

Officiating Address by

Yang Berhormat
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Minister of Works

International Construction Week 2018
Opening Ceremony

Theme:
Achieving Peak Productivity

27 March 2018
Plenary Hall, Kuala Lumpur Convention Centre

Members of the media

Fellow construction industry professionals

Our distinguished guests from abroad

Ladies and gentlemen

Assalammualaikumwarahmatullalhiwabarakatuh, Salam Sejahtera,
Salam Negaraku and a very good morning to all of you.

1. It is with great honour and pleasure that I welcome all of you to the International Construction Week 2018 (ICW 2018) , the flagship event for the construction industry both in Malaysia and the region. Themed 'Achieving Peak Productivity' , I am delighted to see this prestigious

annual event growing from strength-to-strength over the years.

2. For those of you who may not be aware, ICW 2018 marks the 18th installment since its introduction in 1998 under the banner of National Construction Week.

3. I wish to commend the local and international construction fraternity for their continuous support and commitment over the years in making ICW the leading construction trade conference in Malaysia and Southeast Asia. On a personal note, I am pleased to be able to actively participate in this event as it has allowed me to reach out to industry players to feel the “pulse” and address issues affecting the construction industry.

4. To our international delegates and speakers , I wish all of you **Selamat Datang** and trust you will enjoy our Malaysian hospitality during your stay. It is indeed a privilege for us to host the leading minds of the construction industry as we look forward to learn from their experiences, knowledge and expertise. Here I would like to record my appreciation for all your commitment to share with us!

5. I would also like to convey my heartiest congratulations to the Construction Industry Development Board (CIDB) Malaysia, United Business Media (UBM), participating ministries and government agencies, sponsors as well as partners for making ICW 2018 a reality. **Syabas** for your efforts in putting together this important platform for the betterment of the construction industry both at the national and

international level.

Ladies and gentlemen,

6. The theme for ICW 2018, 'Achieving Peak Productivity' is certainly timely and befitting in view of the current trends and issues that the construction community faces, for example improving productivity, efficiency and cost-effectiveness and at the same time ensuring safety and high-quality workmanship.

7. However, I want to emphasize that increasing construction productivity is not a challenge that Malaysia faces alone but globally. It was highlighted in McKinsey Global Institute's 2017 Report which examined the root causes of poor productivity growth affecting the industry and found that the global construction industry had only achieved a 1% annual growth rate in productivity over the past 20 years. Despite the global construction industry being one of the largest in the world economy, employing 7% of the world's working population and valued at USD10 trillion, the Report also highlighted that the value of global construction is projected to hit USD14 trillion by 2025. This figure could be even higher if fundamental productivity problems can be addressed such as skills development, innovation, research and development.

8. Certainly, there are many opportunities for us to re-think and re-invent the way we conduct and construct as highlighted in McKinsey's Report. While some targets are long-term in nature, there

are plenty of actionable steps that can be taken now to improve our construction productivity. Moreover, as construction projects are becoming increasingly complex and intricate, we cannot afford to continue the 'traditional and routine' way of doing business as technology continues to enhance the way we live, work and play. In fact, one of the more immediate way we can improve construction productivity is to harness the power of mechanization, automation and smart technologies. This is particularly important in our present age and time with Industry 4.0 taking shape in the entire economic value chain.

Ladies and gentlemen,

9. By looking at the rapid growth of the manufacturing, retail and agriculture industries which have adopted smart technologies and automated their processes, it is clear that we need to modernize the construction industry by enhancing and improving our productivity levels. In a competitive environment, managing clients' expectations in construction projects have become more complex and will not be possible without the adoption of modern construction methods and processes such as the Industrialised Building Systems (IBS) and Building Information Modelling (BIM) to meet their expectations.

10. Particularly in the context of the Malaysian construction industry, I strongly encourage industry players to evolve with the times and take advantage of the technological revolution which will ultimately guarantee their competitiveness at the local and international arena.

Ladies and gentlemen,

11. The Construction Industry Transformation Programme 2016-2020 (CITP) was launched to transform the construction industry into one that is modern, highly productive, sustainable and prioritizes safety by 2020. The transformation of the industry is on-going and guided by the CITP's four strategic thrusts namely:

- Quality, Safety and Professionalism;
- Environmental Sustainability;
- Productivity;
- and Internationalization,

12. Within these four strategic thrusts, 21 initiatives has been identified to address specific challenges within the construction industry.

13. Specifically, under the Productivity strategic thrust, some of the challenges identified includes:

- Largely low-skilled workforce and mismatch in training and development;

- Limited adoption of modern practices, mechanisation and IBS;
- Limited adoption of information technology such as BIM; and
- Lack of data and information-driven decision-making in the industry.

