



**LAUNCHING CEREMONY OF STRATEGIC ECOSYSTEM VENDOR  
DEVELOPMENT PROGRAM (VDP) FOR CONSTRUCTION INDUSTRY  
(IBS CLUSTER)**

**BY**

**YBHG. DATO' SERI AZMAN BIN IBRAHIM  
SECRETARY GENERAL, MINISTRY OF WORKS**

**DURING**

**BINA: IBS CONFERENCE 2024  
IN CONJUNCTION WITH INTERNATIONAL CONSTRUCTION WEEK  
(ICW) 2024**

**AT**

**NOVEL HALL, LEVEL 1A, MITEC, KUALA LUMPUR  
22 OCTOBER 2024 (TUESDAY)**

## **SALUTATIONS**

### **1) YBhg. Dato' Sr. Mohd Zaid Zakaria**

Chief Executive,

Construction Industry Development Board Malaysia (CIDB)

### **2) YBrs. Ir. Ts. Zuraihi Abdul Ghani**

Chief Executive Officer, CIDB IBS Sdn. Bhd.

Distinguished dignitaries, esteemed leaders of the construction industry, and honourable members of the audience.

**Assalamu'alaikum warahmatullahi wabarakatuh.**

**Salam Sejahtera, Salam Perpaduan, Salam Malaysia Madani.**

1. I extend my heartfelt gratitude for the warm welcome. It is an immense honour to stand before you at this prestigious event, BINA: IBS Conference 2024 organised by CIDB IBS in conjunction with International Construction Week (ICW) and BuildXpo 2024.

2. On this remarkable occasion, I would like to extend my appreciation to representatives from Ministries, Federal and State Government Departments & Agencies; esteemed audience of professionals and builders in the construction industry. Your presence here today speaks volumes about your unwavering dedication to propelling Malaysia forward and marks a key milestone for Malaysia's construction industry.

## Introduction

Distinguished guests, ladies and gentlemen,

3. The construction industry serves as a backbone of national development, serving as a critical catalyst for economic transformation. It plays a multifaceted role in shaping the nation's infrastructure, spurring growth across sectors such as manufacturing, technology, and services. The ripple effects of each construction project contribute to the overall vitality and prosperity of our economy, providing opportunities for businesses to thrive, entrepreneurs to invest, and communities to flourish.

4. This dynamic role is underpinned by the **National Construction Policy (NCP) 2030**, which outlines the construction sector's integral role in driving high-impact technology-driven for project development. The launch of the **Strategic Ecosystem Vendor Development Program (VDP) for the IBS Cluster** today aligns perfectly with this policy, as it fosters innovation, efficiency, and sustainability in construction; ensuring that we remain on track toward achieving Malaysia **MADANI's vision**.

## Growth of the Industrialised Building System (IBS)

5. The Industrialised Building System (IBS) is a game-changer in Malaysia's construction sector. It represents a shift from traditional construction methods to more efficient, sustainable, and innovative practices. With modular and prefabricated components, it shall reduce construction time, enhances quality, and minimizes waste, which is essential

in our efforts to meet the goals of low-carbon growth as outlined in the **Twelfth Malaysia Plan (2021-2025)**.

6. At this juncture, in driving the transformation of the construction industry towards the adoption of modern technologies such as IBS, the Government consistently takes a serious approach in ensuring that capacity development, infrastructure, and holistic facilities are aligned with the modernization landscape of the world. This approach also includes outlining the direction of policies, especially in the application of modern construction technologies.

#### *IBS Enforcement through Government Policy*

7. Industrialised Building System (IBS), is clearly one of the modern construction technologies that can have a significant and comprehensive impact on the development of the nation's construction industry. This is because the implementation of IBS can fundamentally contribute to three (3) aspects outlined in the **Core Values of Malaysia MADANI: Sustainability; Well-being; and Innovation**.

8. Therefore, I would like to state here that during the *Cabinet Retreat* on January 18, 2024, the Ministry of Works (KKR) outlined five (5) initiatives and made them part of the “**Pledge of Result**” under the **Malaysia MADANI Strategic Framework (KSMM)**. One of these initiatives is to expand the use of technology in construction through **IBS and BIM training programs**.

