



KEMENTERIAN KERJA RAYA

Keynote Address

**YB DATO' SRI HAJI FADILLAH BIN HAJI YUSOF
SENIOR MINISTER, MINISTRY OF WORKS MALAYSIA**

**2021 ASIA ECONOMIC AND ENTREPRENEURSHIP SUMMIT
WITH THE THEME
" BUILDING SUSTAINABLE INFRASTRUCTURE FOR ECONOMIC GROWTH"**

Y.Bhg. Tan Sri Michael Yeoh, President, KSI Strategic Institute for Asia Pacific (KSI),

Mr. Andrew Weir, Chairman, Pacific Basin Economic Council (PBEC),

Distinguished Guests,

Ladies and Gentlemen,

Assalamualaikum Warahmatullahi Wabarakatuh and a warm welcome to all of you.

1. Firstly, let me express my greatest appreciation and gratitude to the organising committee, KSI Strategic Institute for Asia Pacific (KSI), Pacific Basin Economic Council (PBEC) and China Daily for the gracious invitation to the 2021 Asia Economic and Entrepreneurship Summit with the theme " Building Sustainable Infrastructure For Economic Growth".
2. The Infrastructure assets and services provides the basic physical and organisational structures that defines the efficient functionality of an economy and its social dynamics. Therefore, access to reliable, quality, efficient, and affordable infrastructure services are critical in reducing poverty, promoting economic growth, supporting social development and building resilient communities. Overall there is a lack in access to basic physical infrastructure, including roads, piped water supply, improved sanitation, and electricity in the global population. Moreover, services may be unreliable, poor quality, inefficiently supplied, or unaffordable. These conditions impose constraints to human health, quality of life, education and employment, particularly in the rural areas.

3. In Malaysia, infrastructure development which is one of the main driver of economic growth will receive a big boost in the 12th Malaysia Plan (12MP) (2021-2025) to assist the sector in reviving the economy. It is also expected that the budget for the 12MP is set to beat previous Malaysia Plan's budget with a higher amount of more than RM250 billion.
4. As we embrace the concept of sustainable and quality infrastructure, the Ministry of Works Malaysia (MOW) will launch the National Construction Policy 2030 (NCP 2030) with the theme "Digitalising the Construction Sector" to accelerate the adoption of technology in all work processes before, during and after construction.
5. The Malaysian construction sector is set to move in tandem with the Sustainable Development Goals (SDG) through the NCP 2030 strategic thrusts and aligned with other initiatives including the Shared Prosperity Vision 2030 (SPV 2030) to help Malaysia achieve sustainable growth encompassing fair and equitable distribution across income groups, ethnicities and regions.

Ladies and gentlemen,

6. In today's environment, climate change is impacting communities across the globe in unprecedented ways like rising sea levels , extreme weather , food and water insecurity, resource scarcity and conflict which render us reasons not to build infrastructure like we normally do. As such we need urgent and preemptive actions through new collaborations and partnerships for ambitious new ideas to mitigate climate change. We will have to build smart infrastructures by designing, building and operating infrastructure in ways which will bring and maintain sound economic development while at the same time protecting our vital natural resources and environment.
7. Above all, I believe resilient and inclusive infrastructure which are sustainable can change our lives. The whole life-cycle of the infrastructure development must promote more effective and efficient use of financial resources, carbon footprint consideration, social cohesion and stewardship of natural ecosystems.
8. As stipulated in the NCP 2030, the MOW continuously promotes sustainable development throughout the life-cycle of construction by addressing environmental issues such as development planning, implementation of design, green procurement, construction management method, operation and maintenance of assets, asset management, renovation and demolishing of structures and low carbon development.

9. In driving the national sustainable development agenda, the MOW through its various agencies has introduced various initiatives to meet this goal. Among the initiatives are as follow:

- a) Specification for building projects that encourage contractors to use green products such as product that have Eco-Labeling or MyHijau Mark
- b) Introduction of the Sustainable INFRASTAR, Green Building Index (GBI) and My Green Highway Index;
- c) Requirement for Construction Waste Management Plan (CWMP) for managing waste systematically through reduce, reuse and recycle approach;
- d) Specification that requires contractor to ensure all waste generated on site in accordance with the Solid Waste And Public Cleansing Management Act 2007 and Environmental Quality Act 1974;
- e) Building Information Modelling (BIM) as a modelling technology and associated set of processes to produce, communicate, analyse and use digital information models throughout the construction project life cycle;
- f) Usage of Industrialised Building System (IBS) for government projects in order to reduce resources and waste;
- g) Improving design standards towards sustainable development by considering life cycle perspective; and
- h) Application of MS ISO 14001 (Environmental Management System, EMS) certification and MS ISO 50001 (Energy Management System, EnMS) certification for the Public Works Department headquarters building in Kuala Lumpur.

