

# THE 2011 BUDGET SPEECH

BY

THE RIGHT HONOURABLE  
DATUK SERI PANGLIMA MUSA HAJI AMAN  
CHIEF MINISTER AND MINISTER OF FINANCE  
AT THE STATE LEGISLATIVE ASSEMBLY  
ON 19 NOVEMBER 2010 (FRIDAY)

**“PROSPERITY THROUGH A HOLISTIC APPROACH”**

*“In the name of Allah, the Most Gracious and the Most Merciful”*

Mr. Speaker,

01. I beg to table the 2011 Budget for the approval of this Honourable House.

## **Opening**

02. Alhamdulillah, praise and thanks be to Allah SWT, with His blessing and grace, today, I am able to carry out the responsibility entrusted upon me to table the 2011 State Budget in this Honourable House.

Mr. Speaker,

03. Since assuming the responsibilities of Chief Minister and Finance Minister 7 years ago, besides leading the Sabah Barisan Nasional Government, I am always aware of the importance of strengthening the State financial position for the development agenda to be reinforced continuously and at the same time improve the people's standard and quality of life. All these can be implemented with proper strategies and financial planning. Alhamdulillah, with the current stronger State revenue and reserve as well as the peoples' support for the plans and Government's efforts over the years, the prosperity of the State will be preserved and further enhanced, insyaAllah.

04. Hence, this 2011 State Budget is very significant as it is the first budget to drive and spur the State economic growth in line with the beginning of the Tenth Malaysia Plan (10MP), in the context of the State. As the party and Government which has been given huge mandate by the people and also with recent outstanding victory of Barisan Nasional in Batu Sapi Parliamentary by-election, I would like to emphasize that the interest of the people and the State's prosperity remain the main agenda and the core struggle of the State Barisan Nasional Government.

05. The Ninth Malaysia Plan (9MP) is drawing to a close and the year 2011 is waiting to be surfed with strong determination and full commitment from all walks of life. Whatever we have achieved so far, we cannot afford to feel comfortable and complacent even for a second, as there are more tasks and responsibilities ahead of us. Hence, we must continue to work together in realizing the aspirations of the country

particularly in transforming Malaysia towards a high income and developed country by year 2020.

06. The Tenth Malaysia Plan (10MP) will be the impetus and driving force of the Government Transformation Programme (GTP) and Economic Transformation Programme (ETP). Strengthened by the introduction of six National Key Result Areas (NKRAs) and New Economic Model (NEM), the Government's efforts to uplift the living standard of the people to a higher level as a developed country with high income should not be questioned. 71 Entry Point Projects under the 10 National Key Economic Areas (NKEAs) would be able to strengthen Sabah's economy. Congratulations to our beloved the Right Honourable Prime Minister for his passion and determination to prosper and transform the country's economic, political and social areas under the 1 Malaysia concept.

07. Under the 2011 Budget, efforts will be intensified to enhance the implementation of development programmes to stimulate the State's economy and thus making Sabah a developed and prosperous State. The Barisan Nasional track record proved that the Government is serious in bringing development to the people as promised and planned. We are not giving empty promises and our plans are not just delusions. The Government's plan is based on commitment and vision in bringing about change and transformation to the people and the State. Hence, all programmes are planned in the best possible way by taking into consideration the needs of all people in the State, which concurs with the 2011 Budget theme, **"PROSPERITY THROUGH A HOLISTIC APPROACH"**.

08. To maintain the State's economic development momentum, we cannot avoid but spend judicially large sums of money to generate further growth as development activities cannot be postponed or delayed, or else, we will be left behind. The Government will continue to play its role and exercise its responsibility in the provision of infrastructure to encourage investments in addition to strengthening the delivery system, in which the Government would act as the facilitator. It has been our priority and practice over the years to manage the State's finances in the best possible way, so that they remain strong and bring benefits to all. Although we will be facing a deficit budget, based on previous experience, such deficit is manageable and controllable at a level that can be borne by the State's strong reserve.