14. Whilst the construction productivity per worker in Malaysia, have in fact, nearly doubled from RM22,464 per worker in 2011 to RM40,105 per worker in 2017, I strongly believe we can accelerate this growth even further through technology and innovation. The consistent growth in productivity per worker over the past seven years puts us in a solid position to achieve the CITP's Productivity aspiration of more than doubling productivity levels to achieve RM62,000 per worker by 2020.

15. I want to reaffirm that this growth in productivity through several strategic initiatives under the Productivity thrust includes the following:

- Investing in human capital development programmes for high-impact trades in construction.
- Accelerating the adoption of IBS, mechanization and modern practices;
- Rolling out technology such as BIM across project life-cycle.

Ladies and gentlemen,

16. On competency development, CIDB has produced 1,446 on-the-job apprenticeship in various trades. As it stands, by the end of 2017, 155,188 construction personnel has been trained in skills, supervisory and management, against the 215,000 target for 2020. Apart from enhancing the skills of local construction personnel, CIDB also embarked to establish construction skill assessment centers in major foreign worker source countries with 30 such centers established in countries such as Bangladesh, India, Pakistan, China, Indonesia, Myanmar, Thailand and Vietnam.

17. In IBS adoption and implementation, among our key achievements are 130 pre-approved plans which complies to IBS design created by the Public Works Department (PWD). Similarly, CIDB has registered 264 IBS manufacturers and trained 1963 professionals in IBS and modular coordination. In order to further assist the industry, especially the small and medium sized contractors in adopting IBS, CIDB has established MyIBS Sdn Bhd which will provide technical consultation and advisory across the entire IBS value chain for companies which are keen to reap the benefits of IBS but have limited knowledge and experience. Recently, MyIBS signed a MoU with the Persatuan Kontraktor Perumahan Kelantan to provide consultancy and guidance to adopt IBS in their projects. It is heartening to see the new generation of industry players placing emphasis on IBS who

have proactively conducted research and development into IBS on their own accord.

18. I was informed during the first day of the International Construction Transformation Conference (ICTC) yesterday that participants had the privilege of listening to Mr Zhang Yue who's company built a 30-storey building in 15 days, and subsequently broke his own record by constructing a 57 story building in 19 days. None of these achievements of the Broad Group of China led by Mr Zhang Yue could have been possible without the use of the latest technologies encompassing innovation, IBS and BIM.

19. In Malaysia, we are assisting and encouraging the construction industry to adopt BIM through CIDB's initiative by setting up the MyBIM Centre which provides facilities for BIM training and usage. In addition, an online BIM object library has been established which currently provide access to 829 IBS component and 6000 medical component which can be downloaded and used by designers. With the establishment of MyBIM Centre, the benefits of BIM are well within reach of our industry players and I urge all of you to make full use of it. To- date, more than 1,300 professionals has been trained and accredited with the early adopters of BIM including the National Cancer Institute, Malaysian Anti-Corruption Commission , Kuala Lumpur Sports City , Educity Sports Complex , and Ancasa Hotel, just to name a few.

Ladies and gentlemen,

20. With the increase in productivity, the ultimate goals of the CITP is to produce industry players which are at par with their counterparts in developed nations. I am happy that we will be recognising companies which has the criteria in becoming a top player locally and internationally later in the event. These are companies which have achieved the coveted Five Star SCORE awards, a scoring system developed by CIDB and SME Corp to measure the capability and capacity of local contractors. Notably, there are seven parameters which are measured in SCORE namely: business performance, financial capabilities, technical capabilities, production capability, innovation, quality systems and management capabilities. Undoubtedly, SCORE is a strategic initiative to enhance healthy competition among contractors and enable companies to identify their level of performance and growth. Undoubtedly, achieving a 5-star score rating and to maintain it every year is no easy feat and hence I would like to congratulate all top scorers who will be recognized with the hope that even more companies will join them in achieving a high score rating, in the future.

21. As such, I fervently urge the Malaysian construction industry to continuously lead by example and propel Malaysia's construction industry to be the world's next great productivity story.

22. Before I conclude, let me once again congratulate the organizers, partners and supporters of ICW 2018 for putting up such a spectacular show. Let us look forward in expanding ICW and move it to greater

heights as a global event.

23. On that note, it is with great pleasure that I now declare the International Construction Week 2018 open.

Thank you.

Wabillahitaufik Walhidayah Wassalamulaikum Warahmatullahi
Wabarakatuh.