>th</sup> Annual General Meeting and staff activities. We thank all the members who have participated and contributed to the fruitful discussion during the AGM. We look forward to organise more members' activities in 2024.

Under research updates, we are pleased to share two new in-house research projects which will commence in January 2024. We welcome members who are interested to provide their input to these in-house research projects. We also would like to introduce the two new staff joining the Institute and we look forward to more exciting programs and initiatives in 2024.

Last but not least, I wish all members "Happy holidays and Happy New Year 2024".

Thank you.

Lelia Sim  
 CEO



**Nuridzrienna binti Jamalludin**  
 Graphic Designer

Nuridzrienna graduated from UNIMAS in Bachelor of Design Technology majoring in Graphic Design.



**Muhammad Izzuddin Bin Abdul Aziz**  
 Research Officer

Izzuddin graduated from UNIMAS in Bachelor of Social Sciences and Humanities with Honours majoring in Anthropology and Sociology.

**WELCOME TO OUR NEW STAFF**

## FEATURE

### Budget Madani for Sarawak: Between Autonomy and Neglect

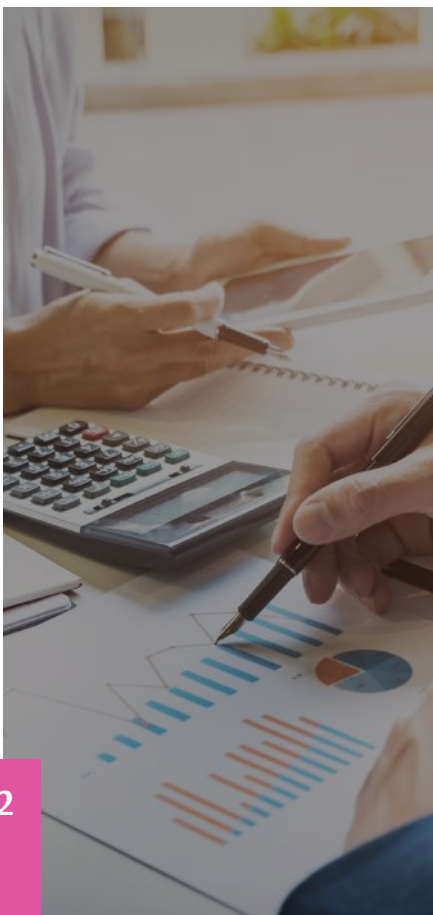
The National Budget for 2024 was tabled on October 13<sup>th</sup>, 2023 by the Prime Minister Dato' Seri Anwar Ibrahim. The dubbed second Belanjawan Madani amounts to RM393.8 billion, described as the nation's priciest budget ever. Dr. Apurva Sanghi, the World Bank's Lead Economist for Malaysia described the budget as pro-growth, pro-poor and pro-green. Dr. Tricia Yeoh, CEO of IDEAS considers the fiscal outlook of the budget, i.e. to reduce fiscal deficit target by 3% of GDP in the next three to five years with a growth projection of 4%-5%, as realistic and achievable. While we have read the comments and opinions of many experts and pundits, few specifically explore what the Madani Budget means to Sarawak. As an institute concerned with Sarawak's development, we would like to explore a few notable takeaways.



by  
Dr. Yuen Kok  
Leong,  
Senior Research  
Officer, SDI

Our primary concern as Sarawakians is: how does Budget 2024 complement or contrast with Sarawak's development aspirations? The budget should not be read as a stand-alone policy, as it is accompanied by concurrent National Energy Transition Roadmap (NETR) and New Industrial Master Plan (NIMP) and for Sarawak, our Post Covid Development Strategy 2030 (PCDS 2030). Sarawak has proven itself as a prominent contributor to the nation's income and ranked third in value-added manufacturing behind Selangor and Johor (NIMP 2030). It is thus within reason to expect the state to be actively engaged in the nation's development planning.

