

THE 2014 BUDGET SPEECH
BY
THE RIGHT HONOURABLE
DATUK SERI PANGLIMA MUSA HAJI AMAN
CHIEF MINISTER AND MINISTER OF FINANCE
AT THE STATE LEGISLATIVE ASSEMBLY
ON 15 NOVEMBER 2013 (FRIDAY)
11 MUHARRAM 1435H

"ENSURING CONTINUITY OF THE PEOPLE'S WELL-BEING"

"In the name of Allah, the most gracious and the most merciful"

Mr. Speaker,

01. I beg to table the 2014 State Budget for the approval of this August House.

FOREWORD

Mr. Speaker,

02. *Alhamdulillah*, praise and thanks be to Allah SWT for with His blessings and grace, I am able to once again carry out the trust and responsibility to table the State Budget for the year 2014, this Friday afternoon, 15th November 2013 (11 Muharram 1435 Hijrah), in this August House.

03. As a prelude, on behalf of the Sabah Barisan Nasional Government, once again, I would like to express our sincere appreciation and thanks to the people of Sabah for the trust given to the Barisan Nasional Government in continuing to govern and administer the State. Although many consider the GE-13 to be the most intense election in the nation's history, the truth is that, the majority of the people still remain confident with Barisan Nasional's abilities, capabilities and its earnestness as the administrator of the State and the country. Thus, as the Government of the day, we humbly realise and understand that the confidence

shown by the people is a trust that must be shouldered with responsibility, seriousness and sincerity for the State's excellence and the people's well-being: -

*Bunga Melati di dalam gelas
Malam Jumaat pasang setinggi
BN berbakti jujur dan ikhlas
Amanah rakyat dijulang tinggi*

Insya Allah, with the new mandate, together with my colleagues in the State Barisan Nasional leadership, we will do our best to ensure that Sabah will remain peaceful, harmonious and prosperous.

WORLD ECONOMY

Mr. Speaker,

04. The world economy is forecast to grow at a more robust pace of 3.6 percent in 2014 compared with 2.9 percent in 2013, led by stronger growth rates in major advanced economies. As a whole, growth of the advanced economies is projected to increase to 2.0 percent in 2014 from 1.2 per cent in 2013. Growth of the U.S. economy is forecast to strengthen to 2.6 percent in 2014 from 1.6 percent in 2013, due to continuing accommodative monetary policies. The European Union (EU) will return to positive economic growth in 2014 after experiencing a negative growth rate of 0.4 percent in 2013. For the year 2014, the economic growth of the EU is forecast at 1.0 percent. This positive growth is due to increasing investment and consumption that help to promote economic growth.

05. The Japanese economy is forecast to grow at a lower rate of 1.2 percent in 2014 compared with 2.0 percent in 2013, on expectation that the government will wind down its fiscal stimulus. In China, economic growth rate is projected to decelerate from 7.6 percent in 2013 to 7.3 percent in 2014. In the case of India, economic growth is forecast to improve to 5.1 percent in 2014 from 3.8 percent in 2013, back by stronger exports and increased supply capacity. As for the ASEAN-5

(Indonesia, Thailand, Malaysia, Philippines and Vietnam), their economic growth rate as a group is forecast to improve from 5.0 percent in 2013 to 5.4 percent in 2014.

NATIONAL ECONOMY

Mr. Speaker,

06. The Malaysian economy expanded by 4.2 percent in the first half of 2013, supported by strong domestic demand and economic fundamentals as well as an accommodative monetary policy. For the whole of 2013, the economy is forecast to expand between 4.5 and 5.0 percent, improving to between 5.0 and 5.5 percent in 2014, due to a better global economic outlook. On the supply side, growth will be broad based, with major economic sectors expected to record better performance in 2014 compared with 2013, due to strong domestic fundamentals and improving external demand. On the demand side, growth will be driven by private investment expanding at 12.7 percent and private consumption at 6.2 percent.

07. Per capita income is projected to grow by 6.2 percent to reach RM34,126 in 2014, from RM32,144 in 2013. In terms of Purchasing Power Parity (PPP), per capita income is expected to increase by 2.6 percent from USD16,743 in 2013 to reach USD17,173 in 2014. The unemployment rate is projected at 3.1 percent while the inflation rate will remain low at between 2 and 3 percent next year.

