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# Embrace change, contractors told

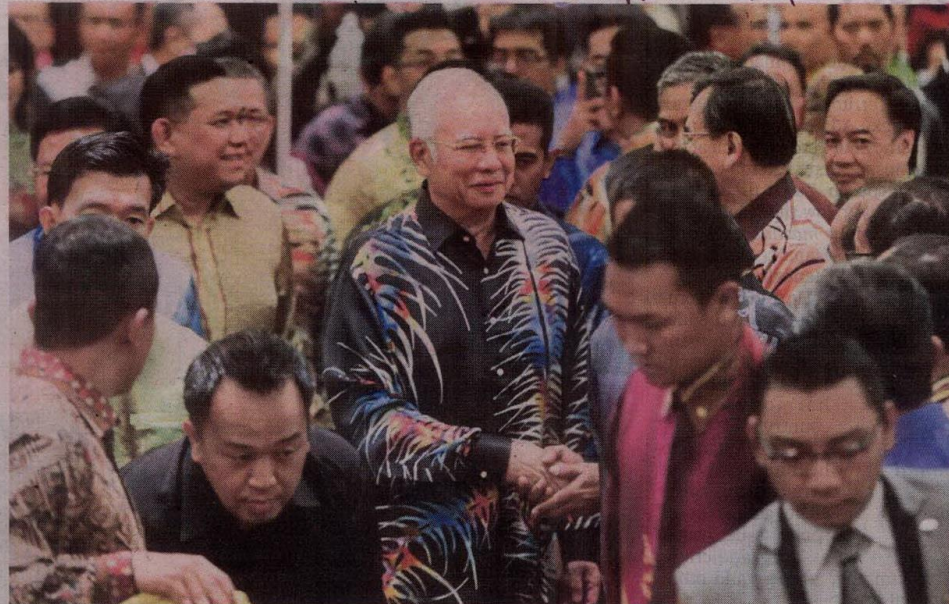
**4 STRATEGIES:** Take advantage of innovation, new tech, says Najib

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**B**UMIPUTERA contractors should look for innovations and new technologies to enhance their competitiveness both domestically and globally.

Prime Minister Datuk Seri Najib Razak said contractors should reduce their dependency on foreign labour, use the latest technology and adopt good business practices.

"In transforming the construction sector, the government has outlined four strategies, namely, improving knowledge through quality improvement of human capital and strengthening of capacity among small and medium enterprises (SMEs) and Bumiputera contractors; driving productivity through usage of technology and modernisation of construction methods; encouraging sustainable practices in construction value network; and, increasing internalisation through capacity development for construction companies for exports," he said at the 36th annual general meeting of the Malay



**Prime Minister Datuk Seri Najib Razak** greeting attendees of the **Malay Contractors Association of Malaysia's annual general meeting** in Kuala Lumpur yesterday. Pic by Asyraf Hamzah

Contractors Association of Malaysia (PKMM) here yesterday.

He said under the 11th Malaysia Plan, the government had projected a 10.3 per cent growth for the construction sector that would contribute RM327 billion, or 5.5 per cent, of gross domestic product by 2020.

He said between 2011 and last

year, more than 29,000 construction projects valued at RM470 billion had been approved.

"Of the total, only RM83 billion, or 18 per cent, was from the government, while the remaining RM387 billion, or 82 per cent, was derived from private sector (projects).

"During the tabling of the 2016

Budget recently, I also announced the construction of 175,000 housing units by the 1Malaysia People's Housing Programme (PR1MA) to be sold at 20 per cent below market price; 100,000 units under the 1Malaysia Civil Servants Housing Programme (PPA1M) by 2018; the revival of abandoned private projects;

and, exemption of stamp duties for "white knight" contractors."

He said despite the uncertain global economy, which saw a drop in crude oil prices and the value of the ringgit, the country's economy remained resilient and was on the right track, as reflected in the government's commitment to mega projects, such as the Mass Rapid Transit (MRT), Menara Warisan Merdeka, Lebuhraya Pantai Barat and other projects worth about RM80 billion.

"To empower Bumiputera contractors, the government also began the Carve-Out Programme, where RM36 billion, or 45 per cent, of overall project value is allocated to Bumiputera contractors.

"This ensures that only the best Bumiputera companies will be eligible to bid for the tenders.

"There have been many examples of failed projects, not only under Bumiputera companies, but non-Bumiputeras as well.

"We should learn from past experiences. The Bumiputera empowerment agenda is an issue close to my heart."

Najib said the success of Bumiputera contractors was also driven by government policies that encouraged their growth.

Present at the dinner were Works Minister Datuk Seri Fadillah Yusof and his deputy, Datuk Rosnah Abdul Rashid Shirlin, and PKMM president Datuk Mokhtar Samad.

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