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Country Report

MALAYSIA

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CONTENT

EXECUTIVE SUMMARY

MACROECONOMIC REVIEW

Overview of the National Economy

OVERVIEW OF THE CONSTRUCTION INDUSTRY IN 2013

Construction Project Review

Construction Cost

Export and Import of Construction Works

CONSTRUCTION INDUSTRY OUTLOOK IN 2014

EXECUTIVE SUMMARY

The Malaysian economy expanded by 4.7% in 2013. The construction sector expanded strongly at 10.9% in 2013 (2012: 18.1%), owing to robust activity in the residential and civil engineering sub-sectors. The private sector continued its domination, obtaining projects awarded in 2013 worth RM98.0 billion (USD29.9 billion) or 81.5% of the total value of projects for the year. The public sector took a back seat with only RM22.3 billion (USD6.8 billion) or 18.5% of construction projects awarded for the same period. The main building material prices in 2013 increased marginally compared to 2012. Wages of construction personnel too were showing the same upward trend. The number of registered construction workers, as in previous years, increased. Malaysian economy is expected to grow moderately in 2014 by 4.5% - 5.5%. CIDB estimated that the value of construction projects awarded may reach RM120.0 billion (USD36.6 billion) in 2014 and RM136.0 billion in 2015 (USD41.4 billion).

MACROECONOMIC REVIEW

Overview of the National Economy

Overview of the Malaysian Economy in 2013

The Malaysia economy expanded by 4.7% (2012: 5.6%). The growth was driven by the continued strong growth in domestic market by 7.6% (2012: 10.6%). The domestic market remained resilient led by the robust private consumption and investment. Private consumption registered a firm growth of 7.6% in 2013 (2012: 7.7%) underpinned by favourable employment condition and wage growth. Private investment continued to register a double-digit growth rate of 13.6% (2012: 21.9%) driven by capital spending by both the domestic and foreign investors in the mining, services and manufacturing sector. In the public sector, public consumption recorded a higher growth of 6.3% (2012: 5.1%) due mainly to higher expenditure in supplies and services, while public investment recorded a small positive growth of 0.7% (2012: 17.1%) following the decline in the Federal Government's development expenditure.

On the supply side, all economic sectors continued to expand in 2013. The construction sector growth remained strong by 10.9% (2012: 18.1%) benefited from the strong expansion in investment activity especially in the residential and civil engineering sub-sectors. The service sector expand by 5.9% (2012:6.4%), manufacturing sector at 3.4% (2012: 4.8%), agriculture sector at 2.1% (2012: 1.0%) and the mining sector at 0.5% (2012: 1.4%).

Expansion in Malaysia economic activity across all sector in 2013 supported the demand for labour. Employment recorded a strong growth with an addition of 4.8% (2012: 3.6%) with a net addition of 613,000 jobs. The employment rate remained low at 3.1% (2012: 3.0%).

The inflation rate remained modest at 2.1% 2013 (2012: 1.6%). The main contributor to inflation were food and non-alcoholic beverages; transport; house, water, electricity gas and other fuel categories. The Monetary Policy Committee (MPC) maintained the Overnight Policy Rate (OPR) at 3.0% throughout 2013 and base lending rate (BLR) of commercial banks remained at 6.5%. The Ringgit ended the year at RM3.28 against the US Dollar, depreciated by 6.8%. Ringgit depreciated amid increased global financial market volatility

Table 2.1 Malaysian Macroeconomic Overview

	2011	2012	2013
GDP growth by economic activity at 2005 chained price (RM million)			
Agriculture	54,253	54,782	55,913
Mining	62,565	63,432	63,767
Manufacturing	178,237	186,748	193,006
Construction	22,464	26,531	29,422
Services	385,179	409,976	433,998
Real GDP	711,351	751,471	786,696
GDP growth by economic activity at 2005 chained price (%)			
Agriculture	5.8	1.0	2.1
Mining	-5.5	1.4	0.5
Manufacturing	4.7	4.8	3.4
Construction	4.7	18.1	10.9
Services	7.0	6.4	5.9
Real GDP Growth	5.1	5.6	4.7
Demographic Indicator			
Population (million persons)	29.1	29.5	29.9
Labour force (million persons)	12.7	13.1	13.8
Unemployment rate (%)	3.1	3.0	3.1
Financial Indicator			
Inflation rate (%)	3.2	1.6	2.1
Short term interest rate - 3 months (%)	2.99	2.97	3.97
Long term interest rate - 12 months (%)	3.22	3.15	4.15
Exchange rate at end of period (RM against USD)	RM3.18	RM3.06	RM3.28

Source: Central Bank of Malaysia Annual Report 2013.