STATE'S ECONOMY

Mr. Speaker

08. The State of Sabah had just celebrated its 50th year of Independence in Malaysia on the 16th of September. The spectacular celebration reflected the transformation and progress of Sabah through half a century of independence. As Chief Minister and Minister of Finance, I am proud to inform you that the State economy has also grown by leaps and bounds in the past five decades. In 1967, the State's GDP was only RM602 million and now it has expanded to RM44.4 billion, a growth of 74 times. The people also now enjoy per capita income of RM19,010 from

only RM1,774 in 1970. Sabah's trading activities with foreign countries have grown substantially. In a span of 50 years, Sabah exports have risen by 173 times from just RM274.8 million to RM47.7 billion registered last year. Trade balance turned from negative RM30 million to positive RM102 billion. In terms of labour force, 1.5 million of the population are currently employed as compared to only 38,991 employed 50 years ago.

Mr. Speaker,

09. The State's economy is expected to grow by 4 to 5 percent in 2014. For the year 2013, the State's economy is forecast to grow at a rate of between 3.5 percent to 4 percent driven by the agriculture, construction and services sector. In the first seven (7) months of this year, crude palm oil (CPO) production expanded by 12.9 percent and palm kernel oil (PKO) production grew by 42.7 percent. Numerous high impact private sector projects as well as Government development projects are at various stages of implementation contribute to the vigorous construction sector. The State's tourism arrivals continued to achieve double digit growth rate of 16.4 percent in the first nine (9) months of this year which has surpassed two million tourist arrivals. Tourism receipts are expected to reach RM5.5 billion this year.

10. Although the external sector registered slightly slower growth due to sluggish growth from main export destinations like China, India and other regions this year, the State's trade balance remained positive registering RM6.41 billion in the first seven (7) months of this year. Domestic investment from both the public and private sector are expected to sustain the growth momentum. Aggressive investment promotion in Sabah Development Corridor (SDC) has attracted RM2 billion worth of investment in the first three quarters of 2013 giving a total cumulative committed investment of RM116 billion. Of this, cumulative realised investment amounted to RM18.6 billion.

FINANCIAL PERFORMANCE OF SABAH

Mr. Speaker,

11. The people are well aware that the Government is committed to executing its responsibilities at all times. As the Malay proverb goes: *'genggam bara api biarlah sampai menjadi arang'*. Such is our seriousness in administering the State, always striving to ensure that the Government's delivery system is implemented in the best possible ways, so that the results can be enjoyed by the people. Thus, from the financial management aspect, we are proud that once again the State has been awarded with an Unqualified Certificate (Clean Bill) by the Auditor General, making Sabah the recipient of this award for 13 consecutive years. Meanwhile, for the financial year 2012, Ministry of Finance with eight other Departments and Agencies have been rated 4-Star in the Auditor General's Accountability Index. The other Departments and Agencies are: -

- (a) Sabah Government Liaison Office, Kuala Lumpur;
- (b) State Secretary Office;
- (c) State Treasury Department;
- (d) State Archives Department;
- (e) Tambunan District Office;
- (f) Sabah Credit Corporation;
- (g) Keningau District Council; and
- (h) Sipitang District Council.

At the same time, the State has successfully maintained a rating of "AAA" for 5 consecutive years from RAM Rating Services Berhad. The State budget management has also once again received MS-ISO 9001:2008 certification by Moody International for proper and procedural compliance in year 2013 which is an excellent achievement for 5 consecutive years. The Ministry of Finance has also been awarded 5-Star rating in the 'Star Rating' evaluation by the Malaysian Administrative Modernisation and Management Planning Unit (MAMPU).

12. I would like to take this opportunity to commend and congratulate all heads of Government departments and agencies, civil servants, NGOs, community leaders and people of the State who have been working hard and assisting the State in attaining these outstanding achievements, thus, making Sabah as one of the top states in financial management in Malaysia.

Mr. Speaker,

13. In conjunction with the celebration of Sabah's 50th year of Independence in Malaysia, let me reminisce the progress and achievement in the State's development as reflected in the State Budget since 1963 where our revenue estimate was only RM61.5 million while the expenditure estimate was RM61 million. In the year 1974, the estimated revenue rose to RM207 million and the estimated expenditure increased to RM239 million. Ten years later in 1984, the estimated revenue reached RM1.22 billion while State expenditure rose to RM1.38 billion. After the Barisan Nasional took over the reins of the State Government in 1994, we managed to present a balanced budget whereby the State Budget grew to RM2 billion. However, due to global economic crisis that occurred between 1997 and 2000, the estimated State revenue dropped to RM1.57 billion while estimated expenditure reduced to RM1.67 billion. In year 2010, with improved commodities market price, particularly for crude oil and palm oil, the State budget reached RM3 billion level with an estimated revenue at RM 3.13 billion and estimated expenditure at RM3.3 billion. In year 2012, although revenue was estimated at RM3.7 billion, yet for the first time ever the State expenditure increased to RM4.0 billion.

