



# NEWSLETTER

DECEMBER 2024 VOLUME 11

## MESSAGE FROM THE CEO

Dear esteemed members,

First of all, I wish to share the good news that SDI's Strategic Transformation Plan 2025-2030 has received approval from the Sarawak Government with higher funding support. With this trust and continuing support from the government, SDI is set for more high-impact research to provide in-depth policy input and recommendations from 2025 and beyond. My deepest appreciation especially to the Chairman for his guidance and advice, and the Board of Directors and members for their support and input in making the strategic transformation plan a reality for SDI.

In this final volume for the year, we are pleased to highlight some key discussions and events that have unfolded over the past three months. We are delighted to share an article relating to the Federal and State Budgets for 2025 by Professor Dr. Evan Lau, one of our newest members from UNIMAS. This article highlights the key focus of each budget, key challenges and mitigation measures needed, and the prospects for the future in achieving the goal of sustainable development for Malaysia.

Aligned with Sarawak Net Zero and Carbon Plan, we organised a public talk on "Sarawak: Building up Hydrogen Ecosystem in Asia Pacific & Beyond" to further the discourse on hydrogen development as a clean energy source. While environmental sustainability is one of our key focus, social inclusivity focusing on healthcare reform for the people is also a grave concern. We organised a public forum on "Making Healthcare Reform Work for Sarawak: Leaving No One Behind" where 3 panelists gave valuable insights on the challenges and strategic recommendations for improving healthcare services for Sarawak. Our feature on the development of Green Cities in the "Do You Know" column further explores the need for sustainability and quality health care that could be fostered through green cities.

For research, there are updates on the on-going research and status report on research biddings. We are pleased to share that our bidding for the study "Greater Together: Mapping of Paddy Production Ecosystem in Batang Lupar Granary Area, Sri Aman" is successful and the MoA will be signed soon.

Another exciting news to be shared is the relocation of the secretariat to its new office at the Tun Jugah Building by end of December 2024. We look forward to share more details with members once the relocation is completed. Finally, I wish to thank all members for their continuous support and participation throughout 2024, and we look forward to more exciting projects and activities in 2025.

A Joyful Christmas and a Happy New Year 2025 to everyone!

Lelia Sim  
CEO

## NEWSLETTER HIGHLIGHTS

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Bridging Divides: Equitable Growth and Sustainability through 2025 Budgets
- Past Events
- Do You Know? -  
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- On-going Research/Projects

## OFFICE RELOCATION NOTICE

There will be a disruption to our internet and phone lines from **23<sup>rd</sup> to 27<sup>th</sup> December 2024**. Please contact +6013-6718063 for urgent matters.

### New Address

Suite 8.04, Level 8  
Tun Jugah Tower, 18,  
Jalan Tunku Abdul Rahman,  
93100 Kuching, Sarawak

## **FEATURE -** Bridging Divides: Equitable Growth and Sustainability through 2025 Budgets

by Professor Dr. Evan Lau, Lecturer, Department of Economics, Faculty of Economics and Business, University of Malaysia Sarawak (UNIMAS) & Member of SDI

The Malaysia Budget 2025 and Sarawak Budget 2025 align with the Sustainable Development Goals (SDGs) and the Post-COVID-19 Development Strategy (PCDS) 2030. These budgets emphasize economic recovery, social inclusion, and environmental sustainability through a multilevel governance approach to achieve long-term development objectives.

Malaysia's budget focuses on fostering economic growth (SDG 8) through job creation, enhanced social safety nets, and targeted efforts to reduce income inequality (SDG 10). Initiatives like increased minimum wages, expanded tax relief, and housing support aim to uplift marginalized communities, ensuring no one is left behind (SDG 1). Meanwhile, Sarawak's record RM10.9 billion budget prioritizes rural infrastructure development, providing clean water, electricity, and internet connectivity (SDG 6, SDG 7, SDG 9). Sarawak's focus on decarbonization and green energy transitions further supports SDG 13 (Climate Action) while fostering sustainable urban and rural communities (SDG 11). Both budgets emphasize green initiatives, such as Malaysia's carbon tax and Sarawak's green transition loans, advancing SDG 12 (Responsible Consumption and Production) and SDG 15 (Life on Land).



