

Building on growth

PM: Construction sector's double-digit rise bodes well for economy

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KUALA LUMPUR: The country's construction sector recorded an impressive 17.3% growth in the third quarter of 2024, says Datuk Seri Anwar Ibrahim.

The Prime Minister said this was the first time the sector has seen double-digit growth since 2014.

"Undoubtedly, this remarkable growth has far-reaching benefits for our economy.

"The surge in construction activities will lead to more job creation, bolster domestic and foreign investment, and drive infrastructure development across the country, propelling the nation as the leader in the region's construction industry," Anwar said at the opening ceremony of International Construction Week (ICW) and BuildXpo 2024 at the Malaysia International Trade and Exhibition Centre (Mitec) here yesterday.

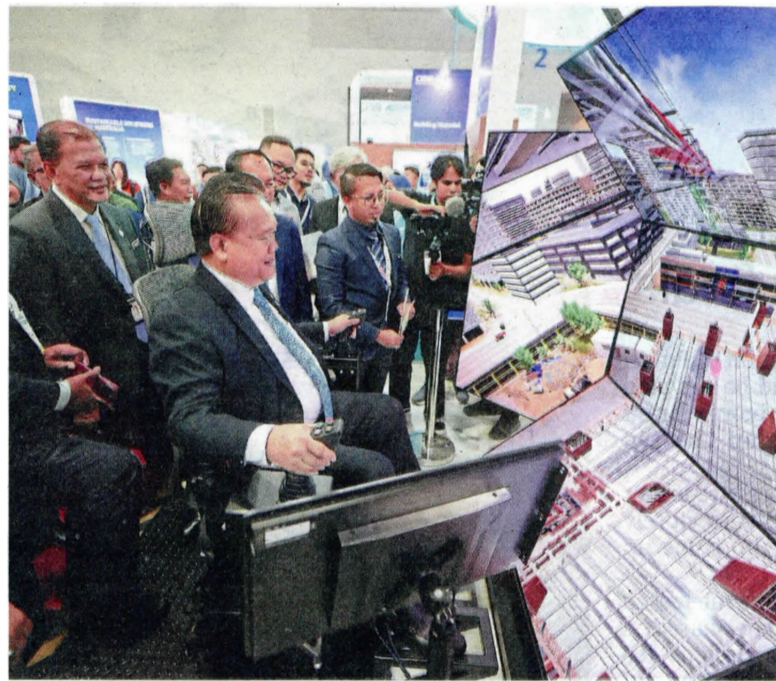
His speech was read by Works Minister Datuk Seri Alexander Nanta Linggi.

Also present at the event were Deputy Works Minister Datuk Seri Ahmad Maslan, Star Media Group (SMG) group chief executive officer Chan Seng Fatt, SMG chief content officer Datin Paduka Esther Ng, and SMG chief business officer Lydia Wang.

ICW 2024 also hosted a series of conferences, including the two-day Future Cities Summit from Oct 22 to 23, and Conference on Conflict Avoidance and Dispute Resolution.

The summit is an avenue for urban planners and developers, government officials and sustainability experts to engage in insightful discussions about the development of sustainable and technologically advanced cities in Malaysia.

With the theme "Creating Livable Spaces", the summit is



Man at the helm: Nanta operating a crane on a simulator at the ICW and BuildXpo 2024 in Kuala Lumpur. - GLENN GUAN/The Star

organised by SMG with CIDB Malaysia as strategic partner to offer attendees valuable perspectives from experts and policymakers on many topics including sustainable urban development, the role of emerging technologies, smart infrastructure, and the integration of green spaces and biodiversity for a sustainable future.

Anwar said the growth reflected the construction sector's ability to overcome adversity and emerge stronger after the challenges brought about by Covid-19.

"As a result, the sector contracted by 19.3% in 2020 and 5.1% in 2021. However, through determination of all industry players and strategic recovery efforts, we witnessed positive growth of 5% in 2022 and 6.1% in 2023."

He also said the construction industry was growing in tandem with the evolution of digital technology, including big data and artificial intelligence (AI), which

exponentially increased demand for data centres.

"Our nation's rise in the Data Centre Cost Index - surpassing Oslo, Berlin, and Sydney - demonstrates our growing leadership in this sector.

"Industry giants like Microsoft, Amazon Web Services (AWS), and Google have chosen Malaysia for their data centre expansions due to our strategic location, robust infrastructure, and supportive government policies," he added.

The Prime Minister also said that with tender prices expected to rise, the government had taken proactive steps to ensure the construction industry remains competitive and sustainable.

"By enhancing public-private partnerships (PPPs), we are driving major infrastructure projects, such as the Sarawak-Sabah Link Road Phase 2, the Pan-Borneo Highway upgrades, and data centre developments in Johor.

"These initiatives ensure that our sector stays resilient amid rising costs.

"The government is also committed to continue investing heavily in green building practices and low-carbon infrastructure development, further aligning with our commitment to the Sustainable Development Goals," he said.

The government is also expanding technical and vocational education and training (TVET) to ensure the country's workforce is equipped to handle advanced technologies such as AI and robotics, he added.

Noting that technological advancement alone will not suffice, and recognising the shortage of skilled labour, Anwar said the government is committed to addressing this through robust training programmes and upskilling initiatives.

"This is how Malaysia will continue to meet the growing demand for skilled workers," he said.

On the event, the Prime Minister said this year's theme of "Envisioning the Future of Construction" is not only timely but also a clarion call for harnessing the massive opportunities for Malaysia's construction sector and the broader economy.

He said the world is on the cusp of a new era in construction, one where digitalisation, sustainability and collaboration will be key drivers of success.

"Together, we can ensure that Malaysia not only remains a regional leader, but emerge as a global powerhouse in construction, setting the benchmark for innovation and excellence," he said.

Following the launch, Nanta toured the venue, stopping at the booths owned by the Housing and Local Government Ministry's PRIMA Corporation, along with Universiti Teknologi Malaysia, among others.