Mr. Speaker,

14. *Alhamdulillah*, blessed with strength and determination, Sabah Barisan Nasional Government is always able to perform with excellence and is highly capable to contribute and serve the people continuously. Hence, in tabling the 2014 Budget, I am pleased to present a budget package which I consider as the best gift ever to the people of Sabah in 50 years of budget presentation such as this. With a projected revenue of RM4.583 billion for the year 2014, which is the highest estimate in the history of State budget preparation, allow me to present the 2014 Supply

Expenditure which is also the biggest budget in the State financial history amounting to RM4.622 billion, in order to meet the people's expectations, to continue our development agenda and most importantly to fulfil our promises. This shows that within a span of fifty years, the estimated revenue has increased remarkably by 74.52 times and the estimated expenses by 75.77 times. Words kept, promises fulfilled, this is why the Barisan Nasional should continue to hold the reins of the State Government.

2014 BUDGET OBJECTIVES AND STRATEGIES

Mr. Speaker,

15. In order to accelerate the State's economic growth momentum, the 2014 Budget will focus on the following objectives and strategies:-

- i. To strengthen the State financial position;
- ii. To improve basic infrastructure and public amenities;
- iii. To expedite the achievement of *Halatuju*;
- iv. To develop youth and human capital of high value and quality;
- v. To eradicate poverty and improve the quality of life of the people; and
- vi. To achieve balanced regional development.

BUDGET THEME 2014

16. In keeping with all the promises and the State Government's efforts to prepare a brighter future and a more prosperous life for the people, a harmonious State and nation, therefore, Mr. Speaker, **"ENSURING CONTINUITY OF THE PEOPLE'S WELL-BEING"** is chosen as the theme for the 2014 Budget. This theme reflects the Government's continuous commitment and sincerity towards the people of the State.

STATE REVENUE ESTIMATES

Mr. Speaker,

17. To realise the 2014 Budget theme, the State revenue is estimated at RM4,583 million, the highest target ever in the preparation of the State budget. This shows an increase of 20 percent compared to the original estimate of RM 3,828 million this year.

18. The three main sources of State revenue are Sales Tax on Crude Palm Oil, Petroleum Royalty and Issuance of Bonds which contribute over 70 percent of the total State revenue. Whereas the traditional sources which are expected to contribute to the increase in revenue are from Water, Land, Grants and Contributions from Federal Government, Receipts from District Offices, Agriculture, Fishery, Veterinary as well as Ports and Harbour.

Mr. Speaker,

19. The State Revenue is classified into three categories which are Tax Revenue, Non-Tax Revenue and Other Receipts. The Tax Revenue is expected to contribute RM 1,107 million or 24.2 percent. The main contributor under this category is Sales Tax on Crude Palm Oil which is expected to contribute RM 931.5 million or 20.3 percent of the total State revenue. The Non-Tax Revenue is estimated at RM 2,126 million or 46.4 percent of which Petroleum Royalty is expected to contribute RM1.4 billion or 30.5 percent of the total State revenue. This estimate is the highest amount expected to be paid by PETRONAS, attributable to the discovery of Gumusut-Kakap oil field as well as higher production expectation from Kikeh oil field. Other Receipts are estimated to generate RM 1,349 million or 29.4 percent which include the issuance of bonds.

20. For the information of this August House, sources of revenue from Petroleum Royalty and Sales Tax on Crude Palm Oil contribute about 50 percent of the State revenue. However, we have to bear in mind that the prices and productions of these commodities are beyond the State Government's control, as these are influenced by

the global market. In view of that, we cannot fully rely on these traditional sources of revenue. Therefore, as in the past, for the year 2014 the State Government plans to issue bonds amounting to RM 1,000 million in order to support the State development agenda.

Mr. Speaker,

21. In view of good revenue collection over the years which reached the RM4,000 million level since year 2010, the State Government is confident that the target set for 2014 estimates can be achieved with the support and cooperation of all involved.