Sarawak's budget integrates PCDS 2030 objectives, seeking to transform the state into a developed economy through reduced disparities, economic diversification, and environmental stewardship. Investments in rural infrastructure aim to bridge urban-rural divides, uplift rural economies, and reduce poverty. Revenue diversification, particularly through sustainably managing natural resources such as oil, gas, and timber, supports economic resilience. At the national level, Malaysia's budget emphasizes resetting the economy, enhancing security and well-being, and advancing sustainability. Measures like subsidy rationalization align with fiscal reform priorities, while investments in healthcare, education, and housing focus on improving quality of life and reducing inequalities. Sarawak's development agenda complements these national efforts, addressing localized needs and ensuring balanced growth across the country.



## Finding Equilibrium: Addressing Challenges

Despite their ambitious goals, both budgets face challenges in execution. Malaysia's subsidy rationalization may lead to increased transportation costs and higher prices for goods, disproportionately impacting low- and middle-income groups, despite targeted cash assistance measures. The government's debt would pose risks to fiscal flexibility. Additionally, while wage increases and cash assistance programs may enhance disposable income, they could also drive inflationary pressures.

Sarawak's budget faces distinct challenges, including the risk of environmental degradation from infrastructure and agricultural expansion. Poorly managed development could result in deforestation, biodiversity loss, and exacerbated regional disparities if urban areas are prioritized over remote communities. Sarawak's heavy reliance on federal contributions and oil-related revenues makes it vulnerable to external economic shifts and fluctuating global oil prices. Renewable energy ambitions, while commendable, may face delays due to limited technical expertise and infrastructure gaps.

To address these issues, Malaysia and Sarawak must adopt robust strategies to achieve equilibrium between growth and sustainability. Enforcing environmental regulations and conducting rigorous impact assessments are critical for sustainable development. Diversifying Sarawak's economy into renewable energy, tourism, and value-added exports can reduce dependency on federal contributions. Investments in the digital economy can generate low-impact revenue streams, while strengthening local governance and establishing independent oversight bodies will improve resource utilization. Prioritizing rural and underserved communities and advancing green energy initiatives will also support long-term sustainability goals.

## The Future: Shaping Sustainable Development

Looking ahead, Malaysia and Sarawak must embrace innovation and adaptability to navigate global economic and environmental challenges. Digital transformation, coupled with strategic partnerships with industry and academia, will enhance capacity building and foster economic diversification. Regular monitoring and evaluation of budget implementation will ensure that policies remain effective, adaptive, and aligned with long-term objectives. Stakeholder collaboration is essential in harmonizing federal and state priorities to optimize resource allocation and achieve inclusive growth. Malaysia's green initiatives, in conjunction with Sarawak's renewable energy efforts, position both governments to capitalize on opportunities in the global green economy. Expanding investments in education and talent development will equip the workforce to meet the demands of a rapidly evolving world.

As we face these challenges and opportunities together, adopting the Quintuple Helix model—integrating government, industry, academia, civil society, and the environment—can foster collaboration, innovation, and shared responsibility. This comprehensive framework can guide Malaysia and Sarawak in moving forward as a unified nation, ensuring that inclusive, sustainable development becomes a reality for all. By embracing this collective approach, we can lay the foundation for a resilient and prosperous future that leaves no one behind.





## PAST EVENTS

### **PUBLIC TALK ON “SARAWAK: BUILDING UP HYDROGEN ECOSYSTEM IN ASIA PACIFIC & BEYOND”**

**29<sup>th</sup> October 2024 | ZOOM Application**

This public talk was presented by Mr. Dennis Harun Wong, Head of Strategy and Marketing at SEDC Energy (SEDCE).



