

MASTER BUILDERS ASSOCIATION MALAYSIA 63RD ANNIVERSARY

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I congratulated the Master Builders Association Malaysia and its members for their contribution to the building of our nation, yesterday evening at the MBAM 63rd Anniversary commemoration dinner. With a membership of more than 14,000 companies and groups, this Association plays a key role in our construction sector – which is expected to grow by 8 percent in 2017, and to continue registering robust growth over the next five years, boosted in part by the infrastructure projects the Government is implementing across the country.

These projects include the East Coast Rail Line, the Kuala Lumpur-Singapore High Speed Rail, the Pan Borneo Highway, KL118 here in our capital, the Refinery and Petrochemicals Integrated Development Project in Johor, and the MRT Line 2. They will provide new jobs, raise wages, enable skill transfers, increase connectivity, and will have a real and transformative effect for all Malaysians.

Now some people have tried to suggest that only foreigners will benefit from some of these projects. Nothing could be further from the truth! Out of the RM21 billion worth of contracts for the recently opened Sungai Buloh-Kajang MRT Line, RM17 billion was given to Malaysian firms. And for the upcoming Sungai Buloh – Serdang – Putrajaya Line, RM26.7 billion of out the RM30 billion awarded to date has been to Malaysian contractors.

The ECRL will be a game changer that will stimulate investment, spur commercial activities, create thousands of jobs, facilitate quality education and boost tourism in Pahang, Terengganu and Kelantan. And on top of that it will guarantee 30 percent involvement for local contractors.

If we take the Pan Borneo Highway as another example, when the work packages under Phase One of the Sarawak section were announced last December, a majority of them were

won by local firms and their joint ventures, securing RM10 billion out of the RM16.5 billion funds allocated. Those 11 main contractors then appointed 36 local sub-contractors to undertake construction work. So we can see how these projects directly help Malaysian firms and the Malaysian people. And this is not to mention new, iconic developments such as the Malaysia International Trade and Exhibition Centre, which is hosting many events for the Southeast Asian Games, designed, developed and managed by Malaysian companies.

The Government will continue to ensure that the entire ecosystem of Malaysian contractors, be it from grade G7 to G1, will be able to benefit from the economic spill over generated by the construction of these large-scale infrastructure projects. I also believe that our local players will gain from the technological transfers of these projects, and eventually be able to use these new skills and knowledge to expand globally.

It is my hope that with organisations like MBAM at the forefront, the Malaysian construction industry will continue to grow into a world class industry. I am very proud to know that as of March 2017, Malaysian contractors have secured more than RM18.5 billion worth of projects in India, RM16.6 billion worth in ASEAN countries and RM12.4 billion worth of projects in Saudi Arabia. This is proof that the capabilities and experience of Malaysian contractors, combined with the strong international ties that I have forged, can bring economic growth to the nation as a whole.

I commended MBAM for their initiative towards the development and adoption of Industrial Building System (IBS) technology in our country. IBS is important in the new edge of construction industry – faster completion times, greater productivity, less waste, fewer accidents and lower overall construction costs for the industry. As of to date, CIDB has registered 245 IBS manufacturers nationwide, and I would like to urge more contractors to employ IBS technology.

The effects of IBS on labour cost and usage are significant. It is estimated that using IBS can reduce the number of workers required by half and expenses by 14 percent. It also allows construction firms to wean themselves off low-skilled workers and hire more skilled ones who in turn help boost efficiency and productivity.

This is why the work of MBAM members on other programmes, from building new homes, schools and hospitals, to improving productivity and creating the skilled workforce we need here in Malaysia, instead of relying on foreign labour, is important. It is just as crucial in creating the prosperous, inclusive and sustainable country we want – a country in which no one is left behind, and opportunity is available for all.

More than 3,500 candidates have now been trained under MBAM's Site Safety Supervisor training course since 2010. Since 2013, MBAM has also promoted the Trade Foreman Programme, the Apprenticeship Programme, and has also recently started the Designated Person Training Programme. These programmes showcase the Association's commitment to promoting training and education to meet the industry's needs, and I commend MBAM for that.

I also applauded MBAM's Education Scholarship Programme which has provided 130 recipients with scholarships amounting to nearly RM2 million since 1999, allowing the scholars to pursue various construction related education programmes. This is in addition to MBAM's collaborations with universities and polytechnics for various industry-related programmes.

These are very important, as there is a soaring demand for well trained and knowledgeable construction industry professionals these days, especially in the Klang Valley. MBAM should continue their various programmes for the benefit of its members and the nation as a whole. Last night, I reiterated our aim to create a prosperous, inclusive and sustainable country. That has underpinned our plans from the start; and those plans have delivered and continue to deliver.

I also highlighted a few of Malaysia's achievements since we set out the Economic Transformation Programme in 2010. Since then, Gross National Income went up by 51.8 percent. 2.26 million new jobs were created. Unemployment and inflation kept low, and the deficit reduced steadily. Very healthy levels of growth, despite years of considerable global turbulence.

Both the IMF and the World Bank have raised their predictions for growth in the Malaysian economy this year, to nearly 5 percent, and that figure is expected to rise further next year. In fact, in the first quarter of 2017, we registered growth of 5.6 percent. And it has been announced today that in the second quarter, we have beaten all our expectations, with growth of 5.8 percent.

And just two days ago, Fitch Ratings reaffirmed our country's rating with Stable Outlook, citing our strong GDP growth, sustained current account surpluses and country's net external creditor position as key drivers. So don't listen to those who spread fake news about Malaysia. The truth is, as the most recent report from the World Bank concluded, "The Malaysian economy is progressing from a position of strength."

I thanked the members of MBAM for the part they have played in building the strength, resilience and success of our economy, and take note of the international recognition MBAM has achieved. I am also glad to note that YBhg. Datuk Matthew Tee, MBAM Immediate Past President has been appointed the Chairman of the International Federation of Asian and Western Pacific Contractors' Associations as of June 2017 and that under MBAM's leadership Malaysia will host the federation's 44th convention in November 2018.

The dinner last night was an excellent platform for an exchange of ideas between representatives of the Government, the private sector and civil society, and it was also a pleasure for us to spend time together.

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