

OPENING SPEECH
BY
THE PRIME MINISTER OF MALAYSIA

IN CONJUNCTION WITH
INTERNATIONAL CONSTRUCTION WEEK 2016
12 APRIL 2016
KUALA LUMPUR CONVENTION CENTRE, KL

DRIVING PRODUCTIVITY IN CONSTRUCTION

Yang Berhormat Datuk Rosnah Abdul Rashid Shirlin
Deputy Minister of Works Malaysia

Your Excellencies Ambassadors and High Commissioners

CEOs and Captains of Industry, members of the media
Distinguished Guests, Ladies and Gentlemen

Assalamualaikum WBT, Selamat Sejahtera, Salam 1Malaysia
and good morning.

1. It is with great honour and pleasure for me to be here with you at the *International Construction Week 2016* (ICW 2016) which I am pleased to note that the ICW series has firmly established itself as the premier event for the construction industry in the region. The ICW 2016 has once again successfully drawn huge interest and participation which is testament of its popularity and reputation amongst construction industry players.
2. The construction industry is recognised as a prime economic mover in Malaysia and is projected to remain robust in 2016 with high investments in infrastructure projects from both the public and private sectors. This will

continue to drive double-digit growth in the industry and is expected to grow by at least 10.3 per cent annually in contributing approximately RM327 billion or 5.5 per cent of the GDP by 2020.

3. This encouraging growth is largely contributed by several high impact projects of the Government's initiatives under the 11th Malaysia Plan such as the Pan Borneo Highway, Central Spine Road, West Coast Highway, Klang Valley Mass Rapid Transit, Refinery and Petrochemical Integrated Development (RAPID) and Light Rail Transit 3 (LRT3).

Ladies and Gentlemen

4. In recognising the need to transform the construction industry in order to support the thrusts and strategies of the 11th Malaysia Plan, the Ministry of Works through the Construction Industry Development Board (CIDB) proactively formulated the Construction Industry Transformation Program (CITP) to address the expectations of the national agenda.
5. The CITP which sets important goals and milestones to bring Malaysia's construction industry to the next level

aims to transform the construction industry by enhancing knowledge content, driving productivity, fostering sustainable practices and increasing global competitiveness. These includes creating and enforcing the highest standards of quality, safety and professionalism in the construction industry by generating high-skilled jobs and opportunities for Malaysian youth and SMEs in reducing the reliance on low-skilled foreign labour and instituting more environmentally sustainable practices throughout the industry.

6. Raising the productivity of the construction industry is one of the 4 strategic thrusts under the CITP which is underpinned by 3 drivers namely workforce, technology and process. These entails in workforce as the driver for human capital improvement by increasing output per worker, technology as the driver for increasing production and efficiency and process as the driver for increasing efficiency and effectiveness in the planning and management of construction methodologies.
7. As such, the CITP offers tremendous opportunities to increase the reach, effectiveness and comprehensiveness of training and development to raise it to world class levels which will benefit all industry players. In addition to this,

the CITP's aspiration to increase productivity encompasses enhancing knowledge content by increasing the quality of human capital and accelerating capabilities and capacities in building SMEs as well as reducing the mismatch between labour demand and supply.

Ladies and Gentlemen,

8. Apart from infrastructure projects, the closest thing to people's heart is housing as every family needs a decent and affordable home of good quality. The availability of affordable housing will have an overall positive spillover on communities at all levels and contribute towards family stability, economic security and a strong foundation for our childrens' educational stability.
9. Towards this end, the Government will continue to play a strategic role in creating an enabling environment to promote private sector participation in the development of affordable homes by focusing on increasing affordability and accessibility of good quality homes for the low and middle-income households.
10. Under the 11th Malaysia Plan, the Government plans to make affordable homes available through initiatives such as

the Program Bantuan Rumah (PBR), Program Perumahan Rakyat (PPR), Rumah Mesra Rakyat 1Malaysia (RMR1M), Perumahan Rakyat 1Malaysia (PR1MA), Rumah Wilayah Persekutuan (RUMAWIP) and also Perumahan Penjawat Awam 1Malaysia (PPA1M) with 653,000 of these homes to be built for the public. However, we are aware that this is an ambitious target and would require us to adopt new technologies and construction methods in achieving the said goals.

Ladies and Gentlemen,

11. At this juncture, I must commend CIDB for organising the Industrialized Building Systems (IBS) Housing Expo in conjunction with ICW 2016 which showcases the different technologies, products and services available for developers to leverage in building affordable housing using IBS.
12. The IBS construction method which uses building components that are prefabricated in factories and installed at sites has proven to speed up the construction process resulting in lower labour costs. By using IBS components produced in controlled environments, we can

ensure that all the building components conforms to stringent quality assurance requirements.

13. Furthermore, IBS is the ideal building system that will promote environmental sustainability which results in less wastage of materials compared to conventional method of construction. It is also the construction method of choice when it comes to enhancing worker safety and working conditions by reducing accidents and fatalities at work sites.
14. The implementation of IBS in the construction industry will also reduce the number of unskilled labour in the country and focus on prefabricated and modular construction, a move which will encourage more locals to join the construction industry as skilled workers, IBS components installer and machine operators.
15. I believe IBS is the future of the construction industry and it is timely that the industry embrace it whole-heartedly for us to make the quantum leap in attaining developed nation status by 2020. By this, the Government has made it mandatory for all Government projects costing RM10

million and above and private sector projects costing RM50 million and above to achieve the 70 IBS score.

Ladies and Gentlemen,

16. These are exciting times for the industry and the opportunities to enhance productivity in the construction industry are vast. We must fervently embrace innovation in driving productivity for the construction industry in line with the theme of ICW 2016 which I believe can be acquired through the conferences, seminars as well as the exhibition which offers ideas, solutions and products for the construction industry.
17. To our foreign guests, participants and delegates, I invite you to seek partnerships and alliances with Malaysian companies to pursue ventures not only in Malaysia but also in the region by tapping on each other's core competencies. I am hopeful that you will all benefit from this meeting of minds with market of ideas and opportunities that will lead to better collaboration among industry players in Malaysia and the region.
18. On that note, it is with great pleasure that I now declare the International Construction Week 2016 open.

Thank you.