



50 YEARS OF PROSPERITY AND BEYOND

During a six-month-long celebration of Malaysia's 50th anniversary of independence from Britain, Sarawak Chief Minister Tan Sri Abdul Taib Mahmud has highlighted the resource-rich state's economic achievements and outlined the government's program to ensure continued growth.

Over the past twenty years, Sarawak has posted average growth of about 5 percent annually, defying financial downturns and exceeding the performances of its regional neighbors and other national economies.

The chief minister, in a recent speech to commemorate the milestone anniversary, pointed out that when Sarawak joined the federation of Malaysia, the state's per capita income was 680 Malaysian ringgit (or approximately \$226 at today's exchange rate).

Once among Malaysia's three poorest states, Sarawak is now among the three wealthiest, with its per capita income at about 40,000 Malaysian ringgit (about \$13,000).

Sarawak's impressive trajectory and strong performance have grabbed the attention of both domestic and international observers.

According to the latest data provided by the Malaysian Investment Development Authority (MIDA), the state attracted the second-highest amount of investment in Malaysia from January to March of this year—or about \$1 billion, outperforming traditional investment destinations such as Selangor and Penang.



Sarawak Energy Berhad CEO
Torstein Dale Sjøtveit,

At the moment, Sarawak contributes about 8 percent to Malaysia's total gross domestic product, with that figure expected to increase over the next few years as investment continues to pour in. The state currently enjoys an A- stable outlook rating from Standard and Poor's and an A3 stable outlook rating from Moody's.

One of the state's main sources of income has been the Sarawak Corridor of Renewable Energy, or SCORE. The flagship program has provided access to renewable energy at very competitive prices across the state.

"The whole idea is to build hydroelectric plants and offer competitive prices so that international industries come here and create as

many as 200,000 jobs directly or indirectly," said Torstein Dale Sjøtveit, CEO of the state-owned Sarawak Energy Berhad.

Sjøtveit credits Sarawak's fast-paced growth to strong leadership, unity, and the results-oriented mindset of the state government.

"Our close relationship with the Sarawak state government stems from a clear political agenda. They really want development. It's such a clear and simple agenda. Nobody here has any doubt about what we want to do," stressed Sjøtveit.

"We want to create a new future for Sarawak. We want to create a new platform for the people of Sarawak in terms of an economic foundation. Our approach has been geared towards getting things done. The strong alignment with the state is what has created this clear direction," he added.

"We are creating a new industrial pillar for Sarawak. This is vital for the future security of the state. We believe that our efforts will significantly increase income and wealth of the people of Sarawak." While the majority of foreign direct investment in the SCORE has come from South Korean and Japanese investors in the metal industry, there remains a

wealth of opportunity for other countries, particularly the United States.

"We are really missing American customers here, and we would like them to come. Relations between Malaysia and the United States are very strong. Many American companies that come over to Malaysia perhaps overlook Sarawak. This is a very well-kept secret paradise," said Sjøtveit.

"Sarawak is in a unique position in Southeast Asia. We have a well-educated, English-speaking, and low-cost work force. We have a well-established infrastructure. We have a very stable political situation. We have a traditional British-like business environment and have achieved sustainable energy. What more can anyone ask for?" he continued.

That message of unity and optimistic outlook were echoed by Chief Minister Mahmud in his recent keynote speech: "Unity and racial harmony are the foundation of our prosperity and progress in the last fifty years."

"We can be like any developed country and globally competitive country like those in Europe, America, and Japan in twenty years," he added.

Powering New Opportunities