9. Building on this target, KKR also aims to maximize the use of IBS by setting a target of **at least 70 IBS score** for both Government and Private sector projects. This aligns with the Government's directive to mandate the implementation of IBS for construction projects that meet the criteria as outlined in the **Treasury Circular PK 1.10** for Government projects, and the latest **Circular of the Secretary General of the Ministry of Housing and Local Government (KPKT)** Number 4/2024, which was newly enforced on July 10, 2024, for Private projects.

*Strategic Ecosystem Vendor Development Program (VDP)*

10. To support this direction in mandating the implementation of IBS, the need for a strategic ecosystem network, particularly in the aspects of building material supply and skilled labor, must be strengthened. This is in line with the purpose of developing the Strategic Ecosystem Vendor Development Program (VDP) for Construction Industry (IBS Cluster), which aims to become a strategic mechanism to comprehensively meet the needs of IBS ecosystem as a whole; especially on Supply and Demand side.

11. This program's emphasis on **collaboration, mentorship, and partnerships** ensures that our local players are well-positioned to take advantage of opportunities provided by the **National Construction Policy** and the **MADANI Economic Framework**.

12. Importantly, the **Strategic Ecosystem VDP** is not just a developmental initiative- it is a long-term strategy designed to empower local IBS contractors and manufacturers by providing them with the necessary tools, resources, and knowledge to compete on both local and global stages.

## Modern Construction Transformation

Ladies and gentlemen,

13. The government has long recognized the need to create a sustainable and resilient construction sector. This vision is supported through various national policies, including the Construction 4.0 Strategic Plan (2021-2025), which underscores the importance of innovation and sustainability in the industry. The Strategic Ecosystem VDP complements this by supporting local vendors through training, funding, and strategic collaboration.

14. By this approach, it will express fair and transparent practices hence, creating more opportunities for local vendors to participate in significant government-led construction projects. This is in-line with the direction of 13th Malaysia Plan (13MP) by propelling the vendors for any opportunity to grow and contribute to the key infrastructure projects which emphasis on modern construction methods.

## *The Importance of Strategic Partnerships and Collaboration*

15. I would also like to inform that the collaboration between various parties, including the Ministry of Entrepreneur Development and Cooperatives (KUSKOP), the Ministry of Housing and Local Government (KPKT), Majlis Amanah Rakyat (MARA), the Malaysian Investment Development Authority (MIDA), PR1MA Corporation Malaysia, MGB Berhad, IJM Corporation Berhad, PMB Tijari Berhad, SP Setia Berhad, Mutual Premium Sdn. Bhd., Precast Engineering Sdn. Bhd., and others, has been instrumental in the success of this program.

16. With this collaboration, it's not only strengthened the ecosystem but also ensures commendable approach to further stimulate the local economy by fostering a viable and sustainable construction industry revolution, in line with the vision of the National Construction Policy (NCP) 2030, which is "Digitalizing the Construction Sector" to drive the industry towards a more progressive and innovative future by 2030.

17. Together, these efforts shall serve as a catalyst, igniting a spark of innovation and energy that propels the development of local talent in the construction industry.

### Direction of Vendor Development Program (VDP)

18. In efforts to advance the construction industry, the Government is highly committed to empowering the local workforce, implementing training and professional development, construction technology innovation, and ensuring compliance with safety standards. This is prioritized to benefit the people and, at the same time, drive the construction sector to become more innovative and competitive in both local and global markets.

19. This will simultaneously propel the construction industry forward, ensuring it is always prepared to face the new era of construction, particularly in adapting emerging technologies as outlined in the Construction Strategic Plan 4.0 (2021-2025).

### Closing

Distinguished guests, ladies and gentlemen,

20. Before I conclude this speech, I would once again like to extend my congratulations and gratitude to all parties involved, whether directly or indirectly, in making the development of the Strategic Ecosystem VDP for IBS Cluster a reality. I am confident that the outcome of everyone's efforts in making this program a success will mark marks a new beginning for Malaysia's construction industry and serve as a leap forward for the development of our nation.



21. On the last note, with Bismillahirrahmanirrahim, I officially launch the Strategic Ecosystem Vendor Development Program (VDP) for the IBS Cluster.

Thank you. Wabbilhitaufiq Walhidayah Wasalamualikum Warahmatullahi Wabarakatuh.