

**SPEECH BY**  
**YANG BERHORMAT DATUK HAJI FADILLAH BIN HAJI**  
**YUSOF**  
**IN CONJUNCTION WITH**  
**THE LAUNCHING OF**  
**THE CONSTRUCTION COURT**  
**AT THE KUALA LUMPUR COURT COMPLEX**  
**14 APRIL 2014**

(Salutations)

- 1. Yang Amat Arif Tun Arifin Bin Zakaria**  
Ketua Hakim Negara
- 2. Yang Berhormat Puan Hajjah Nancy Binti Hj Shukri**  
Menteri di Jabatan Perdana Menteri
- 3. Yang Amat Arif Tan Sri Dato' Seri Md Raus bin Sharif**  
Presiden Mahkamah Rayuan
- 4. Yang Amat Arif Tan Sri Dato' Seri Zulkefli bin Ahmad Makinudin**  
Hakim Besar Malaya
- ~~**5. Yang Amat Arif Tan Sri Datuk Seri Panglima Richard Malanjum**  
Hakim Besar Sabah dan Sarawak~~
- 6. Yang Berbahagia Tan Sri Dr. Ahmad Tajuddin Bin Ali**  
Pengerusi, Lembaga Pembangunan Industri Pembinaan Malaysia (CIDB)
- 7. Yang Berbahagia Dato' Sri Prof. Ir. Dr. Judin Bin Abd Karim**  
Ketua Eksekutif. Lembaga Pembangunan Industri Pembinaan Malaysia (CIDB)
- 8. Ahli-ahli Suruhanjaya Pelantikan Kehakiman**
- 9. Yang Arif Hakim-Hakim Mahkamah Persekutuan, Mahkamah Rayuan, Mahkamah Tinggi dan Pesuruhjaya Kehakiman**
- 10. The Honourable Mr Justice Akenhead**  
Judge, Technology and Construction Court, UK
- 11. Yang Berusaha Dato' Seri Idrus Harun**  
Peguam Cara Negara
- 12. Yang Berusaha Puan Azimah Binti Omar**  
Ketua Pendaftar, Mahkamah Persekutuan Malaysia
- 13. Yang Berusaha Mr. Christopher Leong**  
Presiden, Majlis Peguam

YBhg. Tan Sri-Tan Sri, DatoqDatoq Ladies and gentlemen,  
Members of the Media,

Assalamualaikum, Good Afternoon and Salam Satu Malaysia

1. Firstly, let me express my honour and privilege to be here in the presence of such an esteemed and distinguished audience. I would also like to record my sincere appreciation and thanks to Yang Amat Arif Tun Arifin Zakaria, Chief Justice of Malaysia for his leadership and role in recognising the importance and urgency of establishing specially designated courts to manage and deal with disputes in the construction industry.
2. Following the proposal by the Construction Industry Development Board ( CIDB ) and the Bar Council of Malaysia early last year , we have since witnessed the birth of the Construction Courts in Malaysia. The culmination of which is the establishment of two Construction Courts in Kuala Lumpur and Shah Alam. The decision to establish these specialized courts will certainly transform the way the construction industry operates in Malaysia as the relevant stakeholders will have their grievances and disputes resolved expeditiously by judges with knowledge and experiences in the construction industry. Furthermore a special construction court will spur continuous improvement in delivering high quality justice within reasonable time and cost for the industry, thus ensuring economic efficiency, growth and productivity at all levels.

Ladies and gentlemen,

3. The initiative for the establishment of the Specialized Construction Court in essence is a step forward to transform the Malaysian Construction Industry dispute resolution landscape in strengthening , supporting and operationalizing of the Construction Industry Master Plan and Construction Industry Payment and Adjudication Act 2012 ( CIPAA ).
4. I am confident the implementation of CIPAA will provide significant remedy to problems associated with protracted resolution of construction disputes, delayed payment and non-payment. Needless to say , if payment issues are resolved expeditiously, delays and defects in construction projects will be reduced tremendously and thereby ensuring greater success at all fronts.
5. As such , I am happy to announce that the implementation of CIPAA has been approved by the Cabinet and will come into force before the end of this month.

Ladies and gentlemen,

6. In this regard, I see the Specialized Construction Courts as supplementary and complementary instruments to the application of the CIPAA. This would include supporting construction arbitrations and other complex construction disputes involving multi-parties such as those involving negligence. With the advent of the construction courts,

specialist construction judges will be able to dispose of cases with greater efficiency .

7. As we are readily aware, delays and expenses usually associated with construction cases are technical and complex in nature. Notwithstanding the above, it is undisputable that if all disputes through the construction courts which understand and support the adjudication process can now be resolved expeditiously. The affected parties can then focus on developing the industry rather than being bogged down by protracted disputes which are unproductive.
8. A more efficient dispute resolution scheme will benefit the whole industry and evidently CIDB records show that private sector investments exceeds 80% of the total volume of construction works. Hence, with better cash flow, timely and quality compliant delivery of construction projects, there will be noticeable impact on the construction industry which in turn will bring positive benefits to the national economy.

Ladies and gentlemen,

9. The establishment of the two specialised construction courts allows for a more comprehensive, effective and efficient judicial system for disputes in the construction industry. With this, we now have the complete judicial process of (i) statutory construction adjudication, (ii) construction arbitration, and (iii) litigation through specialist construction courts which will enable all disputes to be resolved systematically.

10. Moving forward, CIDB has formed a special unit to track and analyse all cases brought to the construction courts to establish the common causes of disputes within the industry in the view that these findings can help us improve our construction practices and to avoid or reduce construction disputes.
11. The new unit will also enable CIDB to get a more accurate insight on issues specific to the Malaysian construction industry and allow the Ministry of Works to formulate strategies and policies that will improve the construction industry best practices in ensuring us to be more resilient and competitive in this globalized economy.

Ladies and gentlemen,

12. As we are gathered here for the inauguration of the first two Construction Courts in Malaysia, I would like to once again thank Yang Amat Arif Tun Arifin Zakaria, Chief Justice of Malaysia for his vision and farsightedness in proactively and decisively making this a reality.
13. In conclusion, I believe the establishment of the Construction Courts in Malaysia will lead us to greater efficiency and effectiveness in transforming and propelling our country to greater heights in achieving our aspiration of high income status by 2020.

Thank You.