The talk started with a quick poll aimed to assess the participants' knowledge on hydrogen development in Sarawak and familiarity with SEDC Energy's work. The results indicated a majority of the participants have moderate understanding of hydrogen development in Sarawak and also about SEDCE. Mr. Dennis started the presentation with SEDCE's strategic vision towards Malaysia's Net Zero 2050 ambition through developing the hydrogen economy value chain and other new energy initiatives for Sarawak. He also shared the initiatives that SEDCE is taking to position Sarawak as a hydrogen leader within the Asia Pacific region, and beyond, with the establishment of the Sarawak Hydrogen (H2) Hub, exporting Methylcyclohexane (MCH) to Japan through Project H2ORNBILL, exporting Ammonia (NH3) to South Korea through Project H2BISCUS, the establishment of the Darul Hana H2 Plant as the first public hydrogen refuelling station in Sarawak, the creation of the Rembus H2 Plan to supply hydrogen fuel for the ART, the establishment of the Sarawak Electrolyser Assembly and Distribution Facility (SEA-DF) with Lestari H2GaaS Sdn Bhd, and the plan for six flagship multi-fuel stations across Sarawak offering petrol, diesel, and hydrogen fuels, as well as EV charging facilities. The H2ORNBILL and H2BISCUS projects are currently at the front end engineering design stage. The final design and financial decisions will be made next year. The other hydrogen initiatives are expected to be operational by the end of 2025.

The presentation emphasised hydrogen's potential as a clean energy source, detailing Sarawak's commitment to supporting the global shift toward sustainable energy. Mr. Dennis also explored how these advancements in hydrogen development could drive economic growth and job creation within the state.



After the presentation, Mr. Dennis addressed questions from the attendees especially on the practical applications of hydrogen technology to challenges and opportunities in establishing a sustainable hydrogen infrastructure in Sarawak. The utilisation of hydrogen for the masses is still not a viable solution yet as the cost is still too high. Most of the demands are driven by corporate organisations combined with heavy subsidies from the government.

An after presentation poll was also conducted to gather feedback. The results indicated that the session was both enlightening and impactful, with many participants expressing interest in continuing the conversation around Sarawak's role in the hydrogen economy.

## **PUBLIC FORUM ON MAKING HEALTHCARE REFORM WORK FOR SARAWAK: LEAVING NO ONE BEHIND** **21<sup>st</sup> November 2024 | Zoom Application**

The online forum featured 3 panelists, Dr. Yuwana Podin (Sarawak AIDS Concern Society & Malaysian AIDS Council), Mr. Chris Cheng (Society for Cancer Advocacy & Awareness, Kuching), and Ms. Laura Kho Sui San (mental health policy consultant and advocate). The three panellists are representatives from the Sarawak CSO-SDG Alliance Health Thematic Group, a coalition of 70 non-profits advocating for greater involvement in decision-making and supporting SDG goals by 2030. The talk was moderated by Dr. Yuen Kok Leong, Senior Research Officer, SDI.



### **Key Healthcare Challenges**



Geographical & Demographic Barriers

Underdeveloped Health Services



Marginalised Populations

Data Gaps



Social Determinants of Health

Civil Society Organisations (CSOs)



The panelists highlighted that Sarawak faces significant health challenges due to geographical and demographic factors, with 40% of residents living in rural areas. Access to advanced care is particularly difficult for the elderly in remote regions. Health services are underdeveloped and further compounded by a lack of basic amenities like treated water, 24-hour electricity, and proper road access. Rural communities also experience digital isolation, while undocumented individuals face higher healthcare costs due to lack of identification. A data gap further complicates CSO efforts, leaving these communities disconnected from essential care.

Dr. Yuwana further highlighted the healthcare challenges, stressing the importance of improving healthcare, aligned with the Ministry's Health White Paper. Ms. Laura stressed the importance of CSOs working with the government to reform healthcare by identifying gaps and proposing grassroots solutions.

The panelists recommended redistributing authority to regional, divisional, and district levels for more people-centered decision-making. They also suggested strengthening community clinics as first responders for non-emergency cases, where trained village health representatives (*Wakil Kesihatan Kampung*) can provide education and basic care. Cross-sector collaboration was emphasized for creating integrated health and social hubs, using the strengths of each sector to improve health outcomes and ease the burden on individuals. Lastly, they emphasized the importance of improving data collection and transparency for guiding research, building digital infrastructure, and implementing cost-effective, long-term strategies.

Recommendations were also made by the participants for the government to provide tax relief for CSOs to help raise funds, called for increased funding to MOH, and for better progress in tracking Sarawak's healthcare.

