

## **OPENING SPEECH BY**

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

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### ***[Salutation]***

Tan Sri/Puan Sri/Datuk/Datin

YBhg. Datuk Matthew Tee, President of the International Federation of Asian and Western Pacific Contractors Association,

Mr. Foo Chek Lee, President of Master Builders Association Malaysia,

Ladies and Gentlemen

1. First of all, thank you for the invitation to join you today. I am especially glad to see so many of our friends from the various countries in the Asian and Western Pacific region. Your presence here is a vote of confidence in Malaysia and for regional co-operation. Let me extend to all our international guests a very warm welcome to Malaysia.
2. The Asian and Western Pacific Region is a home to more than a half of the world's population and accounts for slightly

more than half of its production output. With that, the prospect of economic growth will still accelerate despite of the slowdown in the global economy. Already, the economies of China and India are growing at annual average rates of about 6% - 7%. The stronger economic growth will lead to greater demand for housing and infrastructure. We can, therefore, expect Governments and the private sectors to continue investing in housing and infrastructure but we need IFAWPCA (**Pronounce: Eefoca**) representatives to help drive delivery and quality at manageable cost.

3. The 20 countries represented in IFAWPCA (**Pronounce: Eefoca**) are at different stages of economic development. The technologies, management expertise and financial resources of the developed countries can be combined with the manpower, land and raw material resources of the developing countries. This synergy can bring about economic prosperity and social advancement and will provides a win-win situation for cross border collaborations within the region. Therefore, the construction sectors in various countries should create a collaborative network that will facilitate the free flow of trade, services and investments in the region.

4. I would like to take this opportunity to commend the organisers for breathing life to the theme “Strategic Alliance with

Innovation & Human Capital” as the core message. Undoubtedly with so many countries within IFAWPCA (**Pronounce: Eefoca**), there will be many opportunities to improve innovation and harness all the human capital available and I do hope the members of this esteemed organisation will thrive and excel in cross country collaborations.

Ladies and Gentlemen,

5. Over the past decade, digital technologies have transformed whole industries, ushering in the Fourth Industrial Revolution. Social media platforms and on-demand streaming services from start-ups such as Facebook, Spotify and Netflix have transformed media and entertainment. E-commerce giants like Amazon and Alibaba have disrupted brick-and-mortar retailers. Digital-based mobility companies such as Grab and Uber are challenging the logistics industry. These new technologies did not just satisfy consumer demands, innovations have improved companies’ productivity and sustainability including reshaped the skills and competencies.

6. Roughly during the same period, however, a majority of the region’s construction industry has continued operating as it has for about the past 50 years, with a heavy reliance on manual

labour, mechanical technology and established operating and business models. Productivity has stagnated as a result.

7. Digital technologies are gradually entering the construction industry. Those technologies including Building Information Management (BIM), prefabrication, wireless sensors, automated and robotic equipment, and 3D-printing changing how infrastructure, real estate and other building assets are designed, constructed, operated and maintained. Parallel to this new technologies, there are several global megatrends that urge players in the construction industry and IFAWPCA (**Pronounce: Eefoca**) members to rethink long-established practices. Among the most impactful are fast urbanization, climate change, resource scarcity and a growing talent gap.

8. It is still unclear which route construction will take, and very likely that the future will include elements of all scenarios. The economic and social impact could be substantial, as the construction industry accounts for approximately 6% of global GDP and employs more than 100 million people worldwide. I believe IFAWPCA (**Pronounce: Eefoca**) is the right platform to drive this change for the construction industry and I do hope member countries including Master Builders Association Malaysia (MBAM) will take up the challenge and drive the required changes!

Fellow Industry Enthusiasts,

9. Current business models, strategies and capabilities will not be sufficient in any of these future worlds. This underscores the fact that players along the construction value chain need to prepare strategically and continue to adopt advanced technologies rapidly as the construction industry has been slow to adopt new technologies and still heavily relies on manual labour and mechanical technologies, resulting in poor productivity. In fact, the industry must maximize the use of data and digital models throughout construction processes to align with the current Government policies. The construction industry's decision-makers need to understand and fulfil their role in promoting economic growth, social progress and environmental responsibility.

10. As a developing country that driven by domestic demand and broad-based growth, Malaysia cannot run from experiencing the issues of technology, manpower and cost across all sectors. Therefore, the 11<sup>th</sup> Malaysia Plan has been reviewed to overcome these challenges through 6 strategic thrusts and 6 game changers to spearhead the transition towards achieving a developed and inclusive nation. At the moment, the ministry's new priorities and focus are aligned with the 6 game changers pillars.

11. For instance, the ministry is in the midst of developing the E-Works, a full digitalised procurement system to reform governance and procurement system towards greater transparency. The ministry and the state government also pursuing balanced regional development through the 2,300km Pan Borneo Highway projects linking Sarawak and Sabah in East Malaysia for better road connectivity between the cities, towns and villages. The project will also provide more opportunities for investments of both states that will create more job opportunities especially in the construction and tourism industry. Our priority also includes empowering human capital through reskilling and upskilling on the latest digital technology to fill the growing needs of skilled forced in this industry and to reduce the talent gap. To ensure environmental sustainability and enhancing the green growth, Ministry of Works together with its agencies and private sectors developed few comprehensive rating tools such as Green Highway Index (GHI) and MyCREST that can calculate Carbon Foot Print and focuses on increasing the efficiency of resources use and green building.

12. To echo the 11<sup>th</sup> Malaysia Plan new strategies and way forward, the Construction Industry Transformational Program (CITP) which is launched in 2015 as the 5 years construction master plan is also being reviewed to strengthen the mechanism and targets of the master plan. CITP with the theme “Driving

Construction Excellence Together” focuses on 4 thrusts; Quality, Safety and Professionalism; Environmental Sustainability, Productivity and Internalisation. The Ministry of Works together with various ministries and agencies are committed in propeling the initiatives and mechanisms under the CITP to address the challenges which persist in the construction industry. The CITP aims to achieve 2.5 times increase in productivity to USD 16,500 per worker, large infrastructure projects exceed sustainability requirement, and to create greater business competitiveness of Malaysian construction companies. Through CITP, the ministry will focus on embracing the global construction technology such as smart life-cycle, automated constructions equipment and technologies to digitalize the construction industry.

Ladies and Gentlemen,

13. All of you here would probably have dealt with the fact that clients are more demanding nowadays. They seek to extract more value from each part of the supply chain to enhance their own competitive positions in the global market. Increasingly, they also look for one-stop services firms to provide integrated total solutions. For the service providers, the search time for worthwhile projects is shortened, while payments are assured. To the clients, the inclusion of project financing in the package reduces their funding costs and enhances the bankability of their projects. I believe IFAWPCA (**Pronounce: Eefoca**) member

countries can and should share technologies, management system and experience. This will benefit the less developed member countries. We always look forward to working with construction professionals in the region to promote enhanced economic growth.

Ladies and Gentlemen,

14. To sum up, I again would like to stress that we should tap on one another's expertise and strengths. I hope all of you will capitalise on the numerous opportunities that the IFAWPCA **(Pronounce: Eefoca)** Convention provides to interact, network and explore possible areas of collaboration. Let us take on the challenge to work together within the unifying body to build a thriving and advanced construction ecosystem in the region. In a nutshell, it is hoped such collaboration within the region will help make all parties work as one firm, creating faster delivery times, lower costs, minimised litigation and a more enjoyable process for the entire construction industry.

Thank you and have a productive day ahead!