

MEDIA RELEASE

PUBLIC SECTOR LEADS IN IBS ADOPTION

IBS adoption rate sees threefold increase in five years from 24% to 81%

KUCHING, 1 October, 2019 - The **Construction Industry Development Board Malaysia (CIDB)** today revealed that the public sector is leading the way in the adoption of Industrialised Building Systems (IBS), seeing a more than threefold increase in adoption rate, **from 24% in 2014, to 81% as of June 2019**. This significant achievement is a testimony to the Government's commitment to boost construction productivity and efficiency, in line with the **Construction Industry Transformation Programme (CITP) 2016-2020**.

The announcement was made at a Townhall for Bumiputera IBS contractors organised by CIDB Malaysia, with the theme of "The Way Forward for IBS in Sarawak". The Townhall was officiated by **Datuk Ir. Ahmad 'Asri Bin Abdul Hamid, Chief Executive of CIDB Malaysia**. Also present was **Datuk Ir. Elias Ismail, Senior General Manager (Technology Development Sector) of CIDB Malaysia**.

"IBS, a modern construction method and technology, will be the catalyst that takes Malaysia's construction industry to greater heights. It has been identified as a key driver of the Productivity strategic thrust of the CITP, which is the national blueprint to transform the Malaysian construction industry to be highly productive, environmentally sustainable, with globally competitive players while focused on safety and quality standards," said **Datuk Ir. Ahmad 'Asri Bin Abdul Hamid, Chief Executive of CIDB Malaysia**.

"Moreover, IBS is especially important for the state of Sarawak, as when the local construction industry modernises to improve its productivity with commensurate wages, it will be able to attract skilled local workers. This would have wide ranging socio-economic benefits as it could stem the out-migration of youths and help spur the local economy of the state," he added.

Under its Productivity strategic thrust, the CITP aims to achieve more than 2.5 times increase in industry productivity by year 2020 at RM 62,000 per capita worker per year. This is from the baseline productivity of RM 22,464 per capita worker per year in 2011.

Since 2008, all public projects worth above RM10 million must adopt IBS and achieve a minimum IBS score of 70. Whereas, IBS has been made compulsory for all private projects worth above RM50 million and to achieve a minimum IBS score of 50. As of 2019, 35% of private projects have achieved IBS scores above 80.

However, it is important to note that there are significantly more private projects compared to public projects constructed annually. As such, there is a need to drive the scale of IBS adoption in the private sector. To do this, several initiatives have been put in place by the Government through the Ministry of Works, CIDB and other relevant agencies.

For instance, several economic mechanisms have been introduced to increase IBS acceptance and adoption in the country, including the introduction of tax holidays for qualified local IBS manufacturers in 2016, as well as import duty exemptions for heavy machinery and equipment.

CIDB has also established CIDB IBS Sdn Bhd to assist small and medium sized contractors in adopting IBS by providing technical consultation and advice across the entire IBS value chain.

“IBS presents many benefits for the construction industry, such as a shorter time frame to completion; more cost-efficiency and higher productivity, enhanced quality of work, and reduced impact to the natural environment. CIDB opens its doors to work together with industry players and stakeholders, as we gain more confidence to adopt the IBS methodology, and work towards finding a solution to issues that are standing in the way of meaningful and necessary change,” concluded **Datuk Ir. Elias Ismail**.

As of August 2019, CIDB has registered 300 IBS manufacturers and have trained 5,502 construction professionals in IBS and modular coordination. Additionally, 12,315 IBS contractors and 9,076 IBS installers have registered with CIDB.

For more information, please visit: www.cidb.gov.my

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About CIDB Malaysia

The Construction Industry Development Board was established under the Construction Industry Development Act (Act 520) to develop the Capacity and Capability of the Construction Industry through Enhancement of Quality and Productivity by Placing Great Emphasis on Professionalism, Innovation and Knowledge in the Endeavour to Improve the Quality of Life.

For media enquiries, please contact:

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NagaDDB Tribal

<i>Kristine Yap</i>	kristine.yap@nagaddbtribal.com.my	<i>017 – 333 3637</i>
<i>Putri Adlina</i>	putri.adlina@nagaddbtribal.com.my	<i>013 – 357 9055</i>

For industry-related enquiries/feedback, please contact:

CIDB Careline *1300 88 CIDB (2432)*