

OPENING SPEECH

**YB TUAN BARU BIAN
MINISTER OF WORKS MALAYSIA**

**IBS MASTERCLASS & CONFERENCE
26 March 2019 (Tuesday) | Wisma REHDA**

[Salutation]

Tan Sri/Puan Sri/Datuk/Datin

YBhg. Dato' Jeffrey Ng, Chairman of REHDA Institute's Board of Trustees,

Distinguished Guests and Speakers,

Ladies and Gentleman,

Members of the Media,

1. First of all, I would like to take this opportunity to thank REHDA Institute for organizing the IBS Masterclass and Conference and inviting me to this conference. It gives me great pleasure and privilege to be amongst this distinguished audience this morning to deliver the keynote address and officiate the IBS Conference.

2. This is an opportune time to renew contacts and discuss mutual interests with industry players from the region. It is gratifying to note that the agenda of this conference covers a

wide range of interesting topics and real case studies relating to Industrialised Building System (IBS) technology.

3. As you are all aware, the construction sector continues to play a vital part in Malaysia's economic growth, contributing 4.2% towards the Malaysian GDP in 2018. In order to sustain economic growth of the industry, the affordability of real estate and capital flows to real estate are important elements to economic stability. This IBS conference is timely and aptly themed "Innovate to Transform", for us to sit down together to understand more on the benefits of IBS and exploring ways to increase the utilization of IBS, especially in the private sector.

Ladies and gentlemen,

4. IBS technology is not something new in the construction sector. The concept was initiated in Malaysia since the 1960s and deployed in numerous mega-projects in Malaysia, such as the Bukit Jalil Sports Complex. This technology has improved the project cycle, productivity and quality of building developments. A safe and high-quality building is vital to enhance construction project development in Malaysia.

5. Our increasing population has led to a growth in housing demand. However, housing affordability has been a major issue in Malaysia especially for those living in major cities. The

government is working hard to achieve its target to build 100,000 homes a year in the next 10 years. Hence, we need to innovate and explore on how to build quality, durable and affordable buildings over a short completion period.

6. The rise of new digital technology provides transformation to make things happen. We should embrace disruptive innovation and leverage technology as part of our businesses to ensure we are on the right track to be recognized as a developed country globally. We believe IBS technology will act as a catalyst for growth in the construction business and push Malaysia to a higher level in the international construction playing field.

7. The ultimate aim of innovative construction methods is not just cost-savings in construction but also the speeding up of the construction process. It shortens the time from construction to the delivery of properties. These high-tech construction methods should be benchmarked on the successful building of a 57-storey Mini Sky City in China in just 19 days using pre-fab construction technology compared to the conventional building method of the One World Trade Center (also known as Freedom Tower) which took 7 years to complete.

8. The Ministry of Works is committed to realising the goals of the Construction Industry Transformation Programme (CITP) of

building the IBS ecosystem in Malaysia. It forms an important part of the 11th Malaysia Plan to transform Malaysia into an advanced and high-income nation by the year 2020. To achieve this, the Ministry through CIDB is working rigorously with all stakeholders to promote and strengthen the IBS ecosystem in both public and private sector projects in Malaysia's construction chapter.

9. Besides, CIDB and MIDA (Malaysian Investment Development Authority) also play their active roles in developing a robust IBS supply chain in the country to keep pace with both market expectations and opportunities. To date, there are more than 300 IBS manufacturers or suppliers who have registered with CIDB as compared to 265 IBS manufacturers in 2017. This shows a positive response from the market and a step closer towards realisation of the IBS technology implementation in Malaysia!

Ladies and gentlemen,

10. I would like to draw your attention to the increase in Construction site accidents. Statistics from the Social Security Organisation indicated that 7870 accidents were reported in the construction industry in 2017, compared to 4330 cases in 2011; an increase of 81.76%. Construction site accidents adversely affect project execution as well as productivity. Apart from the

implementation of safety and health practices at the construction site, construction site accidents can be reduced greatly by implementing IBS technology. IBS components are manufactured offsite before being placed and installed with minimal installation work at construction site, hence minimising the risk of accidental injuries. It is crucial to have a tidy and well-organised construction site for a safer working environment.

11. The IBS building components are often manufactured at the factories which reduce construction time correspondingly because the manufacturing process and work on site can progress concurrently. Furthermore, when fewer foreign workers are employed at the construction site, savings are made possible as a big chunk of foreign labour costs can be reduced. These costs include salaries and levies.

12. The benefits of IBS construction projects far outweigh the conventional construction method. The IBS technology coupled with BIM provides a holistic construction scheme from the beginning of the project cycle towards the end. It is important to note that IBS construction projects are also able to support the sustainability of the environment as the fabrication of IBS components is carried out at the factories in controlled environment. IBS technology not only improves quality,

productivity and efficiency but is also able to reduce wastage and avoid wet conditions at the construction site.

Ladies and gentlemen,

13. The implementation of IBS technology in the public sector is as high as 78% but the acceptance of IBS technology among the private sector is rather low at 31%. To encourage the implementation of IBS technology in the private sector, the government has made it mandatory since 2018 for all private projects to use IBS technology and score at least 50 if the project is worth more than RM50million or more than 50,000sqm. The government is committed to promote the usage of IBS technology. The government is also looking into incentives for IBS manufacturers or suppliers and exploring the exemption of import duties for heavy machinery and equipment.

14. An IBS construction project is made up of many different components. It is therefore very important when we talk about the quality of the components to ensure the safety and sustainability of the building. With that, CIDB has introduced the IBS Manufacturer and Product Assessment and Certification (IMPACT) programme, a holistic system that encompasses verification, validation, testing and certification of IBS products and components based on CIDB's standards. The testing and auditing process aims to provide quality assurance to industry

players that the end product will definitely meet the authority's requirements as well as to boost the public's confidence in the quality of IBS products. At the quality control stage, the components purchased by contractors are assuredly reliable for further construction development.

Ladies and gentlemen,

15. The construction authorities and industry players must keep abreast with the latest cutting-edge technologies and innovations to maintain a competitive edge. I encourage REHDA Institute to organize more discussions with key industry stakeholders to see how the industry players can leverage on IBS technology. With that, I would like to wholeheartedly extend my best wishes to all participants for a productive sharing and exchanging of views, knowledge and experiences that can improve the performance of the industry.

16. Having in mind the strategic focus of today's conference, I wish to stress the importance of embracing innovation in driving productivity in the industry to further strengthen our global footprint and realize the opportunities from the technology driven market.

17. On that note, ladies and gentlemen, I hereby declare the IBS Conference is officially launched.

Thank you.