The recording of the talk and the presentation slides are available at  
[www.sdi.com.my](http://www.sdi.com.my)

## DO YOU KNOW?

### GREEN CITY

Sarawak aims to have sustainable green cities, acknowledging the crucial significance of environmental conservation. Beginning with Kuching, by implementing various initiatives such as designating Petra Jaya as Kuching's 'New Lung', increasing nature reserves, and extending these efforts throughout Sarawak by preserving and conserving areas like Stutong (Kuching), Bukit Lima (Sibu), and Piasau (Miri). Every one of these initiatives plays a crucial role in lowering our carbon footprint and reaching net zero emissions by 2050. The goal of the State is to create sustainable urban spaces that meet the needs of its residents and protect the environment for future generations. In order to achieve this goal, Sarawak is initiating sustainable urban strategies including building energy-efficient structures, improving green transportation, increasing green areas, promoting renewable energy adoption, and striving to reduce its carbon emissions.

#### *What is a Green City?*

A green city is an urban center designed and managed with a core focus on environmental sustainability and the enhancement of residents' well-being. This entails the integration of environmentally sound infrastructure, extensive green spaces, sustainable energy solutions, and ecologically responsible practices, such as efficient waste and water management. The primary objective of a green city is to minimise its ecological footprint while fostering a dynamic, habitable, and resilient urban environment.

Transportation emissions significantly contribute to urban air pollution globally and are linked to various health issues, including respiratory and cardiovascular diseases. The decline of freshwater ecosystems due to different pollution types has also resulted in a decrease in global biodiversity by approximately one-third. Unclean drinking water and inadequate sanitation also affect socioeconomic development by decreasing productivity, costing numerous nations as much as 5% of their GDP (Anja du Plessis, 2022). Air pollution, water contamination, and ineffective waste management have greatly affected global health, leading to respiratory disorders, water-related diseases, and environmental decline. These problems lead to climate change, loss of biodiversity, and a decline in quality of life. A green city, emphasising eco-friendly strategies like renewable energy, waste minimisation, and expanded green areas, can assist in addressing these environmental issues. It fosters healthier and more livable environments for individuals by enhancing air quality, encouraging sustainable transportation, and using resources more effectively, all while safeguarding the Earth.

A compelling example is Singapore, which has made significant investments in green infrastructure to mitigate the urban heat island effect. According to the Centre for Liveable Cities (CLC), in 2020 nearly 47% of Singapore's land was covered in green space and feature numerous green buildings. Future initiatives include the planting of one million additional trees and the development of green spaces within a 10-minute walk of all residential areas. This 'forest town' plans to add nature to an urban area that already features several parks, vegetation, vertical gardens, and green spaces in both indoor and outdoor spaces, for example at Bishan-Ang Mo Kio Park and Jurong Lake Gardens, concrete canals have been transformed into naturalised rivers and reservoirs have been created to serve as naturalised lakes that catch and retain rainwater. This supports rich biodiversity and protects nearby homes as well as amenities from the risk of flooding brought about by climate change.





## Components of A Green City

### **Biodiversity Conservation**

Preservation, restoration, and mindful management of natural habitats and species in urban areas are crucial for biodiversity conservation in a green city. The aim in green cities to safeguard and improve biodiversity in both natural spaces and urban area, is to encourage ecological harmony. Protected areas, rainforest reserves, national parks and eco-parks can contribute to biodiversity conservation. Sarawak boasts an array of 47 national parks, 16 nature reserves, and 5 wildlife sanctuaries, and a significant one within Kuching City is the forthcoming Bukit Siol Nature Reserve, home to oriental pied hornbills, which spans 45 hectares within city limits.

### **Renewable Energy**

Renewable energy is essential for creating a sustainable city by helping to decrease environmental harm, encourage sustainability, and strengthen a city's ability to withstand challenges in the long term. The objective in environmentally friendly cities is to shift from fossil fuels to clean, sustainable energy sources for powering residences, commercial establishments, and transportation. Sarawak is making proactive efforts to promote its hydrogen and algae fuel projects, both domestically and globally, in order to achieve its aim of becoming an environmentally friendly city. Utilising hydrogen as a clean energy source can help Sarawak greatly decrease carbon emissions and reliance on fossil fuels. Bio-fuels from algae also provide a sustainable option with the potential to aid in transportation and energy production sectors.