### **World Economic Outlook**

Mr. Speaker,

09. Following the recession, recovery of the world economy is gaining momentum in 2010. From a growth rate of minus 0.6% in 2009, the world economy is forecast to expand at 4.8% in 2010 before moderating to 4.2% in 2011.

10. The United States economy is expected to grow at 2.6% in 2010 and 2.3% in 2011. In the European Union Area, economic growth is forecast at 1.7% in 2010 and 1.5% in 2011. In the case of Japan, economic expansion is forecast at 2.8% in 2010 and 1.5% in 2011.

11. Due to subdued consumption and demand, economic recovery of the advanced economies remains weak in comparison with emerging

economies. As a whole, advanced economies are forecast to expand at 2.7% in 2010 and 2.2% in 2011, while emerging and developing economies are expected to grow faster at 7.1% in 2010 and 6.4% in 2011. China's economy is forecast to attain a growth rate of 10.5% in 2010 and 9.6% in 2011. India's economy is also forecast to grow at a high of 9.7% before moderating to 8.4% in 2011. As a group, the ASEAN-5 economies (Indonesia, Malaysia, Philippines, Thailand, and Vietnam) are expected to expand at 6.6% in 2010 and 5.4% in 2011.

## **National Economic Outlook**

Mr. Speaker.

12. In line with the global economic recovery, the Malaysian economy is expected to expand between 5% to 6%, supported by domestic demand as well as pro-growth strategies and measures introduced in the 2011 National Budget. Growth is expected to be broad-based, led by strong expansion in the manufacturing and services sectors in an environment of stable prices with inflation below 3.0%.

13. The manufacturing and services sectors are forecast to expand at 6.7% and 5.3% respectively in 2011. Domestic demand is forecast to increase by 5.8% in 2011, led by growth in private investment of 10.2%, and private expenditure of 7.0%.

14. Per capita income is forecast to increase 6.0% from RM26,355 in 2010 to RM27,950 in 2011, or in purchasing power parity terms, from USD14,102 to USD16,028.

## **Sabah Economy Outlook**

Mr.Speaker,

15. As the 9MP period is coming to an end this year, it is timely to reflect on the performance of the State's economy in the past 5 years. I am pleased to say that the State's economy was more resilient to external shocks than expected. When the global financial crisis hit in 2008, the State's GDP registered a high growth of 7.8% cushioned by its bullish commodity prices before falling marginally to only 0.7% in 2009 due to the lagged tail effect of the crisis. On average, the State's GDP grew by an average annual growth of about 4.0% per annum in the past 4 years.

16. Next year, the inflation rate is expected to hover around 2.0% while the employment situation is envisaged to improve with the implementation of more high impact projects in the State both by the private and the public sectors as we move into 10MP. In line with the NKRA's and the NKEA's initiatives which give due emphasis on Sabah coupled with all the attractive incentives from the recently announced 2011 National Budget, the State's economy is poised to grow by 6.0% to 6.5% next year supported by strong growths from emerging economies and a more positive world economic outlook.

## **2011 Budget Objectives and Strategies**

Mr. Speaker,

17. For the State to achieve high income and performance as well as staying at par with other developed states in Malaysia, we have to strategize ourselves through our annual budget and the holistic approach continually. With that, the set strategies to achieve the State Government objectives are as follows:

- a. To strengthen State financial position;
- b. To upgrade and improve basic infrastructures in urban and rural area for balanced regional development;
- c. To maintain economic momentum with better financial (aids, subsidies and grants) and investment promotions as well as other facilities in the State especially in the three main sectors of Halatuju;
- d. To strengthen public administrative system towards producing creative, innovative, informative, hard-working, transparent and trustworthy with good corporate governance public servants for effective and efficient delivery system;
- e. To enhance good values in our society;
- f. To accelerate rural development programmes for poverty eradication and uplifting of standard of living;

- g. To intensify human capital development, ICT and sports in order to produce a creative, innovative and dynamic youth.

