

Keynote Address

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**The Symposium on "Challenges and Opportunities of Infrastructure
Development in Borneo"**

Friday, 10th September 2021

Salutations

1) YB Datuk Lee Kim Shin, Minister of Transport Sarawak

3) Ir Ong Ching Loon
President of IEM

3) Datu Haji Ismawi bin Haji Ismuni, CEO of Recoda

4) Professor Simon Leunig
Pro Vice Chancellor and CEO of Curtin Malaysia

Ladies and gentlemen,

1. Firstly, all praise be to Allah S.W.T for his grace in making this Online Symposium possible amidst the Covid-19 pandemic.
2. On behalf of the Ministry of Works (MOW) Malaysia, it is with great pleasure for me to welcome all of you to this symposium themed "Challenges and Opportunities of Infrastructure Development in Borneo". Here I would also like to take this opportunity to thank the organizers for giving me the privilege to deliver the keynote speech.

3. My heartfelt appreciation to all our distinguished speakers for accepting the invitation to share their knowledge and experiences in this symposium which I am confident will bring great value to all the participants.

4. MOW with its agencies are responsible for the development of the construction industry and infrastructure in the country. Our ultimate goal 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 especially in rural areas. In doing so, MOW upholds the Wawasan Kemakmuran Bersama 2030 specifically Strategic Thrust 6 which promotes inclusive regional development aimed at reducing gaps between cities, urban and rural areas

Ladies and gentlemen,

5. To zoom in specifically on Borneo, Sarawak and Sabah has a combined total of 54,701.746km of federal and state roads of which 31,774.044 km is in Sarawak and 22,927.702km is in Sabah. From the length of roads that we have in Borneo, 2,958.885km are federal roads and 51,742.861km are state roads which are regularly maintained by JKR of both states.

6. As an update, the status of major infrastructure projects in Sabah and Sarawak are as follows:

- (a) The Pan Borneo Highway Sabah (Phase 1) which involves 35 packages (706 km) from Sindumin to Tawau, Sabah of which 12 packages are under construction and 56 percent completed.
- (b) The Pan Borneo Highway Sarawak (Phase 1) consisting of 11 packages (786 km) from Telok Melano to Miri, Sarawak which are 70% completed.
- (c) Sarawak-Sabah Link Road (SSLR) project which involves construction of 77 km road from Bandar Lawas to Persimpangan Long Lopeng. This project is expected to start work in September 2021 and be completed in 2026.

7. The Pan Borneo Highway Projects in Sabah and Sarawak will improve the road infrastructure, connectivity, accessibility which is expected to boost socio-economic activities especially for local industries to flourish thereby providing new employment opportunities.

8. The same outcome is expected on the completion of the Sarawak-Sabah Link Road (SSLR) whereby it will increase the level of comfort and safety for road users in traversing the interiors of Sarawak who are currently using logging roads to move around. It is envisaged that the SSLR will also create wider opportunities for eco-tourism and agro-tourism for its surrounding rural communities and providing easier access for necessities such as education and healthcare.

9. In essence, the infrastructures developed will not only ensure for a comprehensive logistics connectivity but also provide support for other vital utilities development including telecommunication, water supply and energy supply which become the catalyst for investments in new industrial activities.

10. Another important infrastructure project in the pipeline is the upgrading of the road from Persimpangan Kuala Baram to CIQ Sungai Tujoh, Miri, Sarawak which is expected to be completed by 2025. This project serves as the connection of the Pan Borneo Highway Sarawak which ends at Kuala Baram intersection. The outcome of this project is crucial as it will be able to cater to the high traffic volume as well as to provide a much more convenient and safer link for road users as this is the only link to Limbang, Lawas and Brunei.

Ladies and gentlemen,

11. Notably, among the challenges in the implementation of the Pan Borneo Highway Project are as follows:

- a. limited access to sufficient manpower and construction materials;
- b. Insufficient local qualified contractors and subcontractors;
- c. limited funding for planned and earmarked projects; and
- d. Policy and regulations in implementation.