The comments and interpretations are on a few grounds. Firstly, on the basis that, together with our neighbour Sabah, the Bornean states have been sidelined in the national development since independence (a point iterated during Dato' Seri Anwar's budget speech). Secondly, Sarawak has displayed its development aspirations in advancing its digital and green economy as outlined under its PCDS 2030 and its recently launched Digital Economy Blueprint. Thirdly, we do not see development allocations to Sarawak as zero-sum competition in which allocation to one state is a loss to the others, but rather a multiplier that brings further prosperity. Here are a few points that we would like to raise as highlights and our interpretation of the recent budget as Sarawakians;



The budget has exhibited the federal government's commitment in restoring a semblance of autonomy to the Bornean states, albeit in gradual 'baby steps'. Few devolutions were announced during the budget tabling. Firstly, the power to approve development projects under RM50 mil has been granted to technical agencies in both states. The regulatory power over electricity supply in neighbouring Sabah will also be transferred to the state effective January 3<sup>rd</sup>, 2024. As for Sarawak, the federal government is in negotiations to hand over Bintulu Port and Rural Air Service (RAS) to the state.

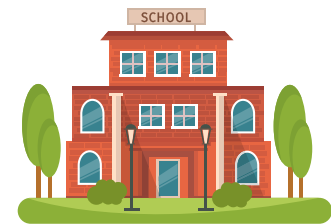
The current effort (*Payung Rahmah* price uniformity and community drumming) and costs (RM225 mil and RM40 mil respectively) for price control can be significantly reduced by reviewing the cabotage policy. Despite the insistence from both state governments, industry players and even neighbouring Indonesia, the federal government under PMX has yet to propose new directions on the current cabotage policy. Whilst he was the opposition leader, Dato' Seri Anwar had criticised the government's cancellation of cabotage exemption which resulted in lost opportunities to work with tech giants such as Facebook and Google. As the Prime Minister, Dato' Seri Anwar has shown his willingness to make policy changes for economic prosperity, as evident from his recent agreement with Tesla. Thus, we in Sarawak have a strong belief in his leadership to make bold decisions for the betterment of Borneo.

## Entrepreneurship is not a magic bullet.

While we acknowledge that entrepreneurship has been an important stopgap measure for citizens during and after the COVID-19 pandemic, SDI hopes the government will seriously assess its continuous entrepreneurship advocacy. Entrepreneurship is not without its flaws. Studies have shown that entrepreneurs have lesser savings than wage earners, possess poorer mental health and experience more failure than success (1 success in 10 attempts) (Hartmann 2021). While entrepreneurship brings success to some, it is a terrible idea for most people, most of the time (ibid.). The wager that the government placed on entrepreneurship as poverty alleviation as described above is concerning, especially in the form of business loans to vulnerable groups that may leave them indebted (when their businesses fail) or deprived (if they have no plans to start a business). In the context of lowly populated Sarawak, small businesses may not have enough consumers with sufficient spending power to keep them afloat. Advocating entrepreneurship together with the gig economy (from MyLesen initiative) may prolong the economic precarity of the B40s.

While we appreciate the increased attention paid to the Bornean states in the budget, we still think that the budget is Peninsula-centric with a hint of disconnection to the state's initiatives. While Perak is getting a high-tech industrial zone in Kerian and Johor's Pengerang is enjoying tax incentives, there are no specific initiatives from the federal government to develop high-growth high-value (HGHV) industries in Borneo. Despite Sarawak's current initiatives in developing green hydrogen energy and involvement as a site for carbon capture and storage (CCS) at Kasawari and Lang Lebah (championed by Petronas), there is no significant stimulus from the federal administration in the tabled budget. While the role and importance of Sarawak were acknowledged in both NIMP (p.127) and NETR (p.20, p.22), the recognition has yet to be backed by any incentives.