## **Prudent Spending**

Mr. Speaker

18. I urge all Government ministries, departments and agencies to focus and give attention on efforts to manage spending prudently. Financial resources need to be managed efficiently by ensuring public spending is in line with the concept of value for money in order to support and achieve overall organizational objectives with priority in increasing productivity and innovation. Operational spending must be controlled at sustainable manner and according to actual needs without wastage. All approved activities should be implemented effectively, efficiently and according to fixed schedules so that they bring benefits to the targeted groups.

## **2011 State Revenue**

Mr. Speaker,

19. The State revenue is estimated at **RM2,747.94 million** for the year 2011. The estimated revenue for 2010 being over the RM3 billion level takes into account proceeds from the issuance of bonds worth RM544 million effective this year. Nevertheless, the revenue target for 2011 is still considered high when compared with the original estimated revenue for 2010 of RM2.5 billion without the bond proceeds.



20. The State revenue is divided into three categories. The **TAX REVENUE** category is expected to contribute a total of **RM1,054.63 million** or 38%. The major source of revenue in this category is Sales Tax which is expected to contribute at least RM1,000 million. Meanwhile, the **NON-TAX REVENUE** category is expected to register **RM1,397.00 million** or 51% out of which the amount of RM721.70 million is expected from Petroleum Royalty. The remainder of **RM296.31 million** or 11% is from the **OTHER RECEIPTS** category. This category consists of mostly grants from the Federal Government including Grant to Replace Import and Excise Duty on Petroleum amounting to RM120.00 million.

21. Looking at the State revenue estimate for the year 2011, it is expected that Sales Tax on Crude Palm Oil and Petroleum Royalty contribute almost 60% of the total estimated revenue. As in previous years, the State Government has no intention of increasing the burden of the public therefore the revenue estimate is prepared on the basis that no new tax will be imposed next year.

22. Efforts will continue in improving the status of the State revenue arrears. According to the 2009 Auditor-General's report, the State Government arrears of revenue as at 2009 amounting to RM487.14 million whereby loan interests owed by the statutory bodies and Government agencies, water and land rents make up more than 90%. In this context, I would like to remind all the controlling officers concerned to be more serious in taking effective steps to recover the outstanding arrears.

23. The State Government will continue to pursue to obtain a higher Federal grant. With good relationship with the Federal Government, the State Government is confident that the Federal Government will give us positive consideration and more grant.

24. Focus will also be given on State investment matters in order to generate better returns through interests and dividends of which the estimated amount for year 2011 is RM158.09 million. With such efforts, I am fully confident that next year's revenue collections will be more than estimated.

## **2011 Supply and Development Budget**

### **Supply Expenditure**

Mr. Speaker,

25. With the Budget strategies and estimated income of RM2,747.94 million as stated earlier, I propose an amount of RM3,068.66 million for the 2011 Supply Expenditure. The proposed emolument expenditure for 2011 amounts to RM597.56 million which shows an increase of RM14.08 million or 2.41% compared to RM583.48 million in 2010.

26. An estimated RM1,057.71 million is proposed for the Recurrent Expenditure for 2011 which involves an increase of RM108.13 million or 11.39% compared to RM949.57 million in 2010. The propose amount of RM1,413.39 million for Special Expenditure for 2011 shows a decrease of RM357.94 million or 20.21% as compared to the 2010 estimate of RM1,771.31 million.

Mr. Speaker,

27. The distribution of the proposed 2011 Supply Budget allocation by Ministries is as follows:-

<b>Ministry</b>	<b>RM (Million)</b>	<b>%</b>
Ministry Of Finance	1,032.59	33.65
Ministry Of Infrastructure Development	660.93	21.54
Chief Minister's Department	422.74	13.78
Ministry Of Agriculture and Food Industry	273.58	8.92
Ministry Of Community Development and Consumer Affairs	125.98	4.11
Ministry Of Tourism, Culture and Environment	105.37	3.43
Ministry Of Local Government and Housing	88.70	2.89
Ministry Of Resource Development and Information Technology	83.61	2.72
Ministry Of Rural Development	62.68	2.04
Ministry Of Youth and Sport	54.41	1.77
Ministry Of Industrial Development	9.52	0.31
Expenditure Not Included in Ministerial Portfolios	22.24	0.72
Charge Expenditure	126.31	4.12
<b>Total</b>	<b>3,068.66</b>	<b>100</b>

## **Development Budget**

Mr. Speaker,

28. Under the 9MP, a total ceiling of RM4,059.00 million was allocated for State development. As at 11th of November 2010, financial achievement of the 9MP is 81% or RM3,290.00 million of the RM4,059.00 million. The amount approved for the 9MP involved 837 projects (excluding minor development projects under the Ministry of Rural Development). Of that number, 391 projects have been completed, 342 project are under implementation while 52 projects have yet to start. I am sure that at the end of this year this level of accomplishment will see a further increase.