Review of the Malaysian Economy in the First Half of 2014

The Malaysian economy grew stronger by 6.3% in the first half of 2014 (1Q 2014: 6.2%; 2Q 2014: 6.4%). Overall, growth was supported by higher exports and continued strength in private domestic demand. On the supply side, growth for major economic sectors remained strong. The construction sector's growth was strong at 14.3% in the first half of 2014 after the exceptionally strong growth in the first quarter at 18.9% (2Q 2014: 9.9%). The services sector registered a growth of 6.3% in the first half of 2014 (1Q 2014: 6.6%; 2Q 2014: 6.0%), the manufacturing sector expanded at 7.1% (1Q 2014: 6.8%; 2Q 2014: 7.3%), the agriculture sector grew at 4.6% (1Q 2014: 2.3%; 2Q 2014: 7.1%) and the mining sector grew slightly at 0.6% (1Q 2014: -0.8%; 2Q 2014: 2.1%).

OVERVIEW OF THE CONSTRUCTION INDUSTRY

Construction Project Review in 2013

The Construction Industry Development Board (CIDB) Malaysia recorded 7,621 projects worth RM120.4 billion (USD36.7 billion) (2012: 7,781 projects; RM125.2 billion, USD40.9 billion) of new construction projects awarded in 2013. This figure is likely to increase as more projects awarded in 2013 get reported to CIDB. The private and public sectors' contribution of 81.5% and 18.5% respectively from the total value. Private sector projects' value showed a decrease by 8.1% to RM98.0 billion (USD29.9 billion) and the public sector projects showed a rise by 20.6% to RM22.3 billion (USD6.8 billion). As the economy continued to grow, more private investment activities took place and developers embarked on new construction projects. This is in line with the government's aim to push the private sector as the main driver of the economy. In terms of numbers, the private sector secured 5,795 projects compared to 1,826 public sector's projects.

Major contributions to Malaysian construction projects came from the implementation of 4 mega non-residential and infrastructure projects each costing more than RM1.0 billion amounting to RM11.4 billion as follows:

1. Liquefied natural gas (LNG) plant in Sarawak worth RM5.7 billion (USD1.7 billion)
Award date : 7 March 2013; Expected completion date : 7 December 2015
2. Onshore Gas Terminal in Terengganu worth RM2.3 billion (USD698 million)
Award date : 15 January 2013; Expected completion date: 31 July 2016

3. 1071.43MW Gas Fired Independent Power Plant in Pulau Pinang worth RM2.2 billion (USD686 million)
Award date : 3 April 2013; Expected completion date: 1 January 2016
4. Duta Ulu Kelang Expressway (DUKE) Phase 2 in Kuala Lumpur worth RM1.4 billion (USD427 million)
Award date : 14 May 2013; Expected completion date : 15 May 2016

In 2013, non-residential projects registered a value of RM50.4 billion (USD165.4 billion), followed by residential projects at RM35.9 billion (USD11.0 billion), infrastructure projects at RM25.1 billion (USD8.2 billion), and social amenity projects at RM8.9 billion (USD2.7 billion). The project value had clearly been boosted by the non-residential projects (41.9%) and led by the private sector with a share of 39.1% due to the high-value projects awarded under the sub-category of industrial and commercial. Meanwhile, infrastructure projects tendered decreased by 43.3% in 2013, mainly because of reduction in infrastructure projects by the private sector.

Table 3.1 Value and Number of Construction Projects by Sector and Type

Sector and Type of Project	Value (RM million)			
	2011	2012	2013	1H 2014
Total Private Sector	78,045.66	106,684.10	98,049.82	30,946.68
Residential	23,701.16	31,424.18	33,870.25	12,181.65
Non-Residential	34,537.51	37,172.02	47,110.24	12,390.70
Social Amenity	2,765.78	3,636.14	3,199.39	1,255.69
Infrastructure	17,041.21	34,451.76	13,869.94	5,118.64
Total Public Sector	23,492.22	18,506.18	22,326.89	8,071.62
Residential	908.83	1,647.26	2,049.04	1,001.61
Non-Residential	2,780.02	3,363.56	3,318.78	1,257.98
Social Amenity	4,207.12	3,660.94	5,706.12	972.51
Infrastructure	15,596.25	9,834.42	11,252.95	4,839.52
Grand Total	101,537.88	125,190.28	120,376.71	39,018.30