The final point that we would like to raise is the need for a feasible ownership and profit-sharing model to be developed between the federal and state government. This is of the utmost importance in the federal-state relations for two main reasons; the federal Government is continuously devolving its role to the Bornean states per MA63 and Sarawak's enthusiasm to venture into various domains, either independently or together with the federal government. One of the immediate case studies we can observe is the state's intention to establish its Cancer Institute. Both governments agreed to fund the project; in which the state government will bear the cost of its construction, while the federal government will support by providing equipment and specialists. However, it is unclear on whether operationally, the centre will be considered a private hospital (with its corresponding market rate) or a government hospital (receiving directives as other hospitals under the Ministry of Health). There will be operational and financial details that need to be ironed out between the governments, together with Sarawak's call for healthcare autonomy in mind.



## We conclude this article with something for both federal and state governments to ponder: How can Sarawak achieve autonomy without the federal government's neglect?

Through the past few paragraphs in this section, it is implied that both governments are presently happy with the laissez-faire federal-state relation, where Sarawak is given the freedom to set the state's development planning. Federal government 'supports' the state's preoccupations by providing funds, but largely as un earmarked lump sum (understandably as an extension of autonomy; for the state to decide how best to use the grants). However, if the trajectory of the current arrangement is continued in the long run, there is a risk that Sarawak would be left out of the mainstream national development plans (as we can see from the HGHV industrialization situation above). Leaving the state to branch out fully on its own may also present new challenges as discussed in the Cancer Institute case above. Even with the current (increased) funding from Kuala Lumpur, it is still akin to neglect (the tardiness that the current government seeks to redress) through planning exclusion; the only difference now is the federal government is providing more money. But surely this free-range parenting is not the spirit of "Sarawak dalam Malaysia" that we expressed in our state anthem, or is it?

# DO YOU KNOW?

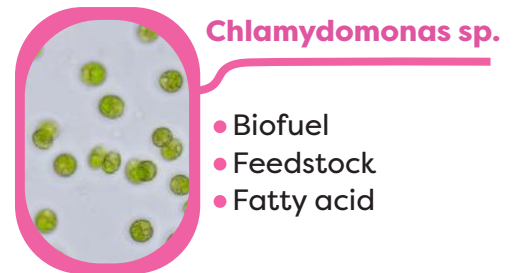
## Microalgae Production for Biofuel & others

With the State's agenda to explore greener sources of energy, algae is one of the common subjects drummed up in the conversation. A simplified idea on how algae is used to produce green energy is by extracting oils from farmed microalgae, and it is known that microalgae uses up carbon dioxide (CO<sub>2</sub>) for photosynthesis, hence making the biofuel a carbon-neutral fuel source. But are all algae types or species the same? Can the algae found in our Sarawak waterways be used to produce biofuel as well?

Just like most plant species, not all algae or microalgae are the same. While they all may produce oils, some may have higher content, while others not as much. Take palm trees for example, an oil palm tree will definitely produce fruits or nuts with higher oil content as compared to a date palm tree or a coconut tree. In the case of Sarawak, the Sarawak Biodiversity Centre (SBC) has identified more than 650 unique and curated strains of microalgae as of December 2019.

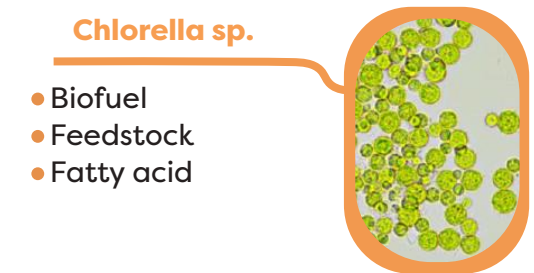
Among the microalgae strains identified by SBC for biofuel production would be the *Chlamydomonas* sp. strain and *Botryococcus* sp. strain. Sarawak has set up its first microalgae carbon capture facility at the Sejingkat Power Plant in 2020 to produce biofuel especially the production of sustainable aviation fuel. The project is a collaboration between Japan's Chitose Group with Sarawak Energy Bhd (SEB) and Sarawak Biodiversity Centre (SBC).