29. For the 10MP, the Government undertakes a new approach in planning its development budget. Within the 5-year period of the 10MP, special focus will be given to the first 2 years, that is, the year 2011 and 2012. This approach, which is also referred to as the Rolling Plan, is to ensure that the various programmes implemented under the 9MP will be fully completed. At the same time, early planning and preparation for all new projects will be done during the first year while physical implementation will be carried out immediately the following year.

30. In line with the above approach, a sum of RM827.40 million is proposed for development in 2011. The amount is considered a moderate sum, and is deemed sufficient for the 1st year requirements of the 10MP. Of that sum, RM470.13 million is for continuation projects, and RM357.27 million for new projects. The distribution of the proposed fund by sectors are as follows:

	<b><u>RM (Million)</u></b>	<b><u>(%)</u></b>
<b>Economic</b>	<b>581.44</b>	<b>70.27</b>
<b>Social</b>	<b>218.61</b>	<b>26.42</b>
<b>Administration</b>	<b>27.35</b>	<b>3.31</b>

31. A sum of RM616.30 million is earmarked for programmes and projects to support the State main development agenda which are stated in the State Development Directions Policy Document (Halatuju). In terms of distribution by ministries, the Ministry Of Infrastructure Development will get the highest sum amounting to RM354.86 million or 42.89%. This is followed by the Chief Minister's Department and the Ministry Of Agriculture and Food Industry which will get a sum of RM129.84 million or 15.69%, and RM116.60 million or 14.09% respectively. Further distribution of the 2011 Development Budget are as follows:

<b>No.</b>	<b>Ministry</b>	<b>RM Million</b>	<b>%</b>
1	Ministry Of Infrastructure Development	354.86	42.89
2	Chief Minister's Department	129.84	15.69
3	Ministry Of Agriculture And Food Industry	116.60	14.09
4	Ministry of Rural Development	94.22	11.39
5	Ministry of Finance	37.67	4.55
6	Ministry Of Local Government And Housing	27.39	3.31
7	Ministry Industrial Development	21.89	2.65
8	Ministry Of Tourism, Culture And Environment	15.95	1.93



In view of that, on behalf of the State Government, I would like to put on record our highest appreciation to the leadership of the Central Government for their continued support to us.

***Pulau Labuan tidak berbukit  
Ada Bukit di Batu Arang  
Budi mu Tuan bukan sedikit  
Dari dahulu hingga sekarang***

### **Sectoral Allocations**

Mr. Speaker,

33. In line with the Budget 2011 Objectives and Strategies, RM2,162.12 million is allocated to the various main development sectors which cover infrastructure; agriculture; manufacturing; human resource development and ICT; tourism; poverty eradication; social and welfare as well as youth development. The Government will take a concerted approach to coordinate the development holistically. All parties involved must ensure and monitor important elements as well as improving the service delivery system in implementing programmes and projects for the targeted groups to enjoy optimum benefits continuously.

### **Infrastructure Development and Basic Amenities**

Mr. Speaker

34. With the responsibility entrusted to us by the people, the Barisan Nasional Government will continue to focus on developing infrastructure

and basic amenities in order to build its capacity and as a catalyst for solid economic growth for the people's prosperity and harmony. With that, the 2011 Budget allocates RM1,023.08 million to finance priority projects such as: expansion of road networks and maintenance; railway system; sewerage system; maritime and ports; water supply; as well as the construction and maintenance of Government buildings.

