



# COUNTRY REPORT

**PRESENTED BY:  
MASTER BUILDERS ASSOCIATION MALAYSIA**

**DATUK ASTAMAN ABDUL AZIZ, MBAM SECRETARY-GENERAL**

**55TH ACF COUNCIL MEETING**

**24 APRIL 2024**

**SINGAPORE**

Aquí es donde comienza la presentación

# CONSTRUCTION SECTOR IN MALAYSIA – Q4 2023



Value of work done Q1 2020 - Q4 2023



The Construction work done value reached RM 34.1 billion in the fourth quarter of 2023, registering an increase of 6.8 per cent over a year ago



# CONSTRUCTION SECTOR IN MALAYSIA - Q4 2023

## Value of work done by sub-sector

**Residential buildings**

**YoY** Q4 2023: 2.3%  
Q3 2023: 7.9%

**QoQ** Q4 2023: -2.9%  
Q3 2023: -0.2%

**Non-residential buildings**

**YoY** Q4 2023: -1.9%  
Q3 2023: -0.7%

**QoQ** Q4 2023: 2.7%  
Q3 2023: -7.3%

**Civil engineering**

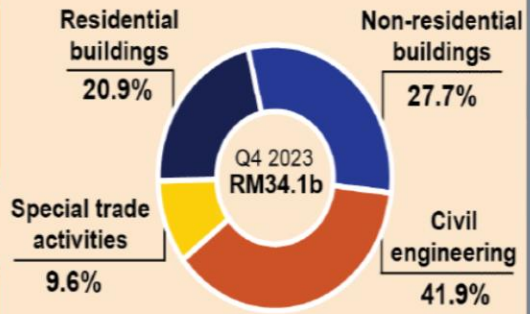
**YoY** Q4 2023: 18.0%  
Q3 2023: 17.1%

**QoQ** Q4 2023: 5.6%  
Q3 2023: 11.8%

**Special trade activities**

**YoY** Q4 2023: 0.3%  
Q3 2023: 16.2%

**QoQ** Q4 2023: -2.4%  
Q3 2023: 13.1%



The **Civil engineering** and **Non-residential buildings** sub-sectors represented over two-thirds of the total value of work done in Q4 2023

The increment of the Construction sector in the fourth quarter was driven by double-digit growth in Civil engineering sub-sector with a growth by 18.0 per cent (Q3 2023: 17.1%).

Civil engineering sub-sector remained as the main contributor to the overall value of construction work done, holding the largest share of 41.9 per cent, followed by Non-residential buildings sub-sector with a share of 27.7 per cent.

# MALAYSIA BUDGET 2024 HIGHLIGHTS



1

The implementation of Sarawak-Sabah Link Road (SSLR) Phase 2 project at USD 1.5 bil (RM 7.4 bil)

2

Reinstatement of 5 LRT3 stations at a cost of USD 980mil (RM 4.7 bil)

3

USD 584mil (RM2.8 bil) set aside for maintenance of federal roads, bridges

4

A total of USD 515 mil (RM2.47 billion) allocated for the implementation of people's housing projects in 2024

5

USD 500mil (RM2.4 bil) allocated to build, maintain, repair quarters for civil servants, teachers, hospitals, police, armed forces, firefighters

6

USD 396 mil (RM1.9 bil) allocated for upgrading and maintaining schools nationwide

7

USD 340 mil (RM 1.63 bil) allocated to build and upgrade roads in villages

8

Sarawak Pan Borneo Highway with a construction cost of USD 3.9 bil (RM 18.8bil) to be completed in 2024.



# MALAYSIA CONSTRUCTION OUTLOOK – 2024

- ❑ The construction sector is forecast to increase by 6.8% in 2024 following better performance in all subsectors.
- ❑ Civil engineering subsector continues to be bolstered by strategic infrastructure and utilities projects which include ongoing projects such as the Central Spine Road (CSR), the Pan Borneo Sabah Highway and acceleration of projects under the Twelfth Malaysia Plan, 2021 – 2025 (Twelfth Plan).