Sector and Type of Project	Number			
	2011	2012	2013	1H 2014
Total Private Sector	5,747	5,822	5,795	1,814
Residential	2,116	2,044	2,028	640
Non-Residential	2,352	2,419	2,537	738
Social Amenity	264	236	211	76
Infrastructure	1,015	1,123	1,019	360
Total Public Sector	1,948	1,959	1,826	389
Residential	141	202	131	51
Non-Residential	260	316	322	92
Social Amenity	580	677	450	100
Infrastructure	967	764	923	146
Grand Total	7,695	7,781	7,621	2,203

Note : As at 30 June 2014

Source: CIDB Malaysia

Contractor Registration

The number of contractors registered in CIDB in 2013 decrease by 4.0% to 67,028 (2012: 69,799 contractors). Total registration of low grade contractors G1 to G3 in 2013 registered at 78.4% (2012: 79.4%) was greater than the high grade contractors due to less restrictive conditions of registration and lesser capacity requirement. The number of registered low grade contractors decreased by 5.1% in 2013. The number of medium grade contractors of G4 and G5 accounted for 12.9% of total registered contractors in 2013. The number of high grade contractors of G6 and G7 was 10.3% of the total registered contractors in 2013. Their registration increased by 1.3% in 2013 compared to 2012. This was due to the contractors' growing

capability and increased opportunities in construction. The number of registered foreign contractors in 2013 showed a significant change compared to 2012.

Table 3.2 Contractors Registered by Registration Grade

Grade	Bidding Limit	2011	2012	2013	1H 2014
G1	Not exceeding RM200,000	32,752	36,399	34,485	34,292
G2	Not exceeding RM500,000	8,187	8,665	9,269	9,782
G3	Not exceeding RM1,000,000	10,437	10,351	8,825	8,726
G4	Not exceeding RM3,000,000	2,686	2,922	3,038	2,997
G5	Not exceeding RM5,000,000	3,817	4,317	4,130	4,048
G6	Not exceeding RM10,000,000	1,398	1,692	1,594	1,522
G7	Unlimited	4,573	5,144	5,332	5,331
Foreign	Unlimited	244	309	355	346
Total		64,094	69,799	67,028	67,044

Source: CIDB Malaysia

Construction Personnel

A total of 1,858 architects and 975 quantity surveyors were registered as a professional consultant. As in the previous years, the registration of consultants was balanced and did not greatly vary. However, a total of 321,870 construction personnel were registered in 2013, an increase about 87.4% compared to 2012. This strong increment in the registration of personnel is a result of CIDB's enforcement activity both at site and through reminder letters.

Table 3.3 Local Professional Consultants Registered by Type

Type of Professional Consultant	2011	2012	2013
Architect ¹	1,782	1,844	1,858
Quantity Surveyor ²	888	930	975
Engineer ²	6,841	N.A	N.A

Source:¹ Board of Architects Malaysia

² Board of Quantity Surveyors Malaysia

Note : N.A – Not Available

Table 3.4 Registered Construction Personnel by Type

Category of Worker	2012		2013	
	Local	Foreign	Local	Foreign
General worker	59,614	29,390	76,354	71,607
Construction worker	26,960	1,356	53,611	4,050
Skilled construction worker	13,685	566	18,857	426
Manager and site assistant manager	14,083	484	19,509	838
Construction supervisor	16,424	304	21,547	178
Administrative personnel	38,141	791	53,788	1,105
Total	168,907	32,891	243,666	78,204

Source: CIDB Malaysia

Construction Productivity

Value-added per employee in the construction sector rose by 2.5% (2012: 15.0%) to RM23,373.00 per worker in 2013. The decline in productivity growth compared to 2012 indicates that some on-site construction practices and tasks still require a high degree of labour input and that the sector has been relatively slow at adopting mechanisation, automation and other advanced methods of construction.