12. For example, a case in point is the differing policy stance between the Federal dan State regulation where implementing the Sarawak-Sabah Link Road (SSLR) under *Arahan Perbendaharaan 182* (AP182) restricts only Federal Technical Departments to undertake Federal funded projects in Sabah and Sarawak. On this note, I am pleased to inform that the MOW through the Public Works Department has since ironed out issues pertaining to the implementation of the SSLR through rigorous discussions and engagements.

13. Another unique challenge in Sarawak and Sabah are the difficult terrains which forms part of our topography and in turn affects the design and constructability of the roads and buildings. After the devastating earthquake of 2015 in Sabah, the government has proactively conducted research in developing new standards of which one of them is the Malaysian Standards (MS) EN 1998-1:2015 (National ANNEX: 2017) Malaysian Annex to EUROCODE 8: Design and Structure for Earthquake Resistance – Part 1: General Rules, Seismic Actions and Rules for buildings.

14. Moving forward, MOW will strive to minimise these challenges in the implementation of these infrastructure projects by :

- I. continuously engaging with industries and local authorities to open up more resource points for example quarries, suppliers and manpower deployment.
- II. promoting joint ventures between local companies and established companies to boost competitiveness and capacity;
- III. promoting implementation of specific project based on areas/locations outlined in the Highway Network Development Plan (HNDP) 2030 which was developed by MOW; and
- IV. collaboration between JKR Malaysia, JKR Sabah and JKR Sarawak in implementing the Federal funded projects in Borneo.

Ladies and gentlemen,

15. Concurrently, we need to realize that the challenges of current construction practices which includes high labour dependency, high fatality rate, ageing population, migration and cultural diversity, urbanisation, rise of the robots, high volume of industrial waste, non-environmentally friendly and high cost of building requires us to embrace new technologies and digitisation if we are to remain competitive and resilient in the construction industry

16. The adoption, adaptation and innovation of new technologies is no longer an option but a necessity in our quest to enhance the productivity of the construction industry. Therefore, our construction industry needs to fully embrace IR 4.0 by using less unskilled workers and more automation in the construction industry.

17. While Building Information Modelling (BIM) and Industrialised Building System (IBS) are among the initial focus for development in the construction sector, the government is also keen to identify and adopt other types of technologies that are able to bring the industry to higher levels. It is noteworthy that according to the World Economic Forum (WEF), the top 10 disruptive technologies in construction includes BIM, Prefabrication and modular construction (IBS), Advanced Building Materials, 3D Printing and Additive Manufacturing, Autonomous Construction, Augmented Reality and Virtualisation, Big Data and Predictive Analytics, Wireless Monitoring and Connected Equipments, Cloud and Real time collaboration, 3D Scanning and Photogrammetry.

18. Needlessly to say, MOW is mindful and inclusive in empowering our human capital through reskilling and upskilling on the latest digital and automation technologies to fill the growing needs of skilled forced in the industry and to reduce the talent gap. We are hopeful with our initiatives, more local workers will be absorbed into the construction industry with high paying jobs, better working facilities and safe environment to operate.

19. I am confident BIM , an intelligent 3D model-based process software will ensure the construction industry to become more sustainable in the long run. MOW through the Public Works Department's Strategic Plan 2021-2025 has set the adoption of

BIM as one of its key thrust. The MOW through the Construction Industry Development Board's myBIM Centre is strategically aligned itself to provide BIM training programs targeting industry players such as contractors, architect, engineer and surveyor to learn the process of implementing BIM in all facets of construction. Currently, myBIM Centre is collaborating with local universities and institutions in selected areas known as myBIM satellites. To-date, a total of 230 participants were trained in myBIM satellite at the Akademi Binaan Wilayah Sabah and Akademi Binaan Wilayah Sarawak since 2019.