35. A reasonable man will accept the fact that the Government of the day has done its best in Sabah development history, particularly in developing the infrastructure and basic amenities. Swift and rapid development can clearly be seen by all the communities in every corner of Sabah, be it in Kota Kinabalu, Sandakan, Tawau, Kudat, Keningau and all districts down to the small towns and thousand of villages in the State.

36. Indeed, nobody can deny that the Government of the day has provided tremendous development. It is clear that this has made our lives better, more comfortable and satisfactory. It has also transformed our State into a developed, attractive and progressive place. As a result, there has been an improved level of accessibility for the rural population which contributed to an increase in the value added of their agricultural produce and other products.

### **Development of Agricultural Sector**

Mr. Speaker,

37. It is the Government's aspiration to implement transformation programmes which set out key result areas that need to be achieved in



the beginning of year 2011. Among others key result areas under the agricultural sector are: to raise the competitiveness of the sector; to explore potential new sources of agricultural development with high value added; extensive use of modern technology and stimulate innovation; encourage more private participation; develop more farm entrepreneurs; and so forth. To realize those aspirations, agricultural sector including fisheries, veterinary and irrigation will be allocated a total of RM413.81 million for operation and development expenditure in the 2011 Budget.

38. Agencies such as Korporasi Pembangunan Desa, Lembaga Industri Getah Sabah and Ko-Nelayan play an important role in developing the agricultural sector. As such, a total of RM37.4 million will be channeled to these agencies next year.

### **Tourism Development**

Mr. Speaker,

39. For the year of 2011, the target for tourists arrival to Sabah is approximately 2.5 million which is expected to generate an income of RM5,280.00 million. In line with the State's tourism focus and slogan that is "High Yield, Longer Stay, Less Is More", the development momentum in this sector will not only emphasize on aspect of promotion and marketing in attracting tourists to come, but will also involve preparing and coming up with new high quality tourism products.

40. In view of that to further strengthen the State of Sabah as the main tourist destination, the Government will allocate RM116.27 million to

implement a variety of programmes, which includes preparation and upgrading of tourism facilities as well as diversifying tourism products as planned by the Ministry of Tourism, Culture and Environment with its departments and agencies. Preparation of basic infrastructure and tourism facilities in the rural areas will also be done. This will encourage the participation of the rural communities in tourism sector and hence improve their income level.

41. The State Government also welcomes MAS initiatives to turn Sabah into an Eastern Hub which will strengthen its position as the main tourist destination and gateway to various cities within the region.

42. To ensure that the target for tourist arrival will be achieved, a total allocation of RM51 million will be provided to the Sabah Tourism Board and Sabah Parks to double the promotional efforts within and outside the State. Besides that, a sum of RM9.53 million is allocated to the Forestry Department to implement programmes related to tourism activities such as promotion and rehabilitation of forest.

## **Industrial Development**

Mr. Speaker,

43. In the 2011 Budget, a sum of RM98.83 million is set aside for the development in the industrial sector. Among others, this allocation is for the purpose of continuing trade and investment mission, to establish close rapport with potential partners to explore, open up and establish new business and investment opportunities that are available in the State of Sabah. This allocation will also include development of

competitive entrepreneurs among the *bumiputras*. Other programmes that will be implemented and funded are consultancy services for design and build on brands, packaging, bar coding and analysis of product content produced by *bumiputra* entrepreneurs.

**Uplifting the Standard of Living of the Rural Communities and Eradicate Hard Core Poor.**

Mr. Speaker,

44. The State Government adopts the policy of balanced development by reducing development gap between urban and rural areas. The Government is determined to overcome whatever hardships and problems faced by the rural communities in their daily lives. As a continuing effort in the development of rural areas and eradication of poverty, a total of RM162.12 million is set aside in the 2011 Budget which among others is used to provide special allocation for financing of minor rural projects. This allocation is also used to implement programmes that have potential to uplift the standard and quality of life of rural communities including prone to be poor, poor and hard-core poor. Among programmes that will be continued under the Rolling Plan 2011-2012 are 30 MESEJ projects (agriculture and aquaculture), uplifting of Local Economy Programmes, Amenities and Village Economy Programmes, Development of Village Entrepreneur and One District One Product.