# MALAYSIA CONSTRUCTION OUTLOOK – 2024

- ❑ The implementation of The New Industrial Master Plan (NIMP) 2030 is expected to further strengthen the performance of non-residential buildings subsector as the Plan will provide a platform to attract more investments into the country.



# CURRENT CONSTRUCTION PROJECTS IN MALAYSIA



## EAST COAST RAIL LINK (ECRL)

Expected to  
complete end of  
2027

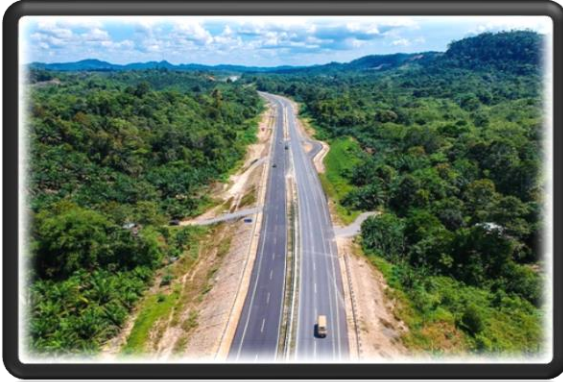
## MASS RAPID TRANSIT LINE 3 (MRT 3)

Expected to commence  
commercial operations in  
2030.

## JB - SG RAPID TRANSIT SYSTEM (RTS LINK)

Expected to commence  
commercial operations in  
January 2027

# CURRENT CONSTRUCTION PROJECTS IN MALAYSIA



## PAN BORNEO HIGHWAY

Expected to complete in 2028

## LIGHT RAIL TRANSIT 3 (LRT3)

Expected to commence commercial operations in 2025

## CENTRAL SPINE ROAD

Expected to complete in 2028

# CURRENT CONSTRUCTION PROJECTS IN MALAYSIA



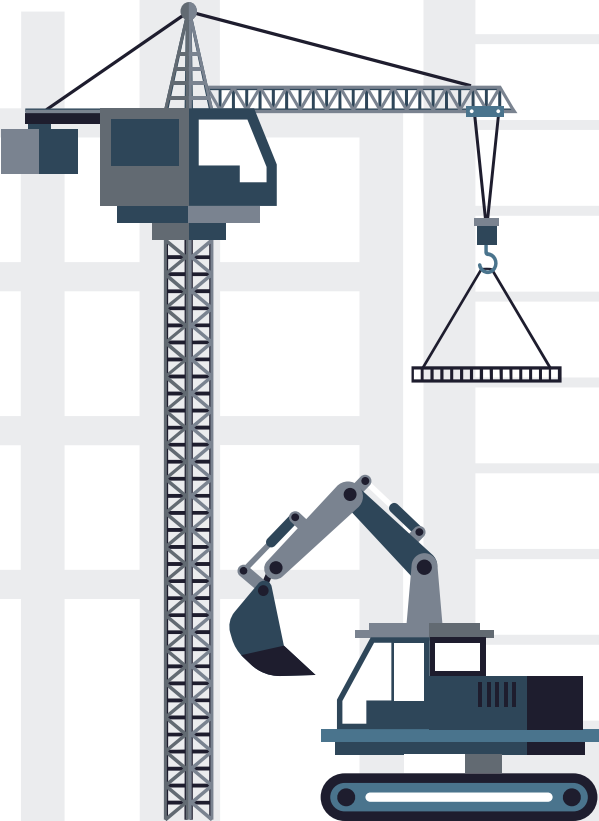
## SARAWAK- SABAH LINK ROAD

Implementation of Phase 2 started at the end of 2023 and is expected to complete within 5 years

## JOHOR-SINGAPORE SPECIAL ECONOMIC ZONE (JS-SEZ)

Malaysia & Singapore signed a MOU on 11 Jan 2024 to work together on the creation of the JSSEZ

# INDUSTRY CHALLENGES



## A FLUCTUATION OF BUILDING MATERIAL PRICES

The market situation coupled with the post Covid disruption on supply chains and national conflicts saw the fluctuation of building material prices.