With increasing demand for sustainable aviation fuel (SAF) worldwide, it is not difficult to see the production of biofuel from microalgae soon becoming a potentially lucrative industry. Though a lot of research and development is still needed to make microalgae farming and biofuel extraction from microalgae more efficient and cost-effective, Sarawak stands to be a player in this industry with the right support and international collaboration.



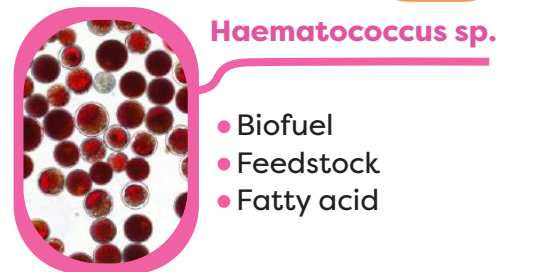
***Chlamydomonas* sp.**

- Biofuel
- Feedstock
- Fatty acid



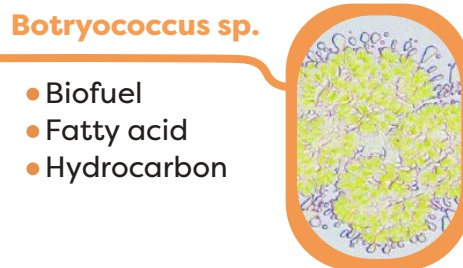
***Chlorella* sp.**

- Biofuel
- Feedstock
- Fatty acid



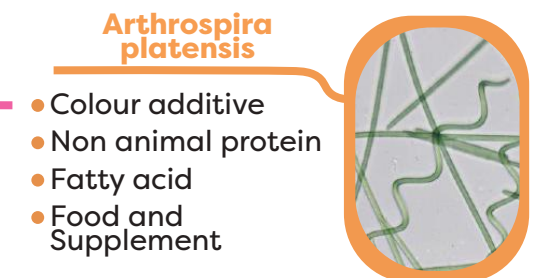
***Haematococcus* sp.**

- Biofuel
- Feedstock
- Fatty acid



***Botryococcus* sp.**

- Biofuel
- Fatty acid
- Hydrocarbon



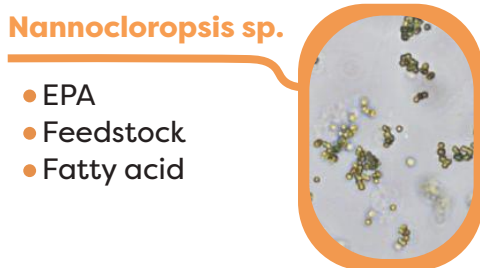
***Arthrospira platensis***

- Colour additive
- Non animal protein
- Fatty acid
- Food and Supplement



***Chaetoceros* sp.**

- Fucoxanthin
- Feedstock
- Fatty acid



***Nannocloropsis* sp.**

- EPA