### **Sustainable Transportation**

Sustainable transportation in an environmentally friendly city aims to minimise the environmental effects of travel while encouraging efficient and eco-conscious mobility choices. This refers to services such as public transportation, biking infrastructure, and pedestrian pathways that decrease the dependence on personal vehicles. The aim is to establish a transportation system that is effective, inexpensive, and eco-friendly, benefitting the people and the environment. Sarawak's commitment to sustainable transportation includes the development of the hydrogen-powered Autonomous Rapid Transit (ART) system and the introduction of hydrogen buses.

### **Quality of Life**

A green city's improved quality of life entails better well-being, health, and living conditions for residents due to sustainable urban practices. By improving air quality, increasing access to green spaces, promoting sustainable transportation, and fostering stronger community connections, green cities cultivate a healthier and more vibrant urban environment. Sarawak is developing cities that are both resilient and sustainable, enhancing quality of life and addressing environmental challenges.

#### **References:**

1. New Sarawak Tribune
2. World Health Organisation (WHO)
3. Sarawak Energy Berhad (SEB)
4. Anja du Plessis (2022):  
<https://doi.org/10.1016/j.oneear.2022.01.005>

## SNIPPETS



Majlis Perbandaran Padawan (MPP) was awarded the 'Most Sustainable City Award 2024' on the occasion of the 2024 National World Town Planning Day.



Kuching, Sarawak to adopt UAE's Masdar City as a model of development and environmental conservation. Sarawak aims to adopt the development framework of Masdar City in Abu Dhabi, UAE, for upcoming urban development in Kuching, stated Premier Datuk Patinggi Tan Sri Abang Johari Tun Openg, during his viewing of the Masdar City model, UAE, on 5<sup>th</sup> November 2024 and the possibility for partnership between Sarawak and Abu Dhabi.



## ON-GOING RESEARCH/PROJECTS

01

### **MASTER PLAN FOR COMMUNITY DEVELOPMENT IN THE RESETTLEMENT AREAS 2050: BATANG AI, BAKUN, MURUM AND BENGOH**

The study team presented the Interim Report 2 to the Steering Committee chaired by YBhg. Dato Sri Dr. Muhammad Abdullah Haji Zaidel, Deputy State Secretary (Economic Planning & Development) on 8<sup>th</sup> October 2024. The committee approved the report with minor amendments based on the queries, comments and suggestions of the committee members. The consultant was directed to proceed with the preparation of the draft final report.

02

### **MULTIPLE INDICATORS OF POVERTY: A CASE STUDY IN KUCHING**

The team is currently analyzing the quantitative data relevant to the dimensions and indicators of the Multidimensional Poverty Index (MPI) covered by the project, namely education, health, and living standards. The methodology used to measure and determine MPI status was adopted from the Global Multidimensional Poverty Index 2021. The MPI status will then be discussed and compared with the qualitative data obtained through in-depth interviews and follow-up chats with respondents and individuals relevant to this subject matter.

03

### **PUBLICATION ON "SARAWAK CIVIL SERVICE (SCS) - ADMINISTRATION AND DEVELOPMENT :REFLECTIONS AND REMINISCENCES OVER 60 YEARS"**

The publication will go to print by January 2025.

04

### **GREATER TOGETHER: MAPPING OF PADDY PRODUCTION ECOSYSTEM IN BATANG LUPAR GRANARY AREA, SRI AMAN**

SDI has been awarded the project by the Sri Aman Development Agency (SADA) and the project acceptance was signed on 17<sup>th</sup> December 2024. The team has been informed that the MoA will be signed by January 2025.

05

### **CULTURAL RESOURCE MAPPING - EXPLORATORY PROJECT IN KUCHING DIVISION**



Since its release in October 2024, entries have been uploaded to CHAMPS for public viewing. SDI also carried out promotional work through digital marketing and in person promotion at cultural events in and around Kuching. We welcome any interesting bits on culture and heritage in Kuching Division. CHAMPS is available for download on the Google Play Store and the Apple App Store. [More information on CHAMPS is available at www.champs.com.my](http://www.champs.com.my). The project will end this December 2024.