

MEDIA STATEMENT

For immediate release

CONSTRUCTION PRODUCTIVITY INCREASED BY 60% UNDER THE CITP

Among the Successes Under the Five-Year Transformation Plan are Significant Positive Change in Safety and Health, Quality, and Professionalism

KUALA LUMPUR, 4 March 2021 - The Construction Industry Development Board Malaysia (CIDB) presented the Construction Industry Transformation Programme (CITP) 2016 – 2020 report card to the Ministry of Works at the CITP Ministerial Committee meeting earlier today. The report card revealed that the 5-year programme had resulted in significant positive changes occurring in the industry across the CITP's four strategic thrusts, namely Quality, Safety and Professionalism; Environmental Sustainability; Productivity; and Internationalisation & Competitiveness, with significant gains in productivity.

As a key economic sector of the nation with far reaching multiplier effects, the government through the Ministry of Works developed the CITP to enable sector-wide transformation, in order to ensure the industry remains productive, resilient and sustainable, the CITP was intended to achieve strategic results or Intermediate End-States of the Malaysian construction industry.

Overall, the CITP report card revealed that the Plan achieved a success rate of 90% or more across in its numerous initiatives under its four strategic thrusts from January 2016 to December 2020. The Quality, Safety and Professionalism strategic thrust achieved 90% of its initiatives, the Environmental Sustainability strategic thrust achieved 90%, the Productivity strategic thrust achieved 93%, while the Internationalisation & Competitiveness strategic thrust achieved 91%.

"The CITP is a detailed programme driven by the Ministry of Works through CIDB Malaysia. The ambitious 5-year plan was introduced to transform the Malaysian construction industry into one that is highly productive, sustainable and world-class by 2020. Throughout the 5-year plan, CIDB collaborated closely with all industry stakeholders in the private and public sectors to address the industry's issues to approach transformation holistically. CIDB worked closely with 17 ministries, 20

government agencies and 20 construction industry associations in a coordinated effort,” said Datuk Ir. Ahmad ‘Asri Abdul Hamid, Chief Executive of CIDB Malaysia.

The total expenditure for implementing the CITP was RM760.6 million. Of that total, CIDB contributed RM699 million or 92%, and the Economic Planning Unit (EPU) contributed RM61.6 million or 8%. Of this total, the majority was spent on efforts under the Productivity strategic thrust of the CITP.

Raising the productivity of the construction industry is a key priority and technology had been identified as the main driver of transformation. At the end of the 5-year CITP, the productivity level of general construction workers rose from RM27,000 per worker in 2014 to RM45,000 in 2020.

To boost the industry’s productivity rate, several measures had been introduced in CITP to facilitate the industry’s transition from a labour-intensive sector to one based on technology. A key initiative is to promote and regulate the use of the Industrialised Building System, or IBS, which allows for shorter project completion timelines and enhanced quality of work. The use of IBS has risen from 24% in public sector projects in 2014 to 87% in 2020, and from 14% in private sector projects in 2014 to 41% in 2020.

Building Information Modelling, or BIM is one of the important technologies to enable efficient and effective life cycle management of the built environment which will improve the productivity and sustainability of a construction project. Several measures have been taken to facilitate the adoption of BIM in the industry. These include the setting up of CIDB’s myBIM Centre as a one-stop reference, support, services and capacity building centre. In 2015, approval of building plans took 7-14 days to process. Under the CITP, the National BIM e-submission (NBeS) was established which shortened to process to 24-48 hours in 2020.

To create a more quality-conscious culture in the construction industry, CIDB introduced several measurements for Quality, Safety and Professionalism which were developed in collaboration with industry stakeholders. One of them is the Quality Assessment System in Construction, or QLASSIC, which assesses contractor workmanship, as well as provide broader quality assurance for construction of buildings. The average QLASSIC score of construction projects rose from 69% in 2014 to 72% in 2020 after the CITP, with the highest score being 90% - the highest ever achieved since QLASSIC was introduced.

Among the many game-changing policies and regulations introduced under the CITP are the National Affordable Housing Policy launched by the Ministry of Housing and Local Government which requires QLASSIC certification for projects under its banner, Act 446 (Amendment) 2019 on Workers’ Minimum Standards of Housing and Amenities, as well as two new regulations under for construction waste Solid Waste

and Public Cleansing Management Act 2007 (Act 672) and the soon to be gazetted Guidelines on Occupational Safety and Health in Construction Industry (Management) (OSHCIM). The National Affordable Housing Policy also incorporates the CIDB-developed Standard Perumahan Kebangsaan (CIS 26:2019).

Many other policies, standards, guidelines, tools, and regulations, were introduced under the CITP which ushered in improvements in standards and practices of the construction sector across the four strategic thrusts of the CITP. Additionally, CIDB created numerous measures to further facilitate the industry players participation in the transformation process. These include databases, websites and other digital tools, courses and certifications, as well as industry transformation incubators such as CIDB's "myBIM Centre", the country's first one-stop resource hub to promote the use of BIM systems amongst construction industry players.

Together, this strategic and holistic approach has resulted in an overall improvement in the Malaysian construction industry's culture and laid the foundation for longer-term transformation.

"While the CITP has achieved significant results, CIDB is now looking forward to the future to ensure that the Malaysian construction industry continues to adapt to the times. Post CITP, CIDB will be focusing our efforts on several areas to further improve as part of our overall strategy to remain at the forefront," explained Datuk Ahmad 'Asri.

CIDB will be continuing its efforts to raise construction quality, improve the standards of the working environment, including the standards of occupational safety and health (OSH) and worker amenities, as well as control the rate of construction and demolition (C&D) waste materials being generated.

Other areas that CIDB will be focusing on is raising the productivity rate of construction industry, which still lags behind other industries in the nation. The adoption of IBS has been identified as a key game-changer in this effort, as it is projected that this will be able to raise the productivity of the industry from 2.3 sq. ft. per man-day with conventional methods compared to 10.4 sq. ft. per man-day with IBS. Other priorities include reducing the carbon footprint of construction projects, and increasing participation of local talent in the construction industry, which includes changing certain negative perceptions of the industry.

"The CITP had set the platform for transforming the Malaysian construction industry until 2020. However, as the body mandated to transform the construction industry in Malaysia, CIDB cannot rest on our laurels. We are constantly reviewing the issues in the construction industry that still needs to be addressed. Post-CITP, these issues are comprehensively addressed in the 12th Malaysia Plan, the National Construction Policy (NCP) 2030, and the Shared Prosperity Vision 2030, which will provide the framework for our efforts moving forward" said Datuk Ahmad 'Asri.

“Moreover, we are mindful of the recent socio-economic developments including the impact from the COVID-19 pandemic. All these external challenges and new economic reality that is occurring in the construction industry around the world, underscore the importance for us to step up our game including embracing digital and new technologies. CIDB is committed to continue working closely with industry stakeholders to continue transformation process and instil a future-proof culture in the Malaysian construction industry. Ultimately, our goal is to elevate the Malaysian construction industry into one that is more competitive, productive and resilient beyond 2020,” concluded Datuk Ahmad ‘Asri.

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.
