

Opening Address
YB Dato' Sri Haji Fadillah Bin Haji Yusof
Minister of Works

IBS Seminar 2018

Theme:
***“Enhancement of Productivity through
Smart Construction Technologies”***

28 March 2018
CIDB Convention Centre

Members of the media,

Fellow construction industry professionals,

Our distinguished guests from abroad,

Ladies and gentlemen,

Assalamualaikum WarahmatuLLahi Wabarakatuh, Salam Sejahtera, Salam Negaraku Malaysia and a very good morning to all of you here today.

2. I am pleased to be here this morning to officiate the Industrialised Building System or in short IBS Seminar 2018, which is held in conjunction with the International Construction Week 2018 or ICW 2018 hosted by Ministry of Works, through the CIDB and our long-time partner, Master Builders Association Malaysia (MBAM).

3. I wish to take this opportunity to thank the Master Builders Association Malaysia, for its continued support over the years and for sharing the same aspirations as the Ministry of Works and CIDB in transforming the construction industry in Malaysia.

4. I would also like to take this opportunity to welcome all international delegates to Malaysia. “Selamat Datang” and Welcome to Malaysia.

Ladies and gentlemen,

5. The theme of the IBS seminar 2018, ‘**Enhancement of Productivity through Smart Construction Technologies**’ is apt and timely because smart technologies have provided the construction industry with numerous opportunities to upskill the workforce, improve quality, safety and accelerate productivity. This is evident through the next generation of technology making in-roads into the construction industry today, such as advanced sensors, machine-to-machine communication links, 3D printing, robotics, artificial intelligence, big data analytics and cloud computing technology.

6. With the Malaysian construction industry growing at a rapid speed, driven by high impact and complex mega infrastructure projects across the country, it is clear that we

need to modernise the construction industry to improve productivity and to ensure our competitiveness at the international level.

7. The use of advanced technologies is the way forward and we cannot afford to be left behind as Industry Revolution 4.0 continues to take shape around us as well as across the entire construction value chain. Simply put - if we do not change, we will not grow, and when we do not grow, we will be left behind.

Ladies and gentlemen,

8. In fact, many international construction players adopt and adapt advanced technologies and modern processes into the way they conduct businesses, and their successes can be seen through the speed and complexity of the projects that they produce. Certainly, none of this could have been achieved without the use of modern construction technologies such as IBS and Building Information Modelling (BIM).

Ladies and gentlemen,

9. The Ministry of Works, through CIDB, has developed the Construction Industry Transformation Programme 2016-2020, or CITP. The CITP, launched by YAB Dato' Sri Mohd Najib Tun Abdul Razak, our Prime Minister on 10th September 2015. The CITP acts as a national blueprint to guide the transformation of

the construction industry through four strategic thrusts: Quality, Safety and Professionalism, Environmental Sustainability, Productivity and Internationalisation. For the purposes of the IBS Seminar today, I will focus on the Productivity strategic thrust.

10. Under the Productivity strategic thrust, accelerating the adoption of IBS has been identified as one of the key drivers of change, this supports the CITP's ultimate goal of more than doubling the productivity per worker in Malaysia by 2020. Currently, the productivity per worker in construction industry in 2016 is RM40,018.00, which is a significant increase from RM22,464.00 per worker in 2011.

Ladies and gentlemen,

11. Thus, to accelerate the adoption of IBS in the country, several of CITP's key initiatives have been undertaken to increase awareness on the benefits of IBS. It must be mentioned that the initiatives introduced cover the entire construction ecosystem, involving both the public and private sectors, different levels of authorities as well as different sizes of industry players, to ensure that IBS awareness and adoption is understood and realised across the entire construction value chain. These initiatives include:

- Drive scale of IBS adoption via public sector projects;
- Drive scale of IBS adoption via private sector projects;
- Drive scale for public – private collaboration to accelerate IBS implementation; and
- Propel IBS supply chain via economic mechanisms.