2014 EXPENDITURE ESTIMATES

Mr. Speaker,

22. With the biggest expenditure recorded in the financial history of the State budget, this will boost the economy of Sabah and enable it to grow to a higher scale and thus achieve a high income economy within a short span of time. I am confident that people from all walks of life regardless of religion, race, gender, rich or poor, old or young, physically fit or those who are physically challenged, wherever they may be (whether on land or sea); people's well-being and State's prosperity are our main agendas for us to always strive for, which are certainly achievable.

*Negeri Sabah indah terkenal
Pelbagai kaum hidup harmoni
Menjadi tekad Barisan Nasional
Membela rakyat memakmurkan negeri*

SUPPLY ESTIMATES

Mr. Speaker,

23. Out of the 2014 supply expenditure amounting to RM4,621.5 million, I propose a distribution of RM702.51 million for Emolument, RM1,736.59 for Recurrent Expenditures and RM2,182.4 million for Special Expenditures.

24. Emolument has increased by RM39.34 million or 5.93 percent compared to the total of RM663.17 million in 2013. The increase in emolument expenditure is due to salary adjustment for State civil servants under the Malaysian Remuneration System which was implemented in 2013. This reflects the Government's concern for the welfare and future of civil servants.

25. To ensure that the Government's machineries run smoothly at maximum capacity, effective and efficient in the effort to improve the Government's delivery system for our beloved people, the estimated recurrent expenditures for the coming year is increased by RM648.66 million or 59.62 percent compared with the estimated recurrent expenditures of RM1,087.93 million for year 2013. The increase in allocation is also due to repayment of Government bonds maturing in 2014 amounting to RM568.9 million and repayment of Federal Government debts amounting to RM171 million.

26. Special Expenditure shows a decrease of RM154.98 million or 6.63 percent compared to RM2,337.38 million for 2013. For the information of this August House, the Government in year 2013 has made numerous equity investments in Government agencies and hence the reduction in 2014. Nonetheless, the State Government will ensure that our development agenda and investment will continue to be intensified specifically on high impact projects that can further spur the State economic growth.

DEVELOPMENT ESTIMATES

Mr. Speaker,

27. Development expenditure for the year 2014 involves a total of RM1,200.3 million comprising State fund of RM838.43 million, and RM361.87 million contribution from the Federal Government. The latter consists of Federal Reimbursable Grants amounting RM28.66 million and Federal Loans totalling RM333.21 million.

28. 2014 development expenditure allocation by sector is as follows:

- (a) Economic sector: RM893.15 million or 74.41 percent
- (b) Social sector: RM266.4 million or 22.19 percent
- (c) Administration sector: RM30.75 million or 2.56 percent
- (d) Contingency reserves: RM10 million or 0.84 percent

Mr. Speaker,

29. The State Government would like to express its utmost appreciation and gratitude to the Federal Government for the contribution of direct grants of RM1,047.14 million to the State departments concerned. The continued commitment and support of the Federal Government will further develop the State and enhance the well-being of the people. All these are possible in view of our good relationship and close rapport between the State and the Federal Barisan Nasional Government. This is the benefit we stand to gain by adopting a give and take approach and by being united and supportive of one another; '*bagai inai dengan kuku; bagai aur dengan tebing*'. Living in harmony certainly brings about bountiful blessings.

30. In line with their respective roles, responsibilities and functions as Governments' main implementing agencies, the distribution of the proposed 2014 Supply and Development Expenditures by Ministries are as follows:

Ministry	Distribution	
	Supply (RM million)	Development (RM million)
01. Ministry of Finance	1,735.92	11.80
02. Ministry of Infrastructure Development	736.08	298.59
03. Chief Minister's Department	469.28	171.39
04. Ministry of Agriculture and Food Industry	304.47	139.93
05. Ministry of Community Development and Consumer Affairs	148.60	7.19
06. Ministry of Tourism, Culture and Environment	109.08	17.87
07. Ministry of Local Government and Housing	96.94	27.11
08. Ministry of Resource and Information Technology Development	87.70	6.88
09. Ministry of Rural Development	71.53	103.92
10. Ministry of Youth and Sport	66.54	28.90
11. Ministry of Industrial Development	10.93	14.85
12. Expenditure Not Included in Ministerial Portfolios	25.62	
13. Charge Expenditure	758.81	
14. Contingency Reserve		10.00
Total	4,621.50	838.43

Infrastructure Development and Public Amenities

Mr. Speaker,

31. The Government will continue to focus on projects that could help achieve the objective of reducing the development gap between urban and rural areas, to balance development between regions and on efforts to uplift the quality of life of the people especially those in the rural areas. For that purpose, a sum of RM1,583.65 million is allocated for the provision of infrastructure and public amenities in the State.