- Feedstock
- Fatty acid



***Isochrysis* sp.**

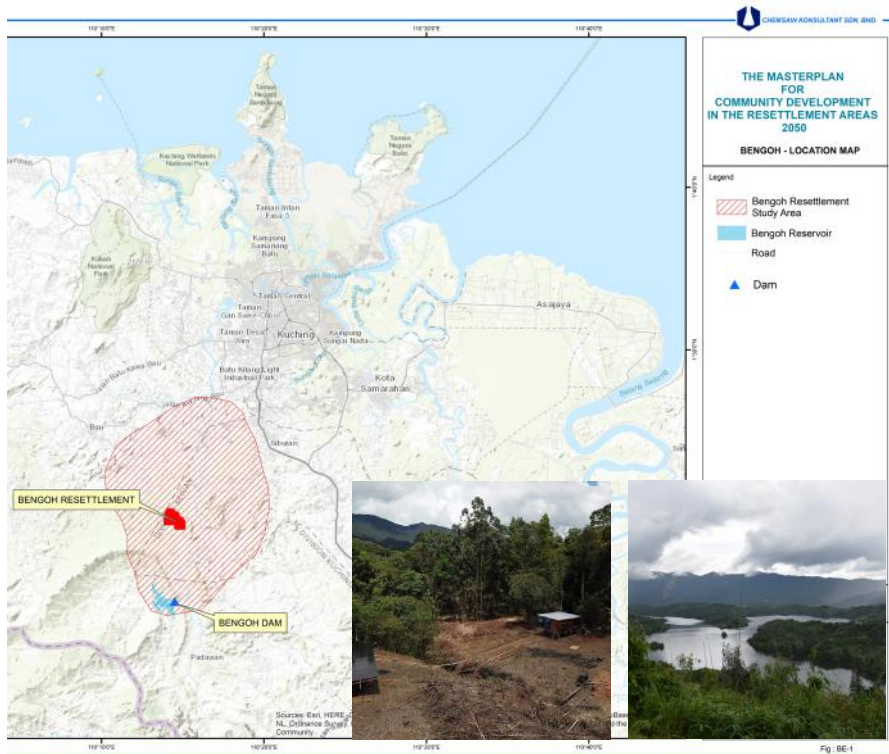
- DHA
- Feedstock
- Fatty acid
- Food and Supplement

Sources:

1. <https://www.sbc.org.my/programmes/r-d-bioprospecting/algae-research/microalgae-collection>
2. <https://www.sbc.org.my/programmes/r-d-bioprospecting/algae-research/prospective-microalgae>
3. <https://www.sbc.org.my/sbc-news/downloads/publication/678-the-sbc-microalgae-library>

## On-going Research

### Master Plan for Community Development in the Resettlement Areas 2050: Batang Ai, Bakun, Murum and Bengoh

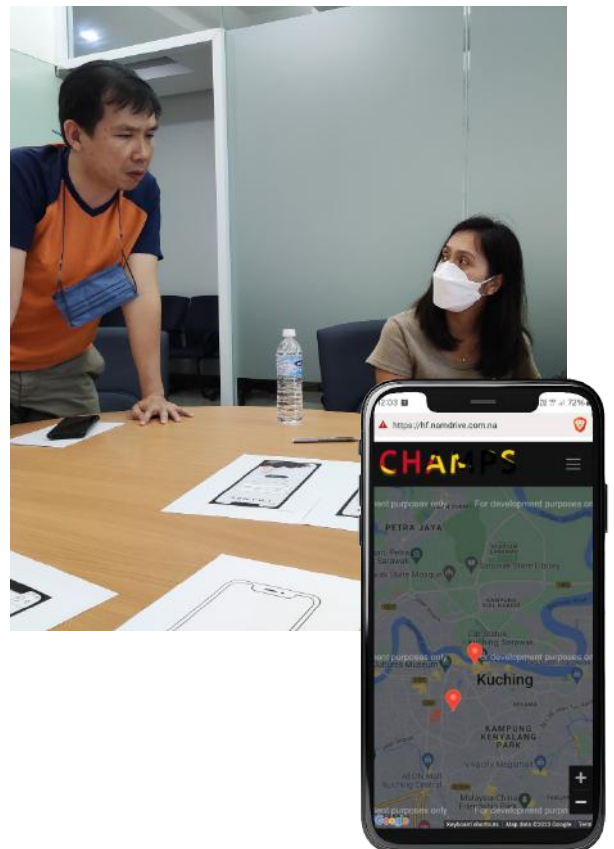


Data analysis has been completed and the draft of the Interim 2 report for both Batang Ai and Bengoh resettlement schemes have been submitted to the main consultant in September 2023. The report was presented to the study Steering Committee in November 2023 where comments were received and revisions made before resubmission to the Economic Planning Unit. The study team is now looking into drafting proposed development plans for the resettlement schemes.