Table 3.5 Value-Added Per Employee

	2011	2012	2013
Construction Sector Value- Added (RM million)	22,464	26,531	29,422
Construction Sector Employee ('000 persons)	1,133.6	1,163.7	1,258.8
Value-Added Per Employee (RM)	19,817	22,799	23,373

Source: Central Bank of Malaysia Annual Report 2013

Construction Cost

Tender Price Index

Building construction tender price indices showed an overall increase compared to the base year in 1980. In 1H 2013, tender price index showed a decrease of 3.3% compared to 2H 2012 (429.3 point). In 2H 2013, the index added 22.1 points to make the tender price index rose to 437.4 points. The tender price index will continue to rise in line with the rising prices of building materials.

Table 3.6 Building Construction Tender Price Indices (1980 = 100)

Period		Tender Price Indices
2011	1H	408.49
	2H	411.36
2012	1H	420.49
	2H	429.32
2013	1H	415.24
	2H	437.35

Source: Average Cost per Square Meter for Building Works by Public Works Department

Average Price of Major Construction Material

Overall, the average price for major building materials in 2013 slightly increase compared to 2012 prices. The price of cement, aggregate, sand and brick increase of about 0.3% to 3.3%. In contrast, prices for other building materials such steel bars (mild steel round bars and high tensile deformed bars), ready mixed concrete and BRC 10A declines by 4.8% to 1.1% compared to year 2012.

Table 3.7 Average Prices of Major Construction Materials (RM)

Category of Material	Unit	2011	2012	2013
Cement	5 kg Bag	16.46	16.75	17.19
Aggregate	Tonne	36.65	37.71	39.14
Sand	Tonne	26.83	28.55	28.79
Steel Bar	Tonne	2,579.14	2,572.18	2,549.13
Ready Mixed Concrete	m ³	268.86	268.61	252.27
BRC A10	m ²	19.51	18.45	17.57
Brick	Unit	0.36	0.35	0.37

Source: CIDB Malaysia

Construction Industry Wage Rates

Construction General Worker Wage Rates

Average daily wage rates for all categories of local skilled construction workers increases ranging from 0.1% to 16.0%. The highest wage rate earn by local skilled worker who works as a plumber-reticulation (RM126.33 per day, USD38.52 per day), carpenter – joinery (RM121.17 per day, USD39.74 per day) and roofer (RM1,117.75 per day, USD386.22 per day). Average daily wage rates for most categories of foreign skilled construction workers increases ranging from 0.1% to 9.4%. The

highest wage rate earn by foreign skilled worker who works as a plumber-reticulation (RM109.67 per day, USD33.44 per day), steel structure fabricator (RM107.75 per day, USD32.85 per day) and general welder (RM105.06 per day, USD32.03 per day).

Table 3.8 Average Daily Wage Rate for Construction Worker (RM per day)