32. For next year, the provision of better quality roads will be continued through various programmes such as the construction and maintenance of roads, slope stabilization, construction and replacement of old bridges, traffic as well as road safety management. A sum of RM347 million is provided for this purpose.

Mr. Speaker,

33. Clean and treated water supply, which is an indicator of the people's well-being, is life's essential needs. As such, utmost priority is accorded to it whereby a sum of RM627.92 million is allocated next year. Programmes involving upgrading the quality of our water supply includes replacement of old pipes, emergency works and reduction in non-revenue water.

34. Other public amenities like sewerage system will also be upgraded where a sum of RM45.31 million is allocated. Providing safer sea lane passages especially within the major ports of the State will be given due attention. Construction of jetties will also be done in line with the public as well as the fishermen's needs. A sum of RM24 million is set aside for that purpose. At the same time, works on improving the services and infrastructure facilities of the railway so as to make it more comfortable and safer will continue with an allocation of RM37.45 million. Flood mitigation schemes throughout the State is allocated a sum of RM45.74 million.

Development of *Halatuju* Sector

Manufacturing

35. In providing conducive basic infrastructures to investors in Sabah's existing industrial parks such as, the Kota Kinabalu Industrial Park (KKIP), Lahad Datu and Sandakan Palm Oil Industrial Cluster (POIC) as well as the Sipitang Oil and Gas Industrial Park (SOGIP), a sum of RM88.38 million is appropriated to the manufacturing sector in 2014. According to the Malaysian Investment Development Authority (MIDA) Report, investment approved during the first seven (7) months of this year by state indicated that Sabah is placed 4th behind the states of Johor, Sarawak and Malacca. From an investment totalling RM2.84 billion involving nine (9) companies in the State of Sabah, a total of RM1 billion is in the form of foreign investment. It is estimated that a total of 1,057 job opportunities will be created from this investment.

Agriculture

Mr. Speaker,

36. Agricultural sector comprising of fishery and livestock production have a major impact on the income and socio-economic stability of any country. Well aware of this, the Government constantly encourages creative and innovative initiatives to transform existing efforts in our agricultural sector in order for it to remain as a major sector that would guarantee a sustainable economic growth for the State. For that, a sum of RM472.99 million is allocated.

37. For the agriculture sector, a sum of RM247.07 million is allocated next year. Among programmes that will be implemented includes cultivation of fruits that are highly demanded for export. Besides that, and in line with the National Agro Food Policy 2011 . 2020, researches to ensure self-sufficiency in food supply would be given focus and continued. Drainage and Irrigation Department which is allocated a sum of RM66.88 million will carry on its programmes to improve our paddy fields and other irrigation schemes.

38. For the fishery sector, programmes that will be continued include upgrading of hatchery facilities in all aquaculture stations into demonstration as well as training centres for the aquaculture industry; construction of platforms and assistance schemes for sea-weed farmers, fishermen, aquaculture entrepreneurs, and small scale fishery industry development programme under the Fishery Department and the Sabah Fisheries and Fishermen Development Corporation (Ko-Nelayan). A sum of RM52.78 million is allocated for this.

39. The livestock industry which has great potential specifically in the production of fresh milk will carry on its programme of constructing and upgrading Milk Collection Centres as well as procurement of equipments related to the milk industry. Programme on Enhancement of Knowledgeable Livestock Entrepreneur (K-Entrepreneur) will be continued. A sum of RM85.48 million is allocated to develop this industry.

Tourism

40. The tourism sector will continue to play an important role in achieving the State's *Halatuju*. For the period between January till September 2013, tourist arrivals to Sabah totalled 2,441,695, an increase of 16.4 percent compared to 2,098,509 tourists during the same period in 2012. This generated an income or tourism receipts amounting RM4.49 billion as at September 2013 compared to RM3.86 billion for the same period in 2012. With this encouraging growth, the Government is confident that our targeted 3 million tourist arrivals in 2013 will be achieved.

41. For the year 2014, the State tourism sector targets tourist arrivals of 3.4 million people and an estimated tourism receipts totalling RM6.277 billion. This target is realistic considering efforts undertaken by the State Government through the State Ministry of Tourism, Culture and Environment coupled with the cooperation and support of the Federal Government through the Ministry of Tourism and Culture, Malaysia.