45. The State and Federal Governments will continue to jointly shoulder the responsibility in overcoming the poverty issue in Sabah more effectively and successfully. Combined effort will be continued to

eradicate poverty from all aspects, be it on provision of basic infrastructures such as housing, rural water and power supply as well as economic activities that can generate income and improve the people's quality of life. In an effort to eradicate the total number of hard-core poor families in Sabah, a roadmap has been laid out involving all hard-core poor families under various State and Federal Government programmes. The Federal Government, for example, has contributed a fund amounting to RM40 million under the 1 AZAM programme for this purpose.

### **Human Resource Development and ICT**

Mr. Speaker,

46. A provision of RM201.84 million has been set aside in the 2011 Budget to reinforce our human capital development towards producing a generation who are competent, knowledgeable, resilient and highly competitive to fulfill the various perspectives of the Sabah State Transformation Programme. Of the amount, a sum of RM47.94 million is allocated to equip members of the State Civil Service with relevant competency that would enable them to deliver Government services with efficiency, effectiveness and integrity.

47. A sum of RM70.27 million is provided to set up and maintain facilities related to religious activities and development programmes. Award of scholarships to students who excel in studies, and to those who are qualified to pursue their studies in institutions of higher learning will be continued. A sum of RM30 million is set aside for this purpose. A total of RM58.56 million is allocated to upgrade human capital

development in the utilization and mastering of information technology. This includes efforts to bridge the digital divide between the urban and rural communities.

48. In fulfilling Government's commitment to produce employable youth and become workers who are skilled, competent, proficient and productive, a sum of RM53.63 million has been allocated. This allocation is to fund training and skills courses such as Training for Bumiputra, Technopreneur Development and Incubator, Work and Services Counseling, Skill and Training Sponsorship.

### **Youth Development**

Mr. Speaker,

49. The youths are the future leaders of tomorrow. Therefore, it is the responsibility of the Government to provide and explore every avenue for enhancing the development potential of youths in the State. They should be provided with a clear direction, employment and skills so that they will become a dynamic force that can contribute to society directly or indirectly for the development and prosperity of the State. Indeed, we are proud of the achievements of youths from this State in a variety of fields including business, art, fashion, sports and others.

50. In this Honourable House, I would like to take this opportunity to express our heartiest congratulations to Mr. Aricco Junitih, a son of Sabah, who has made Malaysia proud for having won the gold medal in weight-lifting at the Commonwealth Games in India last October. I am pleased to announce a cash award of RM40,000 to him as an incentive

for his success. This is in addition to the RM80,000 incentive he received from the Federal Government. It is hoped that his success will ignite the spirit among the youths of Sabah to succeed and achieve excellence in whatever endeavours, true to the spirit of **Malaysia Boleh, Sabah Boleh!**

51. To ensure continued excellence among the youths with world class quality, I propose an allocation of RM210.81 million in 2011 Budget for youth activities, including equipments and facilities for sports, ICT, trade, education and training throughout the State of Sabah. This is the highest allocation ever given to the youths.

Mr. Speaker,

52. Integrated initiatives will be undertaken to develop youths through activation of youths at grassroots level throughout the State, participation of youth associations and empowerment through leadership programmes, skills, entrepreneurship, community activities, healthy lifestyles, patriotism, and so forth. The Government will also continue to strengthen youth organizations, sports and culture in the State as partners in efforts to intensify the development of our beloved youths. For that, the State Government will allocate a sum of RM24.00 million in next year's budget to the relevant associations to implement the planned programmes.

## **Social and Welfare Development**

Mr. Speaker,

53. In an effort to create a caring society, a total of RM87.61 million is allocated by the Government to finance social and welfare development programmes. Of the total, a sum of RM68.65 million is channeled to the Sabah Welfare Services Department to implement various programmes such as General Assistance Scheme, Orphan Assistance Scheme, Donation Fund, Orthopedic Equipments Scheme, and so forth. Implementation of these schemes reflect the Government's concern in improving the quality of life of the people especially those in need, such as the have-nots, single parents, the disabled, orphans and those who are suffering as a result of natural disasters and catastrophes such as storms, fire, floods, landslides and so forth.