Category of Worker	Minimum / Maximum Wage	Local Worker				Foreign Worker			
		Skilled		Semi-Skilled		Skilled		Semi-Skilled	
		2012	2013	2012	2013	2012	2013	2012	2013
General Construction Worker - Building	Minimum	42.23	46.00	-	-	36.38	39.80	-	-
	Maximum	71.39	73.53	-	-	59.75	61.97	-	-
Concreter	Minimum	64.28	72.65	61.75	59.28	58.87	61.20	48.38	51.55
	Maximum	95.80	107.10	97.30	88.02	92.43	94.15	75.00	76.89
Barbender	Minimum	71.31	79.81	64.57	60.18	60.95	64.56	46.05	49.39
	Maximum	95.36	106.75	93.72	85.28	85.61	89.33	71.19	74.58
Carpenter-Formwork	Minimum	71.91	82.69	72.03	65.46	66.10	69.12	56.13	59.71
	Maximum	101.28	112.67	100.06	91.61	91.89	94.86	81.19	84.42
Bricklayer	Minimum	67.20	74.14	54.89	53.89	56.49	56.78	42.62	44.82
	Maximum	93.69	105.41	88.78	83.83	85.57	88.03	66.46	70.09
Roofer	Minimum	76.51	83.84	71.93	68.77	69.89	71.62	53.85	55.60
	Maximum	107.78	117.75	100.19	91.92	98.08	100.89	80.56	82.11
Carpenter - Joinery	Minimum	80.25	88.19	76.32	70.99	73.59	74.25	56.91	59.24
	Maximum	111.61	121.17	108.31	100.11	103.72	105.53	87.14	89.44
Steel Structure Fabricator	Minimum	74.33	86.24	78.12	73.37	73.07	77.32	58.52	61.69
	Maximum	110.78	120.31	107.78	101.00	106.11	107.75	85.93	88.49
General Welder	Minimum	68.81	78.85	74.28	68.46	69.37	72.69	57.38	59.66
	Maximum	104.81	116.28	106.01	96.82	104.17	105.06	85.76	88.44
Plumber - Building & Sanitary	Minimum	72.11	81.51	67.04	63.91	64.53	66.86	49.09	51.89
	Maximum	103.25	116.64	98.44	92.67	95.22	99.94	78.86	81.92
Plumber - Reticulation	Minimum	75.54	84.86	77.56	74.88	70.51	74.66	60.35	63.54
	Maximum	113.36	126.33	116.92	107.31	108.58	109.67	91.81	92.95
Building Wiring Installer	Minimum	-	-	82.16	83.74	-	-	69.23	72.01
	Maximum	-	-	115.75	114.22	-	-	105.97	107.28
Electrical Wireman PW2 (RM Monthly)	Minimum	1,797.06	1,836.89	-	-	1,343.63	1,370.13	-	-
	Maximum	3,005.73	3,009.62	-	-	2,432.39	2,433.78	-	-
Electrical Wireman PW4 (RM Monthly)	Minimum	2,441.89	2,487.56	-	-	1,759.71	1,843.71	-	-
	Maximum	3,609.61	3,619.33	-	-	2,909.74	2,948.63	-	-
Scaffolder - Prefabricated	Minimum	71.88	80.51	65.12	61.37	62.38	65.31	51.68	54.07
	Maximum	101.03	109.50	101.73	92.53	97.34	97.31	83.97	85.36
Scaffolder - Tubular	Minimum	68.06	78.91	64.57	63.66	63.72	67.27	50.88	52.69
	Maximum	94.92	109.11	95.58	88.31	95.53	95.50	78.47	78.61
Plasterer	Minimum	70.88	80.84	66.72	62.33	58.83	64.13	44.55	47.99
	Maximum	98.16	108.13	97.47	91.28	91.89	91.75	80.86	82.92
Tiller	Minimum	76.66	87.81	69.42	65.24	67.42	70.56	50.83	54.10
	Maximum	106.42	117.73	104.06	94.69	96.97	99.86	84.11	84.67
Painter - Building	Minimum	65.91	73.30	60.82	57.40	59.39	60.67	46.43	48.57
	Maximum	97.54	106.76	93.31	85.44	89.56	90.78	72.08	74.31

Category of Worker	Minimum / Maximum Wage	Local Worker				Foreign Worker			
		Skilled		Semi-Skilled		Skilled		Semi-Skilled	
		2012	2013	2012	2013	2012	2013	2012	2013
General Construction Worker - Civil	Minimum	52.03	57.52	-	-	44.97	47.86	-	-
	Maximum	80.11	84.56	-	-	71.06	71.78	-	-

Source: CIDB Malaysia

Construction Machine Operator Wage Rates

Average daily wage rates for most categories of local skilled machine operator increases ranging from 0.3% to 5.7%. The highest wage rate earn by local machine operator who operates tower crane (RM141.05 per day, USD43.00 per day), mobile crane (RM127.24 per day, USD38.79 per day) and crawler crane (RM126.50 per day, USD38.57 per day). Average daily wage rates for most categories of foreign skilled machine operator increases ranging from 0.2% to 6.0%. The highest wage rate earn by foreign machine operator who operates tower crane (RM114.46 per day, USD34.90 per day), mobile crane (RM106.42 per day, USD32.45 per day) and crawler crane (RM104.56 per day, USD31.88 per day).

Table 3.10 Average Daily Wage Rates for Construction Machinery Operator (RM per day)