42. To spur growth in the State tourism sector, particularly on efforts to attract investment in providing tourism facilities, the State Government has approved the Tourism Master Plan covering the coastal areas from Tuaran to Kota Belud. This master plan essentially is a comprehensive development plan that would help the State Government to plan the utilization of the coastal areas from Tuaran to Kota Belud effectively and in a more coordinated manner. A holistic and integrated development of the coastal areas will certainly benefit the State in general and the people living along those regions specifically. Cluster development, an approach recommended by this plan, will broaden and empower our State tourism sector and thereby enabling it to contribute meaningfully to the State economic growth. To implement these programmes that I have just mentioned, a sum of RM223.99 million has been set aside next year to develop this sector.

Mr. Speaker,

43. A nation is identified through its people; people are identified through their races and ethnicities; and races are identified through their cultures and customs. As the Malay proverb goes, '*hidup dikandung adat, mati dikandung tanah*' (life wrapped in customs, death wrapped in earth). Culture and custom is a national heritage, a valuable treasure, which is extremely important to preserve and to pass on to the next generation. For that, the Government will continue to give due attention to efforts on preservation, enrichment and development of the State's ethnic cultures through implementation of programmes such as documentation of all aspects of ethnic cultures in Sabah; registration of intellectual property on ethnicity in Sabah, procurement and preservation of heritage and artefacts. For all these purposes, a sum of RM29.6 million is provided for next year.

To Uplift The Living Standard of The People in The Rural Areas and To Eradicate Hard Core Poverty

Mr. Speaker,

44. The State Government is indeed serious and is all out in its efforts to eradicate poverty in the State. The reduction in poverty from 19.7 percent in 2009 to 8.1 percent in 2012 proved that the Government's efforts in this has borne fruits. We will continue all our efforts and focus to achieve our target of zero hard core poverty and to reduce relative poverty. For next year, a sum of RM178.14 million is earmarked for this purpose.

45. I am pleased to inform that our poverty eradication programmes such as the Mini Estet Sejahtera (MESEJ) has shown tremendous results and we will continue to implement three (3) more MESEJ projects next year, which are MESEJ Taburan in Kota Belud district, MESEJ Grama in Beaufort, and MESEJ Abai in Kinabatangan district. These projects will be carried out early next year as an addition to the 44 MESEJ projects that we have already implemented throughout Sabah.

Local Government

46. The Ministry of Local Government and Housing will implement its five key strategies which are: to enhance development and preparation of infrastructure and basic facilities; to upgrade socio-economic programme to those in need of assistance; to elevate and empower the Native Institution; to provide housing for the low and middle income group; and to continue the development of new township in several districts. Besides that, the provision and maintenance of public facilities, cleanliness, drainage, grass cutting and solid waste management will be given due attention to ensure the people enjoy a safe, clean, comfortable, prosperous, peaceful and harmonious environment. For this purpose, a total of RM124.05 million is allocated in the 2014 Budget.

Human Capital Development and ICT

Human Capital

Mr. Speaker,

47. In line with one of the budget objectives that is to develop youth and human capital of high value and quality, a total of RM257.84 million will be allocated to various ministries and departments to strengthen and develop creative and innovative human capital that will be able to meet the needs of various economic sectors in the State. Among the programmes that will be continued include in-service training, agriculture training, skill upgrading training and award of scholarships.

Youth

Mr. Speaker,

48. Youths are an important asset to the nation. The future of the nation is in their hands. Therefore, programmes to fully equip the youths should be enhanced to ensure that they have the ability and resilience to face challenges and competition

globally. Thus, in the 2014 Budget, a sum of RM229.86 million is allocated to empower the youths who are also known as the X Generation so that they will be more valuable, creative, innovative and productive through education, training and skill programmes, sports and community activities. The strategic thrust in youth development among others comprises of Strengthening Youth Development and Enculturation of Youth Association Movement focusing on Touch Point which includes Leadership Development, Skill and Entrepreneurship; Unity and Social Development; Networking and Youth Association Empowerment.

49. Undoubtedly, the Government always gives serious attention towards the quality of life and positive youth development. This matter is of utmost importance to develop mature and solid leadership, producing successors with exceptional personality and super youths with physical robustness, brilliant mind, emotionally matured and spiritually strong to face adversity in leading the State and nation in the future.