## **Local Authority**

Mr. Speaker,

54. The State Government is aware of the role and responsibility of Local Authorities in administrating their respective districts in a more orderly and systematic way. To enable them to achieve their objectives in respect of 'contribution in lieu of rates'; upkeep of park areas and other public amenities; sewerage and drainage system, a total of RM106.19 million allocation will be provided to the Local Authorities next year.

55. The Native Court is an important institution as it serves as an administrative machinery for the Sabah State Customary Laws. As such, a total of RM17.68 million is provided for this purpose. Apart from payment of salaries and allowances, this allocation will also be used to organize conferences and courses for District Chiefs, Native Chiefs, Heads of Chinese Communities and Village Chiefs in order to enhance their efficiency in executing their duties in line with procedures and legal provisions or regulations and the State Native Affairs Enactments.

### **The Roles of Statutory Bodies and Government Agencies**

Mr. Speaker,

56. Government Agencies play an important role as a catalyst in implementing Government policies and they remain relevant particularly in socio-economic development or commercial sector. Such roles have been strengthened through adoption of good corporate governance practices. The Government will continuously monitor the performance of statutory bodies and government agencies.

Mr. Speaker,

57. The State Government has high expectation on leading agencies with immense potentials such as Sabah Development Bank Berhad, Sabah Credit Corporation, Sabah Economic Development Corporation, Warisan Harta Sabah Sdn. Bhd., Kumpulan Yayasan Sabah, Sabah Energy Corporation Sdn. Bhd., Progressive Insurance Berhad, Kumpulan Sawit Kinabalu Sdn Bhd., Sabah Land Development Board and Housing and Town Development Authority. I hope these agencies



will continue to be managed efficiently and improve their performance so that they would be able to continuously pay dividends to the State Government in order to support the implementation of development projects for the people.

58. On the other hand, statutory bodies and government agencies that still have outstanding loans with the State Government are urged to seriously undertake measures in order to settle their loans and to provide in their budgets the necessary amount due for repayment. The State Government is presently considering to include affordability and loan repayment records of the State Statutory Bodies and Government Agencies as their respective key performance indicator (KPI) and thus, their future loan applications will be considered based on their respective loan repayment record.

59. I would like to take this opportunity to extend my appreciation to State Agencies that had paid dividends for the year 2010. As of October 2010, RM42.94 million had been received from Sabah Credit Corporation, Sabah Energy Corporation Sdn. Bhd., Progressive Insurance Berhad, Suria Capital Holdings Bhd and Warisan Harta Sdn. Bhd.

60. The State Government also acknowledges the contributions of State Agencies in poverty eradication and community development. Sawit Kinabalu Sdn. Bhd., Koperasi Pembangunan Desa and Sabah Land Development Board are directly involved in poverty eradication efforts through land development for the poor. Agencies such as Sabah Credit Corporation, Sabah Energy Corporation and Sabah Development Bank also contributed towards community development through their

respective Corporate Social Responsibility endeavours. Meanwhile, Yayasan Usaha Maju (YUM) has shown an excellent result in its effort to help rural womenfolk entrepreneurs. YUM's micro credit scheme has attained 98% repayment. In this regard, I am pleased to announce that RM1.8 million will be provided under Women Entrepreneur Fund through YUM as suggested by the Minister of Community Development and Consumer Affairs during the State Women's Day celebration in Kudat recently.

### **Special Announcement**

Mr. Speaker,

61. Other than the allocation for specific expenditures mentioned above, there are still requirements that need to be met and to be given due attention throughout the State. I am aware that all this while, members of the State Assembly have worked hard to address whatever problems faced by the people in their respective constituencies. Indeed, the people place high expectation on the Government at all times. The mandate given by the people will not be for nothing, instead it will be honoured and held in the highest regard (*'ditatang sebagaimana menatang minyak yang penuh'*). Sooner or later, the Government will hold to its principle of fulfilling its promises as the Malay saying goes, *"kata mesti dikota, janji mesti ditepati"*. Our main priority is the people. There is nothing more important in this administration than to safeguard the interests of the people to bring about development and prosperity for all. With that, I am pleased to announce an increase in the special allocation for every constituency by RM400,000, that is from RM600,000 to RM1.0 million beginning next year. In this connection, I

would like to remind that this special allocation should be spent wisely, fairly and for the benefit of the people.