Ladies and gentlemen,

20. The construction industry has been severely affected by the COVID-19 pandemic due to a highly challenging domestic operating environment and lower global demand. MOW through its agency, CIDB was involved in developing, implementing and monitoring the Construction Sector Standard of Procedure (Construction Sector SOP). Strategic enforcement synergy between agencies were also established to monitor project operations during the Movement Control Order (MCO). The SOPs were put in place to curb the spread of the Covid 19 virus which has disrupted our lives and livelihood in ways we cannot imagine.

21. The COVID-19 pandemic has not only caused financial and labour shortages, but also a disruption in the supply chain for materials which has led to delays in our construction activities. Perhaps this is the best time for us to identify new suppliers , enter new markets and innovate more effective processes. We must be vigilant and reminded that any outbreak at constructions sites and staff living areas will present major risk not only for the developer but for all of us in the construction industry as stop work order will be enforced at the site.

22. Despite of the current situation, MOW in collaboration with other Ministries, agencies and private sector are continuously working hand in hand to mitigate further losses in the construction industry. Since July 2021, the government has launched a program under CIDB called Construction Industry Vaccination Program (CIVac)

which aims to vaccinate 270,000 construction personnels by end of September 2021 under the auspices of the National Covid-19 Immunisation Program (PICK).

Ladies and gentlemen,

23. The development of transboundary or transnational infrastructures between neighbouring countries is akin to the mission of national development especially in preserving territorial integrity, national security and defence at the same time improving the welfare of the people in the border areas.

24. One of the initiatives taken by Malaysia to enhance the transboundary or transnational infrastructure development in Sabah and Sarawak is through the commitment made under the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area or BIMP EAGA. The BIMP-EAGA development path to 2025 is guided by the long-term strategic thrusts of enhancing connectivity within and outside BIMP-EAGA and promoting people-to-people connectivity through socio-cultural understanding and increasing mobility. Two (2) significant projects that were completed are:

i. The Pandaruan Bridge (Malaysia-Brunei Friendship Bridge) completed in 2013 which is a toll free bridge linking Brunei and Sarawak and significantly reducing travel time by almost 5 hours.

ii. The Trans Borneo Power Grid Sarawak-West Kalimantan interconnection project is the first ever between Indonesia and Malaysia. The project, listed as a priority under the ASEAN Power Grid (APG) and the Master Plan on ASEAN Connectivity which involves a 275 kV grid-to-grid connection between Sarawak and West Kalimantan.

25. Another important project which is pending under the BIMP-EAGA Vision 2025 is the upgrading of the Kalabakan Road in Serudong, Tawau to connect to Simanggaris, East Kalimantan. This project will include the construction of an Immigration Customs, Quarantine and Security (ICQS) Complex at the entry point of Serudong/Simanggaris to clear border crossings.

26. Notwithstanding the intensified collaboration between countries and inter-agencies, poor subregional transport connectivity is one of the major challenges faced by Malaysia, Brunei and Indonesia. Within the transport sector, uneven levels of development across the countries pose another challenge as this has resulted in:

- i. Differing development priorities and agenda, such as infrastructure priorities;
- ii. Disparities in technical, safety, environment and administrative standards in the transport sector;
- iii. Divergent policies and regulations related to transport and transport facilitation, logistics development; and
- iv. Lack of effective promotion on trade, tourism and investment opportunities, both within and outside the subregion.

27. Some of these regional challenges are similar in nature in terms of project implementation between federal and state especially on divergent policies and regulations. Despite the differing policies and regulations, I believe we can still work towards win-win situations in tandem through close consultation and collaboration. I pray this two day symposium will be a reference of shared information and new knowledge for all participants.

28. In conclusion, to ensure the infrastructure sector is continuously evolving, MOW through CIDB will launch the National Construction Policy (NCP) 2030 this year which is a comprehensive guide for all the stakeholders of the construction industry in facing emerging technologies and new challenges domestically and internationally. With “Digitalising the Construction Sector” as its theme, the fundamentals of NCP 2030 are set to adapt and adopt future trends progressively. I would like to encourage all participants in this symposium to join us in supporting the NCP2030 by leveraging on technologies and data systems, innovation and automation at every level of their operations to build quality and sustainable infrastructures.

Thank you.