Information and Communications Technology (ICT) Development

Mr. Speaker,

50. With the current advancement on ICT, access of information is made easy and everything is literally at our finger tips. All levels of society especially students and the youths are competing in enhancing knowledge and acquiring up-to-date information through sophisticated ICT gadgets. Besides, the digital divide between the urban and rural communities will be further reduced. Therefore, for the year 2014, a total of RM92.98 million will be allocated for the development of ICT through E-desa Centre, Creative Arama-IT, empowerment of ICT based entrepreneurship, virtual based training and various training for youths and the general public.

Sports Development

Mr. Speaker,

51. To ensure improvement in sports excellence in the State, a total of RM68.62 million is allocated for next year. The strategic thrust for sports excellence is through enculturation and encouragement in the organizing of sports for all (mass sports) and through strengthening of high performance sports based on understanding of sports science, ICT applications and provision of sports facilities. Among the projects that will be continued is the upgrading work for Tambunan and Tawau Sports Complexes, upgrading of the floodlight system at Kota Kinabalu Sports Complex, construction of the Lahad Datu Sports Complex, construction and upgrading of sports fields in the rural areas.

Social Development and General Welfare

Mr. Speaker,

52. The Government is concerned and takes seriously the development and welfare of school students who will go on to become the nation's echelon of future leaders. With that in mind, a total of RM26 million is allocated for several programmes such as stationeries, exercise books, school uniforms and shoes. A total of 270,323 students from 1,070 primary schools, kindergartens and day care centres throughout the State will benefit from these programmes.

53. The less fortunate and the disabled will always get a special place in all programmes implemented by the Government. In the year 2014, a total of RM 110.1 million is allocated for the implementation of productive welfare based programme such as home repairs, establishment of rural children development centre, community rehabilitation programmes and others. The construction of Senior Citizens Activity Centre in Beaufort and reconstruction of Learning Centre (*Taman Didikan*) for Special Children and Multi-storey Quarters at Sembulan will be implemented in the year 2014. Programmes such as these provide a closer rapport between the people and the Government. The Government is truly sincere in

implementing its programmes to ensure that the less fortunate will not be left behind or deprived from enjoying the development and prosperity achieved by our beloved State.

Instilling Reading Culture

Mr. Speaker,

54. Reading has tremendous benefits. It does not only broaden the mind but it is also the key to success. A reading community is knowledgeable and well placed in the civilisation ladder. Library as a centre of knowledge will be allocated RM24.43 million for implementing programmes such as the enrichment of collections in the form of monograph, e-book and audio-visual, construction of Sabah State library branch in Tambunan, construction of ten (10) rural libraries and purchase of four (4) units of mobile library vans.

Women Development

Mr. Speaker

55. A sum of RM4.78 million is allocated in the 2014 Budget to implement specific programmes for women's development. Besides that, in other aspects of development such as human capital development, youth, sports and ICT, women also enjoy and benefit from allocations provided therein.

56. Nation building is incomplete without the contribution from women. Their role has been recognised and becoming more prominent in all aspects particularly in the field of administration and professional, politics, economics, social, education, etc. In this modern era, women are partners of men consistent with the saying, behind each successful man there is a woman.

57. Thus, the Government is very serious in helping and uplifting the status of women in the State. Women of Substance Programme, for example, have succeeded in propelling potential future female leaders in tandem with the

Government aspiration to increase the number of professionals working either in the public or private sectors, as well as producing women with credibility in the political arena. The State of Sabah is very proud with the achievement of Sabahan women at the international level such as that achieved by Yang Berbahagia Datin Alexandra Chin who has been elected as Vice President and will soon become the President for the Association of Chartered Certified Accountants (ACCA-Global) for the year 2015. It is hoped that more Sabahan women will attain such achievement.

State Agency Achievement

Mr. Speaker,

58. The Government strongly encourages the declaration of dividend as well as loan repayment by State Agencies and its subsidiaries. In relation to this, I am very proud that a number of agencies such as Innoprise Corporation, Sabah Credit Corporation, Sabah Development Bank Berhad, Warisan Harta Sabah Sdn. Bhd., Sabah Energy Corporation, SEDCO, Progressive Insurance Berhad, Desa Lestari Sdn. Bhd., Desa Plus Sdn. Bhd., Suria Capital Holding Berhad and Sawit Kinabalu Sdn. Bhd., have fulfilled and exercised their responsibilities by declaring dividend to the State Government for the year 2013. Well done. I expect more agencies to declare dividends to the State Government in the future.