Category of Operator	Minimum / Maximum Wage	Local Worker				Foreign Worker			
		Skilled		Semi-Skilled		Skilled		Semi-Skilled	
		2012	2013	2012	2013	2012	2013	2012	2013
Excavator	Minimum	72.22	72.67	-	-	53.03	55.17	-	-
	Maximum	106.94	110.25	-	-	90.56	92.69	-	-
Pile Rigger	Minimum	67.93	70.82	49.81	52.06	54.65	56.71	42.16	43.43
	Maximum	103.31	104.11	81.44	82.92	87.07	91.62	69.58	71.75
Off Road Truck	Minimum	65.88	68.47	49.44	50.86	53.35	55.60	40.13	42.48
	Maximum	97.72	98.00	77.03	82.00	83.16	86.63	67.36	71.92
Backhoe Loader	Minimum	66.36	68.00	-	-	50.39	51.36	-	-
	Maximum	100.13	103.44	-	-	81.53	86.42	-	-
Roller	Minimum	59.90	61.65	48.72	50.14	51.56	53.65	38.43	44.11
	Maximum	104.39	105.36	76.94	77.92	85.25	85.39	65.91	73.46
Roller / Compactor	Minimum	64.58	65.55	48.34	51.42	53.01	55.32	40.60	46.65
	Maximum	102.07	102.52	79.31	81.44	86.42	89.72	70.77	76.69
Scraper	Minimum	68.02	69.36	50.92	55.81	57.67	59.50	44.20	49.64
	Maximum	101.81	101.78	78.25	81.33	87.06	88.11	73.89	79.25
Motor Grader	Minimum	66.39	68.12	-	-	52.87	54.93	-	-
	Maximum	104.31	107.94	-	-	90.30	90.77	-	-
Wheel Loader	Minimum	62.84	64.72	48.11	51.00	53.36	55.67	41.53	43.89
	Maximum	106.64	107.28	82.11	83.14	87.82	91.67	70.62	71.93
Paver	Minimum	68.04	70.98	53.39	55.13	58.27	59.74	43.63	46.16
	Maximum	105.42	106.39	81.10	84.94	87.65	91.33	72.11	75.75
Mobile Crane	Minimum	84.12	86.87	61.52	65.23	71.05	72.27	50.55	52.69
	Maximum	128.68	127.24	96.47	98.03	104.70	106.42	78.61	79.75
Crawler Crane	Minimum	84.53	89.31	63.44	64.57	69.85	73.22	52.02	53.33
	Maximum	125.20	126.50	90.83	94.92	101.50	104.56	78.25	80.33
Tower Crane	Minimum	88.97	91.36	67.56	68.95	72.99	74.83	52.96	54.63
	Maximum	140.66	141.05	101.03	102.67	113.48	114.46	84.03	87.17
Forklift	Minimum	66.47	68.22	48.99	50.21	52.08	53.47	38.94	41.08
	Maximum	94.65	96.79	75.17	75.97	80.55	82.14	64.64	66.19
Slinger / Dogger	Minimum	61.53	64.08	47.61	48.61	50.81	52.22	37.95	41.84
	Maximum	100.50	99.63	76.22	77.36	82.06	84.61	66.92	69.14

Source: CIDB Malaysia

IBS Installer Wage Rates

IBS installer in Malaysia comprises of only local workers. In 2013, average daily wage rates for most categories of IBS installer decrease ranging from 4.1% to 0.2%. The highest wage rate earn by skilled worker who install IBS precast concrete (RM150.67 per day) and IBS lightweight panel (RM137.00 per day, 41.77 per day). Average daily wage rates for most categories of semi-skilled IBS installer increases ranging from 0.8% to 14.1%. The highest wage rate earn by semi-skilled worker who install IBS lightweight panel (RM110.00 per day, USD33.54 per day) and IBS precast concrete (RM109.67 per day, USD33.45 per day).

Table 3.9 Average Daily Wage Rate for Local IBS Installer (RM per day)

Category of IBS Installer	Minimum / Maximum Wage	Skilled		Semi-Skilled	
		2012	2013	2012	2013
IBS Precast Concrete	Minimum	85.17	81.67	65.17	65.67
	Maximum	151.17	150.67	100.50	109.67
IBS Lightweight Panel	Minimum	80.33	78.33	63.33	64.00
	Maximum	130.67	137.00	97.67	110.00
Lightweight Block wall	Minimum	71.00	69.67	55.00	57.33
	Maximum	98.17	111.67	74.50	85.00
System Formwork	Minimum	68.50	67.33	54.33	54.00
	Maximum	107.83	113.33	87.33	94.00
Roof Truss (Timber)	Minimum	69.33	66.67	54.33	55.00
	Maximum	97.33	107.33	76.67	82.00
Roof Truss (Light Gauge Steel)	Minimum	69.17	69.00	53.17	54.67
	Maximum	105.67	115.33	76.67	87.33

Source: CIDB Malaysia

Export and Import of Construction Work

In 2013, Malaysian contractors managed to secure 16 foreign projects worth RM2.7 billion (USD823 million) and most of the projects came from Middle East countries. The largest construction projects undertaken by Malaysian companies in foreign countries were the Bahrain Affordable Housing Project (RM1.2 billion, USD380.0 million) and Submarine Mains (Stage 4 Phase 2) and Submarine Pipelines in Hong Kong (RM848.8 million, USD265.8 million).