Ladies and Gentlemen,

10. We are committed in developing sustainable infrastructure through the use of green rating tools such as Penarafan Hijau and Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST) . The use of these ratings tools are critical to ensure that we keep carbon emission at the minimum while striving to meet project requirements. The Standard Green Product Scoring System (GPSS) is also in place to support the Government Green Procurement (GGP) initiative which aims to promote the procurement of green products and technologies in Malaysia.

11. Since 2016, in ensuring that public projects are implemented sustainably, all building projects worth more than RM20 million and road projects worth more than RM50 million were required to adopt the Green Rating Tool.
12. Under the MOW Strategic Organisational Plan (Pelan Strategik Organisasi 2021-2025), there is also a program to contribute to the achievement of the country's commitment to reduce carbon emissions or Green House Gas (GHG) through carbon emission reduction for buildings occupied and regulated by us with a target of 1.4 million kg CO2 equivalent per year.
13. Apart from the implementation of the sustainable development initiatives mentioned earlier, the government has also implemented several sustainable projects, such as the Hybrid Solar System Installation Project for 134 rural schools in Sarawak, Malaysia. The use of this alternative electricity system is the most optimal solution technically and economically to replace or upgrade the existing system that is a stand-alone diesel generator which has high operating costs and can reduce CO2 emissions.
14. To further support our national commitment towards SDG, an assessment was carried out to understand and quantify the various sources of GHG emissions within the construction sector to establish a basis for policymakers to formulate appropriate policies towards reducing the industry-wide GHG emissions.
15. One of our most prolific Environmental Impact Assessment (EIA) projects is the Rawang Bypass Project which involved the construction of an elevated road structure passing through a gazetted forest reserve. This project was a challenge as it involved many government agencies and public outcry where potential extensive earthworks and deforestation would translate into a permanent loss to the wildlife habitat. In this effort we are pleased to report that we managed to build a mega structure with minimal sacrifice to the forest reserve and control all the environmental elements as per the EIA requirements. To enhance post-project environmental performance, the contractor made a proactive effort by replanting new trees in the area. It is now a well-known project that has taken the interest of the public as it has a breath taking view from 60 feet above the ground when driving on this road.

Ladies and Gentlemen,

16. As the custodian of infrastructure development in Malaysia, the MOW also promotes the internationalisation of the construction sector, aligned with our objective to provide conducive environment for economic growth and international competitiveness.

17. In facilitating trade, we continue to actively participate in the development of the ASEAN Sectoral Mutual Recognition Arrangement for Building and Construction Materials (BCMRA) with 9 other ASEAN members. Currently, there are three (3) products identified under this MRA namely steel reinforcement bar, glass and cement. With the ratification of the MRA, the goal is to help reduce time and cost in the import and export processes of these building materials. This platform also allows us to exchange knowledge, expertise, best practices on standards, conformity assessment procedures and technical regulations on building and construction materials. The latest initiatives under this MRA is the harmonisation of standards with Japan, Korea and EU one of its objective is to provide sustainable and safe materials in our construction sector.
18. I can see that today's event will also discuss on the prospects of digitalisation such as the challenges of the digital economy, the future trends and its impact on our economic growth. I believe the adoptions of technological and innovative tools in the construction sector will further strengthen knowledge and information on implementing sustainable practices.
19. The construction sites of the future will be "almost human-free" with the way the Industry Revolution 4.0 is taking shape around us. By 2050, robots will do the heavy lifting, while autonomous cranes and excavators will be handled by social humanoid robots. This is the envisioned future of the construction sector as we gear towards full-scale digitalisation within its ecosystem. With the anticipated introduction of robotic applications at construction sites by 2030, the construction industry will exponentially reshape and remodel this sector in the way how infrastructure, real estate and other built assets are designed, constructed, operated and maintained.
20. Thus, strong cooperative measures between the government and private sector are essential to ensure technological adoption and improvement within the sector can be successfully implemented.

Ladies and gentlemen,

21. I understand you will have a session on the new growth areas that will cover on post Covid-19 initiatives and this is particularly interesting as we strive to revive our respective economy. As I see it, we are now presented with a special opportunity facing a special set of challenges, from a pandemic that destroyed lives and livelihood to the present threat of climate change. Needless to say, the government, industry players and various stakeholders must converge synergistically in adopting and innovating brave new ideas to help the recovery of the construction sector in Malaysia.

22. The ultimate goals of the MOW is to provide infrastructure projects that will benefit all Malaysians by developing facilities and amenities for the betterment of the people. This includes maintaining and constructing federal roads and buildings, enhance mobility and connectivity to facilitate the economic growth. In doing so, the MOW upholds the Wawasan Kemakmuran Bersama 2030 specifically Strategic Thrust 5 which promotes socio-economic wellbeing by making the people one of the most important elements of sustainable economic development.
23. Finally, I hope this event will succeed to act as a platform for knowledge sharing and enhance cooperation among us which is in line with the Ministry of Works's objective to build and strengthen entrepreneurs in the construction sector.

Thank you.