

**SPEECH BY YBHG. DATO' SRI ZOHARI BIN AKOB  
SECRETARY GENERAL, MINISTRY OF WORKS MALAYSIA  
"INCREDIBLE INDIA"  
BUSINESS OPPORTUNITY SEMINAR,  
KUALA LUMPUR CONVENTION CENTER  
14 APRIL 2016**

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**His Excellency T.S. Tirumurthi,  
High Commissioner of India in Malaysia,**

**Y.Bhg. Dato' Ir. Ahmad Asri bin Abdul Hamid,  
Chief Executive of the Construction Industry  
Development Board Malaysia (CIDB),**

**Y.Bhg. Dato' Sri Ir Dr. Judin Bin Abdul Karim  
Chairman of CIDB Holdings,**

**Respected Speakers and Panel Members,**

**Distinguished Guests,**

**Ladies and Gentleman.**

**Good morning.**

- 1.** It gives me great pleasure to be here today for this very special event that brings together eminent speakers and participants from the construction fraternities, both from Malaysia and India.
- 2.** At the outset, let me commend CIDB and CIDB Holdings for their tireless effort in organizing such a special event, which falls during the 16<sup>th</sup> International Construction Week (ICW) 2016.

3. Being one of the biggest construction trade events held annually in Malaysia, the ICW provides a platform for the construction industry in Southeast Asia to share information on the current state-of-the-art development in the industry.
4. I would also like to take this opportunity to thank His Excellency T.S. Tirumurthi and his officers for their assistance in organizing this event. Without their support and commitment, today's event would not be possible.

**Ladies and Gentleman,**

5. Indeed, the outlook for India has brightened considerably in recent years. Perceptions have changed for the better. At present, India is seen as one of the target markets for many foreign investors including Malaysia due to vast availability of project opportunities.
6. Numerous efforts undertaken by Prime Minister Modi has revived interest and optimism in India's economic prospects that have prompted many countries to engage with India in many areas especially the construction sector.

- 7.** Today's seminar aims to disseminate information to the Malaysian business community on the immense project prospects waiting to be tapped in India.
  
- 8.** Opportunities in the areas related to roads and highways, water industry and mass housing will also be explained and deliberated by experts. Also, this seminar will be discussing the latest policy changes introduced by the Indian Government in facilitating the inflow of foreign direct investment into the country.

## **MALAYSIA- INDIA RELATIONSHIP**

- 9.** Malaysia's relationship with India has been established ever since Malaysia attained its independence in 1957. Economic and commercial relations have been the mainstay between Malaysia-India relationships for many years.
  
- 10.** Currently, Malaysia remains as one of the key trading partners for India. Similarly, India remains the largest trading partner for Malaysia among the countries in South Asia.
  
- 11.** The total trade value between India and Malaysia for the year 2015 stood at RM 46.83 billion and the overall FDI invested in India by Malaysia from 1980 till last year, through 130 projects is RM4.45 billion.

**Ladies and Gentleman,**

- 12.** The Strategic Partnership Agreement, signed in the year 2010 between Malaysia-India has further augmented the relationship between both countries as the agreement acts as a stimulus in expanding business opportunity in many dimension.
  
- 13.** Thus, a MoU on Cooperation Relating to the Provision of Technical Assistance Services for Highway Management and Development was signed in December 2010 during the visit of Shri Kamal Nath, the then Minister of Road Transport and Highways to Malaysia.
  
- 14.** This MoU has given lots of valuable inputs in enhancing the participation of Malaysian infrastructure companies in India. It has also helped Malaysian entities to forge a closer relationship with Indian entities in promoting technical cooperation by sharing Malaysian experience and expertise in the planning, designing, construction as well as operations and maintenance of roads and highways in India.

- 15.** As a result, as stated by Dato' Ahmad Asri just now, the Malaysian construction companies' largest presence outside Malaysia at the moment, is in India with a total of 81 construction projects worth of US 3.76 billion.
  
- 16.** Companies such as like UEM, IJM, Sunway and SCOMI, are well recognized and accepted among the Indian business communities for their professionalism and quality in executing projects awarded.

## **OPPORTUNITIES IN INDIA**

### **Ladies and Gentleman,**

- 17.** India, under the guidance of Prime Minister Modi is looking at a very different strategic approach in uplifting the country's economic and social conditions. A quantum leap approach has been taken to transform India's infrastructure facilities into a world-class standard.
  
- 18.** One of the areas that Malaysia is currently eyeing in India is related to the road and highway sector. In response to Prime Minister Modi's vision to enhance the connectivity of the roads and highways system in India, Malaysian companies are encouraged to take on the projects opportunities offered in this sector. With our experience in

constructing more than 30 highways in Malaysia, I believe Malaysian companies are well poised to take the challenge.