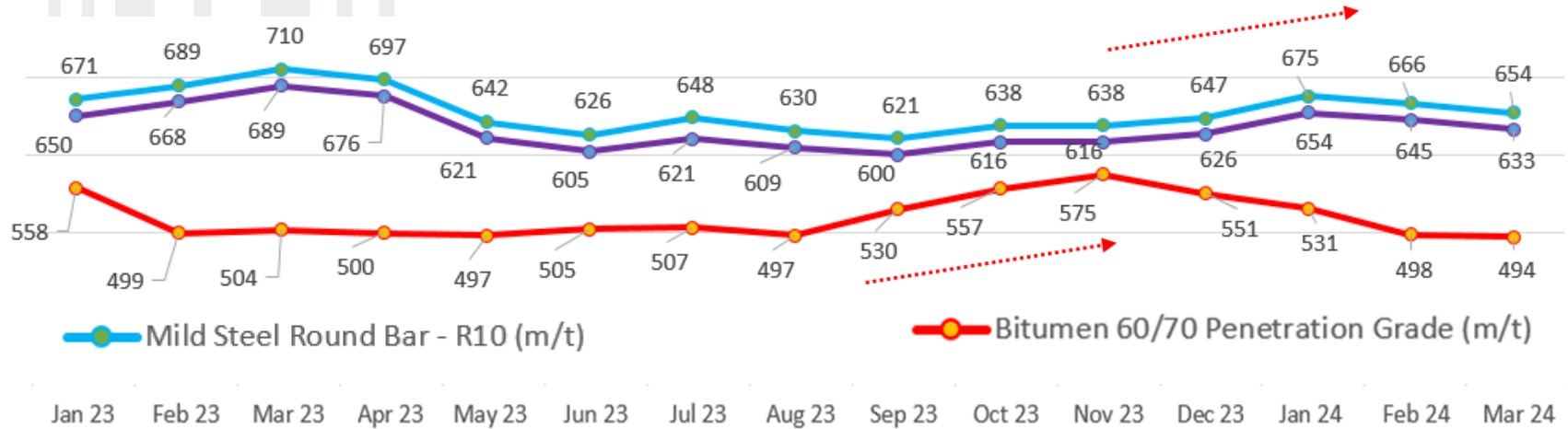
## B INDUSTRY DISPUTES

Over the years, we have witnessed a rise in disputes within our industry, and as industry players, it has undoubtedly been a challenging and tedious matter to address.

## C LACK OF DIGITALISATION IN THE INDUSTRY

Contractors are not provided with enough incentives to facilitate the adoption of digitalisation and Industrialised Building system (IBS).

