



12 OCT, 2025

'Govt resolved to fix water, power woes'



Borneo Post (KK), Malaysia

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By Nancy Lai

KINARUT: The Federal Government remains committed to working closely with the Sabah State Government to resolve long-standing water and electricity issues that have affected the state for decades, said Domestic Trade and Cost of Living Minister Datuk Armizan Mohd Ali.

Armizan said that while water supply regulation has long been under state jurisdiction, and energy regulation was officially handed over to the Sabah Government in 2024, both issues require massive financial resources and continued cooperation between the two administrations.

"These are legacy issues that have existed for a long time and demand significant funding. Despite the handover of regulatory authority, the Federal Government continues to work hand in hand with the State Government to address these challenges for the well-being of the people and the development of the state," said the Papar Member of Parliament.

Speaking after witnessing the signing of a Memorandum of Understanding (MoU) between 10Star Cinemas, WSG Group and WK Konsortium here on Saturday, Armizan said the Federal Government's commitment was once again demonstrated through the Federal Budget 2026, tabled by the Prime Minister and Finance Minister on October 10, which allocates RM6.9 billion in development expenditure (DE) for Sabah.

Among the key provisions for Sabah's electricity supply are

RM1.2 billion in subsidies to stabilise power supply, including RM880 million for tariff support, fuel and large-scale solar subsidies — an increase from RM700 million in 2025. In addition, RM189.8 million is allocated for Rural Electricity Supply Projects under the Ministry of Rural and Regional Development, and RM128 million for electricity connection projects under the Sabah Special Electricity Supply Project Team led by the Ministry of Energy Transition and Water Transformation.

On the Southern Link Electrical Grid Project, Armizan said the RM765 million project aims to complete Sabah's 275-kilovolt (kV) power grid network, connecting the East Coast region via a 330-kilometre transmission line.

"Phase one of the project, spanning 60 kilometres, is currently under construction, while the new allocation under Budget 2026 enables phase two, covering Sipitang, Tenom, Kalabakan and Tawau, to proceed," he said.

Armizan noted that planning for Sabah's grid network dates back to the 1980s, with proposals to complete it submitted over a decade ago when energy regulation was still under the Energy Commission (EC).

"The allocation under Budget 2026 demonstrates the Federal Government's continued concern and commitment to help Sabah overcome its legacy issue of power instability, even though energy regulation was officially transferred to the State Government in 2024 through

the establishment of the Sabah Energy Commission," he added.

He said Sabah Electricity Sdn Bhd, the state's integrated utility company for generation, transmission and distribution, remains majority-owned by Tenaga Nasional Berhad and continues to play a crucial role in ensuring power reliability across Sabah and the Federal Territory of Labuan.

In addition to power sector allocations, the Federal Government has also set aside RM1 billion from 2024 to 2026 to address water supply issues in Sabah, including pipeline installations in Tawau and upgrades to ageing pipes in Kota Kinabalu, Penampang and Putatan.

"These projects are now under implementation and are expected to be completed next year," said Armizan.

He said the allocations demonstrate that the Federal Government remains committed to ensuring Sabah's development keeps pace with national progress and that the welfare of its people remains a shared priority.

"The Federal Government's commitment is not only financial but also reflects a genuine partnership to resolve long-standing infrastructure issues that have affected Sabahans for decades," he added.

These initiatives, he said, are part of a broader effort to enhance Sabah's infrastructure resilience and support the state's journey toward sustainable growth.