Ladies and gentlemen,

12. I would like to take this opportunity to highlight some of the notable milestones achieved on the IBS front in Malaysia. As a part of the initiative to drive scale of IBS adoption through public sector projects, the Government of Malaysia, since 2008, has mandated that all public projects worth above RM10 million must adopt IBS and achieve a minimum IBS score of 70.

13. I am pleased to share that, as of June 2017, it was reported by the Implementation Coordination Unit of the Prime Minister's Department, that 77.8% of public projects, or 1,113 out of 1,431 public projects, have adopted IBS and have successfully achieved an IBS score of 70. Moreover, the number of public projects that complied with IBS requirements has increased and I am confident that this will continue to grow

further in the years to come.

14. In addition to this, the Public Works Department (PWD) has created 130 IBS Pre-Approved Plans, or PAPs, that are in compliance with IBS and modular coordination requirements. The PAPs created by the Public Works Department covers 19 categories of building models, including those for schools, hospitals, offices, and mosques, to name a few. This is to ensure that IBS can be implemented for a wide range of projects and buildings.

15. Separately, the Public Works Department and CIDB have also produced the “IBS Component Catalogue for Precast Concrete Building Systems” in 2017 to provide the industry with key information and details of precast concrete components and suppliers in the country. This is a part of the efforts to develop an environment that is IBS ready.

16. To date, CIDB has registered 264 IBS manufacturers and have trained 1,963 construction professionals in IBS and modular coordination. Additionally, there are 8,087 IBS contractors and 8,572 IBS installers who have registered with CIDB. This is a clear indication that Malaysia is ready and has the capabilities to further harness the opportunities that comes with IBS. Indeed, this are exciting times for the construction industry in Malaysia as IBS starts to gain more

traction.

Ladies and gentlemen,

17. On the initiatives put in place to drive scale of IBS adoption through the private sector, IBS has been made compulsory for all private projects worth above RM50 million and to achieve a minimum IBS score of 50. These mandates of High Level Committee will be implemented in stages from 2018 and to be enforced by 2020. Through these mandates, we expect to see more impact in terms of economies of scale as there are significantly more private projects compared to public projects constructed annually. For example, in 2016, private projects made up for 77.8% of the total construction projects as compared to public projects, which stood at only 22.2%.

18. Additionally, CIDB is actively engage with local authorities in the Greater Klang Valley to adopt the IBS criteria as a prerequisite in the issuance of building plan approval. It is envisioned that by mandating the use of IBS for private as well as public projects, it will drive economies of scale in the production of IBS components which will reduce the cost of IBS adoption.

19. Several economic mechanisms have also been introduced

to increase IBS acceptance and adoption in the country. These economic mechanisms include tax holidays for qualified local IBS manufacturers that was introduced in 2016 as well as import duty exemptions for heavy machinery and equipment. This is a part of the Government's commitment to provide a viable environment for IBS growth.

20. CIDB has also established CIDB MyIBS Sdn. Bhd. to assist the small and medium sized contractors in adopting IBS. CIDB MyIBS provides technical consultation and advise across the entire IBS value chain for companies that are keen to reap the benefits of IBS but have limited knowledge and experience. Recently, MyIBS signed MoU with the Kelantan Association of Housing Contractors to provide assistance and guidance for this group of small scale contractors to adopt IBS in their projects. This, along with many other initiatives, will continue to be implemented to help us steer the industry toward IBS adoption.

Ladies and gentlemen,

21. Before I conclude, I wish to once again reiterate that IBS will be the catalyst that takes Malaysia's construction industry to greater heights; and we all have our respective roles to play to make this a reality. The construction industry needs to come together, share our knowledge and resources, to ensure an

effective transformation of the industry by 2020.

22. On that note, it is with my upmost pleasure that I announce the opening of IBS Seminar 2018!

Thank you.