# BUILDING MATERIAL PRICES



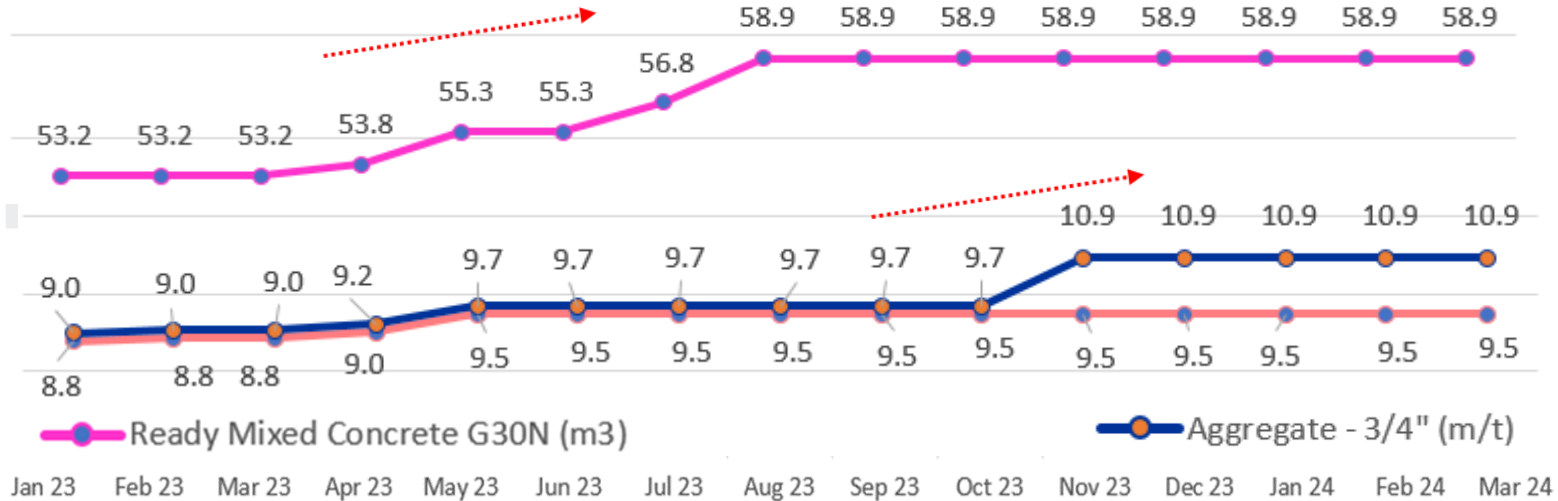
## STEEL BAR

Price increased by 6% from Nov 2023 to Jan 2024 and reached USD 675 m/t in Jan of this year

## BITUMEN

Price increased by 15.8% from Aug 2023 to Nov 2023. It was USD 575 m/t in Nov 2023 and is currently priced at USD 494 m/t

# BUILDING MATERIAL PRICES



## READY MIX CONCRETE

Price increased by 10.7% from Mar 2023 to Aug 2023 and is priced at USD 58.9 m3 in March of 2024 this year

## AGGREGATE

Price increased by 13% from Oct 2023 to Nov 2023. It was USD 9.7/tonne in Oct 2023 and is currently priced at USD 10.9/tonne

# ACTIONS TAKEN BY MBAM

01

## ENGAGEMENT WITH GOVERNMENT AUTHORITIES

MBAM recently paid a courtesy visit to the Deputy Minister of Higher Education, YB Datuk Ts. Mustapha Sakmud on 13 March to explore future collaboration with the MOHE in TVET training to generate local workforce for the construction industry.



# ACTIONS TAKEN BY MBAM



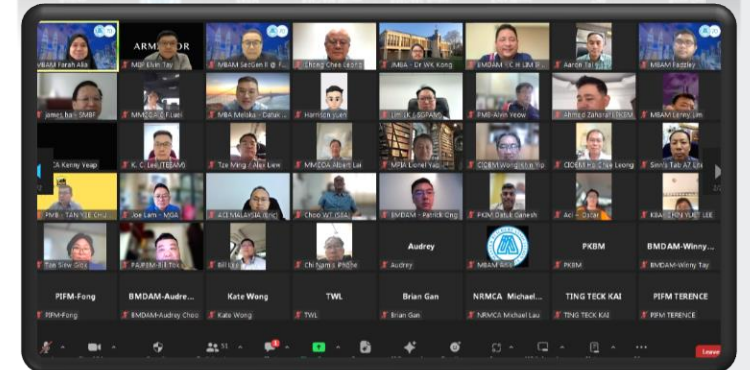
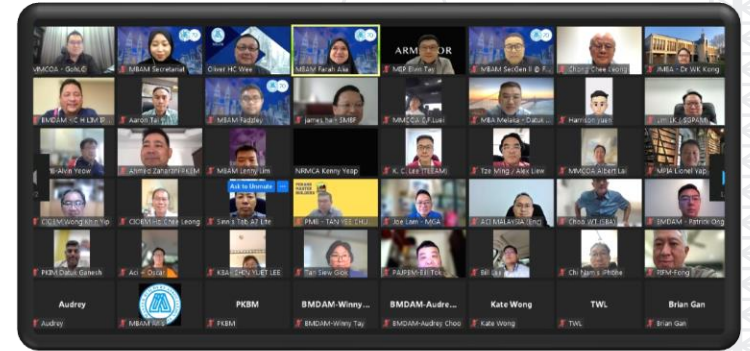
02

## ENGAGEMENT WITH INDUSTRY MEMBERS

Constant engagement with members and affiliates to update on the latest news and information surrounding the industry.