62. Apart from that, the welfare of the people in every constituency should be given serious attention and assistance to the needy be upgraded. In connection with that, assistance for the poor totaling RM50,000 per year will be increased by 100% to RM100,000 for every State Assemblyman. With this increase, it is hoped that more of the target group will be covered and provided assistance.

Mr. Speaker,

63. The public service is an important Government machinery that contributes to the success of whatever policies and development programmes being implemented. The challenges faced by the public service in ensuring efficiency of the delivery system is recognised and well understood by the Government. In rendering services and assistance to the people, various expected situations and challenges will be encountered by the public servants. For that, a special financial assistance amounting to RM500.00 will be given to members of the public service from Grade 54 and below in December this year. This is in line with the announcement made by the Right Honourable Prime Minister during the tabling of the 2011 National Budget last month. To all those with families, it is hoped that this special assistance will help lessen expenses for your school children in January next year.

## Closing

Mr. Speaker,

64. The people have never been neglected in whatever the Government does. In fact, the interests and welfare of the people are our utmost priority as the strength of the Barisan Nasional Government lies in them. The double victory enjoyed by Barisan Nasional in the recent by-elections in Galas and Batu Sapi has boosted the spirit of Barisan Nasional to continue to safeguard the interests of the State and the Nation.

65. The two fold increase in the majority of votes obtained by Barisan Nasional in Batu Sapi is an indication that the people are not only with the Government of the day but they are also willing and ready to give Barisan Nasional a new mandate to continue to govern and implement the development agenda for the benefit of the people as well as our beloved State of Sabah.

66. As I have mentioned before, everything needs effort and hard work (***‘yang pipih itu tidak akan datang melayang dan yang bulat tidak akan datang bergolek’***). Without commitment, dedication, cooperation and teamwork, a great victory such as in Batu Sapi would not have been achieved. I therefore invite all fellow parties in Barisan Nasional to continue the tremendous momentum in Batu Sapi to ensure Barisan Nasional remains the people’s champion!

Mr. Speaker,

67. The struggle to champion the people's interest will continue. In order to ensure rapid economic growth, the Government welcomes the implementation of the New Economic Model (NEM) which meets the objectives of the State's Halatuju that focuses on growth in three key sectors, namely **agriculture, tourism and manufacturing**. In ensuring such success, the State Government will make every effort to provide facilities, a conducive business environment, and opportunity for all, particularly entrepreneurs and investors from within and outside the country. In addition, efforts towards creating smart partnerships between public and private sectors are encouraged and must continue to be explored and realized.

68. With determination, zealous spirit and fueled by strong political will, insyaAllah, we will be able to implement all the programmes that have been laid out in order to transform Malaysia into a high income developed country by the year 2020. Hence, I urge all parties particularly the public administrative sector, corporate bodies, professionals, entrepreneurs, NGOs, the media and the people in general to continue to cooperate and play their respective roles more effectively towards creating a prosperous, beautiful and peaceful State with knowledgeable, progressive, disciplined and highly competitive society.

Mr. Speaker,

69. Once again, the 2011 Budget expresses the commitment and political will of the State Government pillared by Barisan Nasional to provide the best service to the State of Sabah and its people.

70. Indeed, we should be loyal and do the needful for our beloved State as the Malay proverb goes '**di mana bumi dipijak, di situlah langit dijunjung**'. Who else can defend and prosper our beloved State, if it is not us? There is no greater joy and satisfaction than to see the State move forward and prosper where the people live in peace and harmony, InsyaAllah.

***Sajak dicipta bersimpul ayat  
Ilham datang di waktu pagi  
Barisan Nasional pembela rakyat  
Bukan BN siapa lagi?***

Mr. Speaker,

I beg to propose.