

A constructive transformation

ICW 2015 lights the way forward with groundbreaking industry partnerships and the launch of the CITP



International Construction Week 2015 was officially launched by Prime Minister Datuk Seri Najib Razak

DRAWING more than 15,000 visitors in its 15th iteration, International Construction Week (ICW) 2015 brought key industry players together to lay the groundwork for the last five years of Malaysia's drive towards developed nation status by 2020 through the inauguration of the Construction Industry Transformation Programme (CITP).

Held at the Putra World Trade Centre, Kuala Lumpur from Sept 7 to 11, the event was held in conjunction with Ecobuild Southeast Asia, a regional platform for sustainable design and built environment. Sustainability and adaptive reuse were common themes at both events, underscoring key concerns for developers and stakeholders alike.

Laying the foundation

"Malaysia is gearing itself towards the 11th Malaysia Plan, the final leg towards realising Vision 2020 based on 'anchoring growth on the people,' which will catapult the country towards becoming a high-income nation. One of the key sectors that will propel us into the path of prosperity will be the construction industry," said Prime Minister Datuk Seri Najib Razak, speaking at the ICW opening ceremony.

Following in the footsteps of its predecessor, the Construction Industry Masterplan 2006-2015, the CITP was formulated by the Construction Industry Development Board (CIDB) and the Ministry of Works in collaboration with more than 150 domestic and international industry leaders. Slated to run from 2016 to 2020, it will address existing roadblocks while paving the way for a more modern and productive sector overall.

The construction industry is critical to the nation's economic aspirations despite a modest contribution of 4.5% to Malaysia's GDP, due to a significant multiplier effect on related sub-sectors such as manufacturing and mining, accounting for 15% of the latter's output.

The industry is also rapidly growing, having registered double-digit expansion since

2012 with approximately RM500 bil awarded in projects over the period from 2011 to 2014. In addition, it employs a total of 9.5% of the domestic labour market with 1.2 million officially registered workers.

Crossing the hurdles

In striving to bring the sector up to international standards, the CITP seeks to address recurring issues that have plagued local industry, including ongoing safety concerns that have seen a rash of accidental deaths at project sites, laissez-faire approaches to workmanship, and negative industry perceptions leading to decreased national representation in the construction workforce.

"Raising the culture of safety and health is another pertinent area in the first strategic

thrust of the CITP. More stringent requirements will be introduced to ensure accidents and fatalities in construction are significantly reduced, with the CITP recommending a minimum safety and health requirement to be made as part of any construction project contract provisions," said Najib.

The programme includes 18 general initiatives grouped into four broader categories, including quality, safety and professionalism, environmental sustainability, productivity and internationalisation. These are in turn broken down into measurable quarter-by-quarter goals, allowing for the benchmarking of progress and quantifiable quick-wins.

Priorities range from increasing ease of business to reducing worksite fatalities and injuries by at least 50%, with the Depart-

ment of Occupational Safety and Health recording 69 deaths in the industry in 2013 alone — greater than mining and agriculture, which logged 58 and 33 fatalities respectively during the same time period.

Inculcating innovation and infrastructure

Other focus areas include speeding the adoption of building information modeling (BIM) and industrialised building systems (IBS), both of which have seen slow uptake among private players since their introduction to the market.

Developers often cite entry costs as a limiting factor, particularly with the specialised plant required for IBS operations and their limited availability outside Malaysia's primary metropolitan regions, leading to

greater associated transportation and logistics costs. A dearth of qualified BIM specialists has also exacerbated resistance to the technology, despite its benefits for both the development and facility management phase of a project.

"The CITP is supported by the current 11th Malaysia Plan, which includes five major infrastructure developments that will benefit the people and provide economic opportunities. These are the Pan Borneo Highway, Central Spine Road, Kota Bharu-Kuala Krai Highway, West Coast Highway and the Pengerang Integrated Petroleum Complex road network," says CIDB chief executive Datuk Sri Judin Abdul Karim.