The latest Affiliate Dialogue 2024 discussed issues such as:

- Foreign workers Issues
- Rising costs of material and equipment.
- Government Service Tax on logistics services



# ACTIONS TAKEN BY MBAM

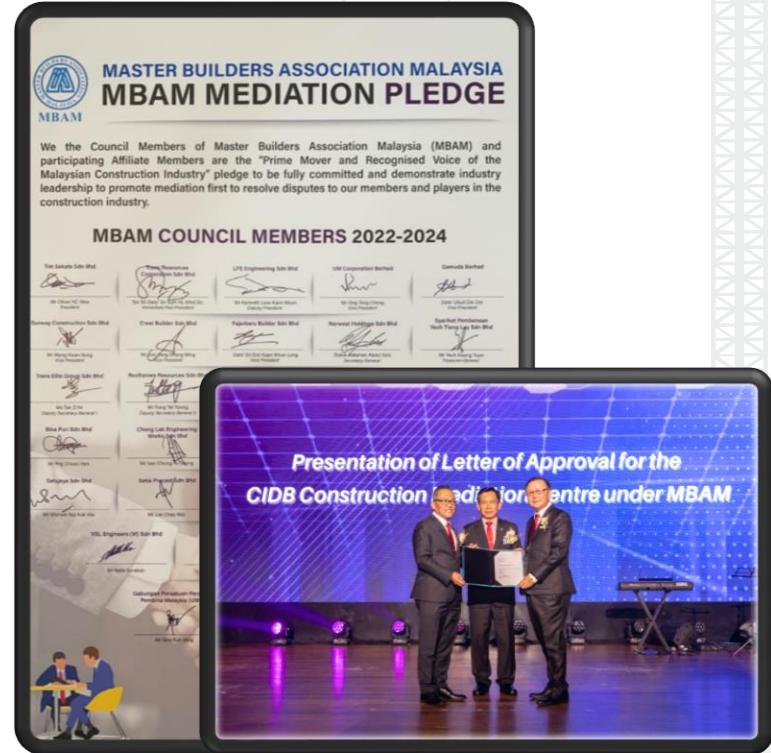


03

## COMMITMENT TO MEDIATION

MBAM received the letter of approval for the CIDB Construction Mediation Centre under MBAM as a collaborative partner in promoting, training and providing mediation services to the construction industry.

MBAM Council Members alongside our Affiliate Members have also signed a pledge to be fully committed and demonstrate industry leadership to "Mediate First" to resolve disputes to our members and players in the construction industry.



# ACTIONS TAKEN BY MBAM



04

## FOSTER DIGITALISATION EFFORTS

We also believe that digitalisation is an important element for the industry to be sustainable.

We have observed an increase in corporations moving towards digitalisation and we hope smaller sized companies can also do the same.

MBAM is currently working with software providers in setting up a programme to assist these smaller contractors in starting their digital transformation journey.



# ACTIONS TAKEN BY MBAM



04

## PROMOTE ESG COMPLIANCE

While Environmental, Social and Governance (ESG) issues have become a prevalent discourse in the construction sector especially in the post-pandemic era, we can't deny that a number of developers and contractors still shy away from upholding ESG principles and values.

As such, we constantly organise ESG related programmes and participate in dialogues that fortifies our efforts in shaping the future of sustainability in construction.



# CONCLUSION

- ❑ MBAM hopes that the ground work for the projects announced in Budget 2024 can be rolled out as planned by the government.
- ❑ We also hope that there will be a robust monitoring and evaluation framework to regularly assess the progress of projects, identify challenges, and make timely adjustments to ensure successful outcomes.
- ❑ Simultaneously, MBAM will also continue to play our role in driving sustainable changes to the construction industry.