## Cultural Resource Mapping

The Cultural Resource Mapping - Exploratory Project in Kuching Division is a project powered by a digital platform named CHAMPS (Crowdsourced Heritage Automation Mapping Platform for Sarawak) that aims to catalogue and document as widely as possible the tangible and intangible heritage present in Kuching Division.

Currently, the software development is nearing its end, with an estimated completion date at the end of December 2023. Subsequently, CHAMPS is planned to go live for public entries in January 2024.



## Mapping the Ecosystem of Sarawak's Digital Entrepreneurship Initiatives

Digital transformation agenda both on federal and state levels has brought forth the establishment of many agencies and subsequently, digital initiatives. Digital entrepreneurship appeared as one of the main focuses, particularly in its potential to improve social livelihoods. SDI was approached by the University of Technology Sarawak (UTS) to study the ecosystem of digital entrepreneurial development projects within its multiplicity across public, private and non-governmental organisations (NGOs) in Sarawak. The study is intended to have a better understanding of effective policy-making, resource allocation, and maximising the impact of these initiatives. The research teams from both SDI and UTS are currently analysing the findings from the research. The results from the study will be presented both as academic journal articles and a research report.



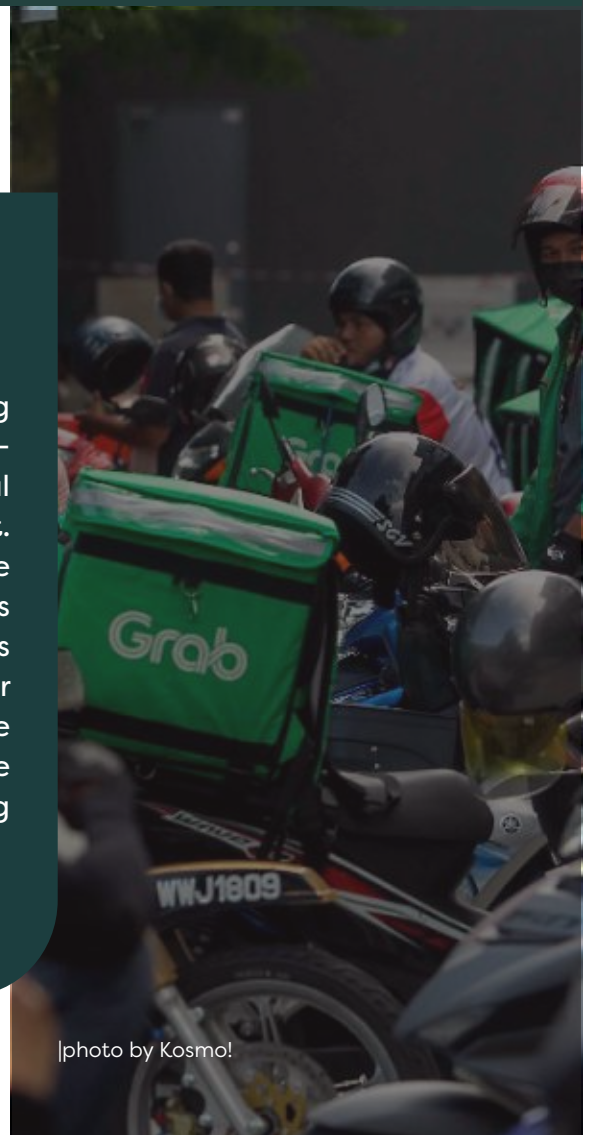
## Sarawak Civil Service – Administration and Development: Reflections and Reminiscences over 60 Years

The above titled book project has the aim of compiling the reflections and experiences of former Sarawak civil servants over a span of 60 years. It contains anecdotes, stories and other recollections of 15 individuals with additional content from another 12 individuals. The book is meant to inspire a new generation of civil servants and to preserve the experiences and reflections of these storied individuals. The Project Committee has provided feedback for the final draft, including design and content, which is currently being worked on. A complete final draft publication is expected in December 2023, with project completion expected in January 2024. The book is written and researched by Faradale Media-M Sdn Bhd.