Comparatively, a total of 66 foreign contractors from 16 countries secured 124 construction projects in Malaysia worth RM14.8 billion (USD4.5 billion). Contractors from Singapore (16 contractors, 33 projects) and Japan (12 contractors, 27 projects) are the most involved. Among the largest construction projects awarded to foreign contractors in 2013 are The Liquefied Natural Gas (LNG) Plant in Sarawak (RM5.7

billion, USD1.7 billion) awarded to Japanese contractor and Onshore Gas Terminal in Terengganu (RM2.3 billion, USD701 million) awarded to Korean contractor.

Table 3.11 Value and Number of Export of Construction Services

Value (RM million)				
Sector and Type of Project	2011	2012	2013	1H 2014
Total Private Sector	8,536.2	5,529.2	2,744.1	200.1
Residential	86.5		1,213.0	
Non-Residential		438.1	592.3	
Social Amenity				
Infrastructure	8,449.7	5,091.1	938.7	200.1

Number				
Sector and Type of Project	2011	2012	2013	1H 2014
Total Private Sector	9	14	16	5
Residential	2		1	
Non-Residential		6	10	
Social Amenity				
Infrastructure	7	8	5	5

Note : As at 30 June 2014

Source : CIDB Malaysia

Table 3.12 Value and Number of Import of Construction Services

Value (RM million)				
Sector and Type of Project	2011	2012	2013	1H 2014
Total Private Sector	16,446.3	15,070.6	14,769.8	2,363.9
Residential	701.6	524.1	279.4	343.8
Non-Residential	7,759.4	5,814.2	11,674.4	1,439.2
Social Amenity	9.3	26.9	178.4	4.2
Infrastructure	7,976.1	8,705.4	2,637.6	576.7
Total Public Sector	1,610.7	144.9	0.0	306.7
Residential				
Non-Residential		144.9		306.7
Social Amenity				
Infrastructure	1,610.7			
Grand Total	18,057.1	15,215.4	14,769.8	2,670.6

Sector and Type of Project	Number			
	2011	2012	2013	1H 2014
Total Private Sector	118	148	124	31
Residential	7	12	15	5
Non-Residential	88	103	77	21
Social Amenity	3	5	2	1
Infrastructure	20	28	30	4
Total Public Sector	6	1	0	1
Residential				
Non-Residential		1		1
Social Amenity				
Infrastructure	6			
Grand Total	124	149	124	32

Note : As at 30 June 2014

Source: CIDB Malaysia

Table 3.13 5 Major Project Secured by Malaysian Contractors in Foreign Market in 2013

	Country	Type of Project	Value (RM million)
1.	Bahrain	Residential	1,213.0
2.	Hong Kong	Infrastructure	848.9
3.	UAE	Non-Residential	325.0
4.	Sri Lanka	Infrastructure	56.9
5.	Singapore	Non-Residential	49.6

Note : As at 30 June 2014

Source: CIDB Malaysia

Table 3.14 5 Major Projects Secured by Foreign Contractors in Malaysia in 2013

	Country	Type of Project	Value (RM million)
1.	Japan	Non-Residential	5,739.9
2.	Korea	Non-Residential	2,291.2
3.	China	Non-Residential	880.3
4.	China	Infrastructure	739.4
5.	Korea	Non-Residential	399.0

Note : As at 30 June 2014

Source: CIDB Malaysia

CONSTRUCTION INDUSTRY OUTLOOK FOR 2014

In 2014, the Malaysia economy is expected to remain on a steady growth by 4.5% to 5.5% and the construction sector at 10.0%. Construction sector will continue to benefit from the development of sustainable economy and high physical projects in preparation to achieve Vision 2020, which left about 6 years. Malaysia has a strong economic fundamentals and political stability aims to become the center of business, investment, tourism and location of the world's major livable cities. To achieve this, Malaysia needs more quality economic infrastructure development. Implementation of Entry Point Project (EPP), 10MP and the development of economic corridors provinces will be more vibrant and revitalise the real estate market. Development of government projects will be driven by the implementation of communications services, utilities and high value of transportation projects. Thus, value for new construction projects for 2014 is expected to be at RM120.0 billion (USD36.6 billion) and in 2015, the value will reach RM136.0 billion (USD41.5 billion).