**Ladies and Gentleman,**

- 19.** To revive and re-engage Malaysian contractors to participate actively in the road and highway sector, Ministry of Road Transport and Highways India (MORTH) has presented the newly adopted Hybrid Annuity Model (HAM) to the Malaysian construction industry players last year.
- 20.** This new model is a mix of the conventional EPC and BOT (annuity) model that have been used as a key model in roads and highways construction in many countries, including India and Malaysia.
- 21.** Under this new model, the government will share the project costs with the private sector in 40:60 ratios. The government will provide 40% of the project cost to the developer to start work while the remaining investment will have to be made by the road contractor. Apart from reducing equity investment, this model will free the

private sectors from bearing the risk that comes from the traffic projection.

- 22.** I was happy to know that CIDB was the only foreign participant invited to the special lab, organized by the Ministry of Road Transport and Highways India (MORTH) in formulating the hybrid annuity model.
  
- 23.** Monetization of completed highways provides another opportunity for Malaysian contractors to take part in projects related to highway. According to the National Highways Authority of India more than 100 projects have been identified specifically for this purpose. Therefore, I urge members from the PSKLM to undertake this opportunity in India in expanding your business globally.

**Ladies and Gentleman,**

- 24.** Although road and highway projects seem to be getting more attention in the construction sector, there are also many other high impact projects available for grabs in India at present.
  
- 25.** Prime Minister Modi has launched one of the most ambitious housing program in the world that is "Housing For All by 2022". It involves building 20 million urban houses and 29.5 million rural homes, totalling nearly 50

million. In addition, Metro Railways line is also planned to be constructed in more than 50 cities in India.

- 26.** The Government of India has also announced its “One Hundred Smart Cities” initiative that involves the development of satellite towns of larger cities by modernizing the existing mid-sized cities in the country.
  
- 27.** Projects on water treatment at the River of Ganga in Uttar Pradesh called “Ganga Rejuvenation,” land and transit-oriented development projects in New Delhi are also vastly available in India. In tandem with these projects, development of commercial facilities such as convention centre are also offered to be undertaken in India currently.

## **INITIATIVES UNDERTAKEN BY THE CIDB AND MOW**

Ladies and Gentleman,

- 28.** In order to reap of full benefit from the opportunities available in India, trade missions were made to India in the last two years. A number of MoUs have been signed between the CIDB Holdings and Indian government agencies and government-related enterprises in enhancing chances for Malaysian contractors to undertake projects in India.

- 29.** Apart from visits by CIDB, with the vision to spur chances of Malaysian players' participation in India's projects, myself as well as His Excellency Dato' Sri Hj Fadillah, Minister of Works Malaysia have headed an official visit to India last year.
- 30.** Ultimately, the visit by officials from both countries culminated in the meeting of two Prime Ministers in Kuala Lumpur. During the Asean Summit held in Kuala Lumpur last year, Prime Minister Modi held a bilateral discussion with YAB Dato' Sri Mohd Najib, Prime Minister of Malaysia.
- 31.** The discussion subsequently has escalated the relationship between both countries to a next level, particularly in the construction sector. A Nodal Officer was appointed as an essential convening point at the governmental level to implement more coordinated action in enhancing project investment in both countries.
- 32.** As you are aware, I am the nodal officer for Malaysia while and His Excellency Shri Arun Goyal is the Nodal Officer for India. Both of us will be meeting for the first time on 18<sup>th</sup> of April in New Delhi.
- 33.** Hence, I hope to get some constructive inputs from today's seminar from all of you so that I can have some

expanded insight on issues to be discussed during the meeting.

## **MALAYSIA' S CAPABILITY AND WAY FORWARD**

Ladies and Gentleman,

- 34.** Similar to India, 30 years ago Malaysian leaders have vouched to transform the landscape of Malaysia to upkeep with the rapid changes in the global platform. Since then, Public Private Partnership model has played a pivotal role in transforming Malaysia's infrastructure setting notably.
  
- 35.** The development of tolled highways, ports, airports, flood mitigation tunnel, and government office buildings, among others, has been made possible through PPP arrangements.
  
- 36.** Projects such as the North-South Highway, Port of Tanjung Pelepas, KLIA and Government office buildings in Putrajaya have spurred Malaysia's economic growth, created new areas of development as well as improved accessibility and mobility.

**37.** Many projects that are currently under construction, under PPP in Malaysia hold the similarities on what India is planning to pursue at the present. The construction of the Pan Borneo Highways in Sabah and Sarawak, West Coast Highway from Banting to Taiping, the MRT project as well as River of Life projects are some of the key projects that I would like to mention here that have the elements of what the Indian Government is looking for.

## **CONCLUSION**

**38.** With such vast experience, I am confident that the Malaysian contractors will be able to match and meet India's infrastructure needs. Sharing almost the same vision as Malaysia many years ago, I would strongly urge all to gain as much as possible information and clarification from the experts on seeking project opportunities in India.

On this note, it gives me great pleasure to officiate the  
**SEMINAR ON BUSINESS OPPORTUNITY  
"INCREDIBLE INDIA" 2016.**

Thank you.