## New in-house Research

### P-Hailing Riders in Sarawak: An Exploratory Visual Study

SDI is embarking on a research amongst local Kuching p-hailing riders as a case study that captures the intersections of urban population, youth employment, digital economy and economic precarity in the local context. This exploratory research intends to employ a qualitative photography approach paired with structured interviews to capture the narratives of the everyday lived experiences of the gig workers. The study will begin by the first quarter of 2024. The study findings will be exhibited to raise awareness not only to the occupational group, but the narratives of marginalised and underprivileged young labour force in the city.



|photo by Kosmo!

### Multiple Indicators of Poverty: A Case Study in Kuching

Sarawakian leaders have expressed the need for better measurement of poverty in the local context. National statistics often fall short of reflecting the actual context and livelihoods of Sarawak's poor. SDI is adopting the Multidimensional Poverty Index (MPI), an instrument that takes indicators from education, health, living conditions and income into its assessment of deprivations. The study will be piloted among the poor urban communities in Kuching, with optional expansion to other districts in the future. SDI will be collaborating with the Society for Kuching Urban Poor (SKUP), a NGO providing food aid to Kuching communities, as a collaborator for this study. A Memorandum of Understanding (MoU) signing between the two organisations is planned for January 2024.



|photo by Bernama

## Activities

# 27<sup>th</sup> ANNUAL GENERAL MEETING

2.30 p.m.

4<sup>th</sup> December 2023,  
Monday

Pelagus Room, Level 3  
Grand Margherita Hotel

During the meeting, YBhg. Datuk Amar Jaul Samion, Chairman of SDI, shared about the progress of the new transformation and strategic plan for the Institute and invited members to give their inputs and suggestions. Among other notable matters raised during the meeting were on the upcoming activities for members. The Secretariat proposed visits to Sarawak Metro Sdn Bhd's Autonomous Rapid Transit (ART) Proof-of-Concept (POC) Run along the Kuching-Samarahan Expressway and to the Centre for Technology Excellence Sarawak (CENTEXS) Kuching. A number of members expressed their interest during the meeting. The Secretariat will plan for the members' activities in 2024. A total of 8 directors of the Board (4 by proxy) and 27 members (11 by proxy) of the Institute were in attendance at the 27<sup>th</sup> Annual General Meeting.



## ASFa Club Pre-Christmas and Year-End 2023 Dinner 8<sup>th</sup> December 2023 Hilton Kuching

The staff of AZAM Sarawak, SDI, Faradale Media-M, and Faradale Holdings were treated to a special pre-Christmas and Year-End 2023 Dinner with their family members, organised by the ASFa Club. The dinner was attended by 85 people comprising staff and family members of the four organisations. The dinner featured lucky draws, gifts exchanges, karaoke sessions, as well as a game to introduce new members of the Club. The evening witnessed warm and cordial interactions between all members of the Club as well as respective family members. The ASFa Club is a recreation club for all staff of AZAM Sarawak, SDI, Faradale Media-M, and Faradale Holdings and led by a committee comprising the staff of these organisations.



## Visit to the ART POC Run 12<sup>th</sup> December 2023 Kuching-Samarahan Expressway

The Institute received an invitation from Sarawak Metro Sdn Bhd to view and experience the Autonomous Rapid Transit (ART) Proof-of-Concept (POC) Run along the Kuching-Samarahan Expressway. The CEO and five staff of the Institute, along with several staff from AZAM Sarawak and other invitees, joined the visit. The current phase of POC Run for the ART utilises a dedicated, straight-line 3km route lane that passes through new traffic light intersections. The invitees also had the opportunity to ride on buses powered by hydrogen fuel, also managed by Sarawak Metro Sdn Bhd. The first phase of operation for the ART, which will run along Rembus to Riveria (also known as the Blue Line), is expected to commence in Quarter 4 of 2025. Stations along the route for passengers to embark and disembark the ART are being finalised and routes for feeder buses to and fro the stations are being planned out as well.