"Industry productivity has to be significantly uplifted, with a higher proportion of the workforce being equipped with better technology, skills, competencies and expertise that will allow them to earn commensurately higher incomes. Internationalisation also needs to be a focus, so that industry champions can be enabled to effectively compete locally and globally to generate greater economic activities and opportunities."

Enhancing efficiencies is necessary for the country to catch up to other economies, with the average productivity per Malaysian worker currently estimated at US\$7,000 (RM30,195) per annum at 2005 constant values, as compared to US\$17,000 (RM73,333) in Singapore and US\$66,000 (RM284,704) in Australia.

Bringing local players up to speed is also a core success factor for the industry given Malaysia's participation in free trade agreements that have opened up the domestic market to global firms, with foreign companies making up 9% of the nation's construction activities in 2012. This figure grew to 11% in 2013, indicating an influx of international interests.

"For decades, Malaysia has been depending on low-skilled foreign labour regardless of how small the project may be. To do away with this dependency, the CITP proposes to enhance human capital development by streamlining construction-related courses and conducting curricula reviews to ensure that content is constantly up-to-date and relevant with industry requirements," said Najib.

Working towards the future

Within the sphere of sustainability, a key outcome is the mandatory compliance for contractors by 2018 with waste management programmes under the requirements for ISO 14001 certification, regulating environmental management systems. The move will be implemented in stages, with compliance targeted for 50% of G7-category contractors by Q4 2018.

Many industry players have already signed pledges of support for the CITP, with a Programme Management Office set up as a coordinating body for the programme. In addition, a CITP committee chaired by the Minister of Works will oversee the overall direction and execution of the roadmap.

"I am proud to note that the Ministry of Works has put in place a robust governance structure to ensure the achievement of specific goals and KPI. The CIPT tagline is apt for all to embrace, as it is the blueprint and framework for us to drive construction industry excellence together," says Najib.

In concluding his opening remarks and formally launching ICW 2015, the Prime Minister also noted the importance of cooperation among parties at all levels, such as industry, government agencies, local authorities and supply chain partners, in bringing the CITP to fruition.

Catalysing collaborations

The industry platform has already seen a landmark agreement between CIDB and McConnell Dowell South East Asia Pte Ltd, which has signed an MoU to adopt the Malaysian board's Safety and Health Assessment System in Construction (Shassic) and Quality Assessment System in Construction (Qlassic) standards in its domestic projects.



Ecobuild Southeast Asia 2015 drew more than 100 participating companies from countries such as the UK, China and the Middle East



The RM4.4 bil River of Life project will be recouped through the sale of government lands along beautified waterfronts

"The question that everyone in the industry needs to ask is, 'What difference can I make, and how can I improve the safety standards of my projects?' I think everyone's aim is that we don't want any injuries on the job, and that initiative needs to be driven from the bottom up," says McConnell Dowell SEA managing director Murray Dundas.

The partnership will see CIDB providing training in fulfilling the manpower needs for McConnell Dowell projects in Malaysia, with a window to the implementation of Shassic and Qlassic by the international firm, which is undertaking the main building works of Ikea's second domestic outlet at Jalan Cochrane, in its regional ventures as well.

The Australia-based contractor has had a presence in the domestic landscape since 1978, and its support for the standards is seen as additional impetus for other industry players to adopt them in their turn. CIDB previously negotiated the signing of MoUs with eight strategic partners in 2014, with the CITP targeting acceptable Qlassic ratings by 50% of public projects by 2020.

A meeting of minds

In addition to cementing industry collaborations, ICW 2015 also hosted the inaugural Asean Construction Summit, tasked with identifying critical issues in the construction

sector and achieving sustainable growth across Asean nations. Co-organised by the Master Builders Association Malaysia (MBAM), the summit was held from 10-11 Sep, with discussions revolving around green technologies and urban reclamation.