59. Subsequent to the loan restructuring exercise undertaken by the Ministry of Finance since 2008, a number of State Statutory Bodies and State Government Agencies have succeeded in improving their respective financial performance. Among those that have shown improved financial performance and made loan repayment to the State Government are Lembaga Industri Getah Sabah (LIGS), Korporasi Pembangunan Desa (KPD), Sabah Fish Marketing Sdn. Bhd. (SAFMA) and Desa Hatchery Sdn. Bhd. Whilst agencies that are not involved with loan restructuring exercise but made loan repayment are Sabah Energy Corporation, Timplas Industries (M) Sdn. Bhd. and Tabin Wildlife Holidays Sdn. Bhd. I hope other State Statutory Bodies and Agencies will emulate and will strive to achieve the excellent performance of those agencies that I mentioned earlier.

60. As an effort to improve the monitoring process of the State Statutory Bodies and State Agencies, Ministry of Finance has upgraded the State Company Information System (SCIS) to a web-based version. Compared to the previous version, the current version which was launched on 28 October 2013, enables faster data input and two-way information access between Ministry of Finance and State Statutory Bodies as well as State Government Agencies. Through this system, information can also be accessed by the respective controlling Ministries. SCIS acts as an early warning system to Ministry of Finance in making budgetary provision and monitoring performance of State Statutory Bodies and Agencies. I urge all State Statutory Bodies and State Government Agencies to give cooperation in providing data input and the required information.

Appreciating Civil Servants

Mr. Speaker,

61. The tabling of this Budget will not be complete without mentioning the performance of civil servants and the appreciation they duly deserved, as well as what the Government expects from this group as the implementers of Government delivery system.

62. Basically, the Barisan Nasional Government is very appreciative of the State civil servants with regard to their performance all this while. However, there is still room for improvement that should be given due attention. Complacency and taking things for granted should be put aside. It must be borne in mind that improving the delivery system and enhancing the performance of members of the civil service are on-going processes.

Penjawat awam rakan sejati

Peranan mereka umpama nadi

Bakti disemai disanjung tinggi

Hadiah bonus akan diberi

Mr. Speaker,

63. Befitting their roles as the main pillar and pulse of the Government administration, as well as implementers of Government development agendas, the State Government therefore will pay a bonus of a half-month salary or a minimum of RM500 to eligible members of the State civil service. This bonus will be paid together with the January 2014 salary. It is estimated that this bonus payment will incur an expenditure totalling RM19 million to 17,400 civil servants. It is hoped that this bonus payment will lessen the financial burden of our civil service members.

64. At the same time, the Government is very concerned and aware of the hike in the prices of houses prevailing in the market. Thus, the State Government has agreed to increase civil servants' maximum housing loan entitlement by RM50 thousand, from RM350 thousand previously to RM400 thousand.

Mr. Speaker,

65. The Barisan Nasional Government can be regarded as a large tree in the middle of a field; a place of refuge from the heat, rendering shelter from the rain; its roots as a chair to sit on, its branches to lean on. Such are the caring values and dependable characteristics of the Barisan Nasional Government embracing the welfare of the people, and a place on whom they can rely their aspirations, whereby this Government will continue to strive to fulfil those aspirations.

66. Certainly, no one can deny or challenge the commitment and the success of the Barisan Nasional Government in safeguarding the people and in developing the State since governing Sabah almost 20 years ago; the transformation and development spearheaded and brought about by the Barisan Nasional Government are by no means small. Yet, only those who still refuse to accept these facts have the audacity to say that BN has done nothing to prosper the people and develop this beloved State of ours!

CONCLUSION

Mr. Speaker

67. Sabah played a major role in the formation of Malaysia since 50 years ago. During those five decades, the people of Sabah have gone through various experiences, through thick and thin in politics, economy, social, education, etc. Nevertheless, we are thankful that despite all these challenges, Sabah still continues to march forward and carves her own success story. For the next five decades and many more years to come, the Barisan Nasional Government has already laid a strong foundation in ensuring that Sabah will continue to flourish.

68. Let us all be united and focused on developing and transforming our beloved State of Sabah. Our aim is for the well-being of the people and the State's prosperity, not merely for our own personal interests, but for our future generations as well. I appeal to all parties, including the opposition, to work, and put our heads and minds together to embark on a transformation that will ensure continuity of the people's well-being and the State's prosperity for the sake of Sabah, Land Below the Wind. Together, we can do it. *Insyah Allah.*

Mr. Speaker,

I beg to propose.