

Delay in 40% Payment: A Significant Blow to the Aspirations of the People of Sabah – Analyst

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KOTA KINABALU: The Court of Appeal’s decision to allow the federal government to postpone the payment of 40 percent of net revenue to Sabah is viewed as a major setback for the aspirations of the state’s citizens.

Sabah Geopolitical and Electoral Researcher (GeoPES), Associate Professor Dr Syahrudin Awang Ahmad stated that this demand is a constitutional right clearly enshrined under Articles 112C and 112D of the Federal Constitution.

“This delay not only impacts the state’s financial position but also hinders the economic recovery process in Sabah, which requires significant funding to bridge the development gap.

“For the people of Sabah, every delay translates to a missed opportunity for better basic infrastructure and a more efficient public service delivery system,” he said in a statement here on Thursday.

Dr. Syahrudin explained that the failure to disburse these funds could jeopardise the implementation of critical projects such as upgrading water supply, electricity, and road networks, which have long been a source of complaints among local residents.

He noted that Sabah is rich in natural resources but still faces a high poverty rate.

Therefore, the 40 percent funding is not just a figure; it represents a “lifeline” to drive industrial transformation and rural development.

At the same time, he emphasised that financial instability will complicate the state government’s ability to plan for sustainable and competitive long-term development.

Commenting on the social impact, he said that the ongoing delays in this matter also undermine the well-being of the people, particularly in rural areas that continue to struggle with a lack of educational and health facilities.

Dr. Syahrudin remarked that the people of Sabah are increasingly aware of their rights under the Malaysia Agreement 1963 and are expected to continue demanding transparency in its implementation.