Key speakers included International Union of Architects president Tan Sri Datuk Sri Ar Haji Esa Haji Mohamed, Ministry of Energy, Green Technology and Water (MEGTW) Energy Sector deputy secretary-general Datuk Dr Nadzri Yahaya, and Universiti Tenaga Nasional Centre for Renewable Energy director Prof Ir Dr Abdul Halim Shamsuddin.

Of particular note was Nadzri's presentation on *Green Technology: Policy, Incentive and Programme*, which summarised recent achievements of sustainable development in Malaysia. These included the contribution of RM7.9 bil to the GDP, the generation of 61,280 jobs, and a carbon emission reduction of 11.6 million tonnes of CO2 eq/year — all relevant indicators in the country's bid for developed nation status by 2020.

Renewable fuels will become increasingly important as changes in lifestyle, population increases and energy-intensive economic growth drive national electricity consumption upwards, rising from 1,925 ktoe in 1991 to 9,241 ktoe in 2011. Leveraging on Malaysia's renewable sources will be essential to supply-

ing this skyrocketing demand, with MEGTW estimating a total of 3,700MW from biomass and biogas, 6,500MW from solar, 500MW from mini hydro and 400MW from solid waste routes available by 2030.

Everything old is new again

The regulation of urban crawl will also be a factor, with Frost & Sullivan projecting an estimated 58% of the world's population shifting to metropolitan areas by 2025 — equivalent to about 4.6 billion people. Currently, 80% of global energy supplies and 75% of resources are consumed in cities, mandating "smart" city management to minimise redundancies and wastage.

A paper presented by AECOM SEA vice-president and development director Scott Dunn, *Zooming into the Rapid Growth of Asian Urbanization — Creating Livable Communities*, addressed the need for urban renewal, highlighting the principles required to foster liveability in high-density conurbations.

These included the reactivation of disused or distressed spaces, planning for long-term growth, beautification through green boundaries, a greater focus on public amenities, prioritising green transport and building options, and the development of mixed-use neighbourhoods.

Many of these guidelines are already visible in Malaysia through initiatives such as the rehabilitation of Heritage Row by Singaporean firm Pocket Projects, which is in the second phase of transforming the former nightlife hot-spot into a creative enclave with an emphasis on community interaction, significantly boosting rental yields for tenants.

Ecologically friendly expansion

Sustainability and urban reclamation were also the subject of discussion at Ecobuild Southeast Asia 2015, held in conjunction with ICW 2015 from Sept 9 to 11. Themed *Advocating Eco-Efficiency, Advancing Businesses*, it continues in the vein of similar events held in the UK, China and Mexico.

"The show was modelled after Ecobuild London, and was created exclusively to address the issues of sustainable design, construction and built environments. This three-day exhibition presents and showcases a wide array of products and cutting-edge technologies from key industry players around the world," says UBM Asean chairman Tan Sri Datuk Dr Ahmad Mustaffa Babjee.

The regional iteration of the global series included a green concrete art playground, Malaysia External Trade Development Corporation incoming buyers mission, and European Union-Malaysia Chamber of Commerce and Industry business-to-business matchmaking as well as technology symposiums and seminars.

Featuring presentations by REI International Holdings Sdn Bhd CEO Dr Daniele Gambero, Department of Irrigation and Drainage Malaysia Division of River Basin Management deputy director Datuk Ir Haji Mohd Azmi Ismail and Malaysia Productivity Corporation associate Ir Riwayat Mansor, the seminars were streamlined according to the broader subjects of building, infrastructure, and energy and power.

One such talk, *River of Life* by Azmi, explored the ongoing cleaning and beautification of a 110km stretch of the Klang River, as well as the development of properties in affected waterfronts. An RM4.4bil initiative under EPP 5, the cost of the project will be recouped through the sale of government land along the river, with two lots already sold and values anticipated to reach up to RM1,200 psf by 2020, for a total possible return of RM6 bil.



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