

MBAM: IBS Needs Economies Of Scale To Attract Investments

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KUALA LUMPUR, March 25 (Bernama) -- The government needs to take the lead in promoting the Industrialised Building System (IBS) model by creating economies of scale property developments in order to attract investments into the building system.

Master Builders Association Malaysia (MBAM) President Kwan Foh Kwai said the system would initially require big investments in land, plant and machinery to produce IBS components.

Citing the example of a manufacturing company which receives orders for 1,000 units of houses using the IBS method, it forecast that the company would take five years to break-even.

"Government being the biggest housing provider should, each year, roll-out a certain amount of housing development using the IBS method to sustain the use of the system," he told Bernama.

Kwan said besides economies of scale, the government should also consider standardisation and modularisation of the system.

He said a standard design would enable IBS components to be produced on a large scale, thus bringing down cost, while modularising the dimension of the components would provide flexibility to the house design.

Satisfying the three needs, he said would result in lesser labour usage, lesser dependence on foreign workers, shorter completion time and lower cost.

Kwan said other incentives the government could consider to promote the use of IBS method was tax exemption for machinery production and installation at construction sites.

On safety, he said there should be no doubt over this aspect of the IBS method although it used pre-cast components.

An appropriate design system, undoubtedly safe as the design, should have passed all proper tests, including safety tests, before commercialisation, he said.

Kwan said since the government was currently promoting affordable housing, it was the right time to expand the use of the IBS model.

"We have the expertise. There are quite a number of companies (in the country) producing IBS components.

"(But) the problem is that we don't have economies of scale and how do we encourage the government to help us sustain our investment," he said.

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