

Sabah expanded on Blue Econ definition

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KOTA KINABALU: Sabah Maju Jaya Secretariat Chief Operating Officer Datuk Ramlee Kariah said Sabah went beyond the global definition of the Blue Economy by including rivers alongside oceans and coastlines from the start.

“While the World Bank defined the Blue Economy as the sustainable use of ocean resources to support economic growth and improve livelihoods, Sabah went further by including rivers in its framework.

“Rivers were included from the start to suit Sabah’s geography rather than follow international templates because rivers play an important role in our economy,” he said at the Sabah Maju Jaya 2.0 Seminar organised by the Persatuan Pesara Kerajaan Sabah in collaboration with the Sabah Maju Jaya Secretariat, here, Tuesday.

He cited the Tagal system, which is mostly used for tourism, and noted that it holds huge potential, with floating solar in Papar already showing how rivers can drive economic activity. He added that this all ties into tackling hardcore poverty in Sabah.



He said the Chief Minister tasked the Secretariat in October 2023 to tackle hardcore poverty, with over 22,000 poor households registered. Cash handouts were considered but ruled out as unsustainable.

“We needed to find new economies so that State income increases and the economy grows quickly,” he said, adding that it was at that point that the Secretariat turned its attention to Sabah’s ocean and river assets as the foundation for a new economic direction.

“Sabah covers 37,300 square kilometres of ocean and has Malaysia’s longest coastline at 2,300 kilometres, bordered by three seas (the South China Sea, the Sulu Sea and the Celebes Sea) and seven countries.

“For a long time, the only ocean wealth we explored was oil and gas, and oil and gas have already peaked and will eventually decline,” he said.

He said the UN’s 2050 fossil fuel phase-out made it vital for Sabah to align with the Sustainable Development Goals 2030, the Paris Agreement and international climate action frameworks, adding that Sabah was Malaysia’s first state to formally lead Blue Economy efforts after the concept was proposed by the UN in 2012 and adopted by Asean in Brunei in 2021.

He said a cabinet paper was ready within two weeks of the Chief Minister’s approval and the Prime Minister formally recognised the Blue Economy as Sabah’s economic direction, separate from Sarawak’s hydrogen energy focus.

“Sabah’s Blue Economy framework covers five components, 15 activities and 18 industries, including marine biotechnology, deep-sea fisheries, ocean energy, desalination, seabed mining and carbon sequestration through mangroves and river-based industries.

“Sabah’s seabed contains gold and rare earth elements that could surpass the State’s oil wealth.

“Whatever exists on land exists in the sea. This is bigger than oil wealth for Sabah,” he said, adding that talks are underway with local and international parties to prepare for extraction once technology meets UN standards.

On carbon sequestration, Ramlee said that Sabah’s 386,000 hectares of mangroves account for 60 per cent of Malaysia’s total, making the State a key carbon sink for the country.

“Sabah is actually saving Malaysia as a major carbon sink, absorbing emissions. But we are still a poor State. Why can we not monetise this? Because we did not have proper legislation,” he said.

He said Sabah has since passed two laws, namely, the Climate Action and Carbon Credit Governance Enactment and the Renewable Energy Commercial Enactment, to address this and ensure the State keeps control and earns revenue from its natural assets.

He compared this to the Petroleum Development Act 1974, where Sabah accepted a five per cent oil royalty due to a lack of its own petroleum laws. “Now that we have regulations, we can act,” he said.

To fund the initiative, the Secretariat secured a RM1 billion Blue Sukuk facility from Maybank after directly approaching the bank’s president in Kuala Lumpur.

“Maybank agreed to finance our Blue Economy projects, starting with a RM1 billion Blue Sukuk open to tourism and other related projects,” he said.

He added that Sabah is also pursuing cross-border deals, including a Blue Economic Zone near Tawau with North Kalimantan and an upcoming investment mission to Dalian, China, where agreements will be signed with investors from 18 global industries.

Ramlee said the targeted industries would create skilled jobs paying at least RM3,000, moving away from low-wage work.

“The Sabah Blue Economy Council, chaired by the Chief Minister and five ministers oversees the initiative, backed by six technical committees,” he said, adding that the Secretariat has also signed agreements with Universiti Malaysia Sabah and Japanese industry partners to develop local talent for the sector.

Additionally, he said Sabah aims to grow State revenue from RM7 billion to at least RM10 billion by 2030, using Sarawak’s RM13 to RM14 billion annual revenue as a benchmark, with Blue Economy GDP projected to exceed RM100 billion.

“When we increase revenue, the budget gets bigger, assistance gets bigger,” he said, urging all stakeholders to make 2026 a year of action.

“This is for our children and grandchildren. If we do not start today, nothing will come of it even 10 years from now. What happens today reflects what we planned before. What you plant is what you harvest,” he said.