

Meeting the prime minister

1 March 2019 | Theedgemalaysia

Foo Check Lee



This encounter has been affirmed as an important milestone in the annals of Master Builders Association Malaysia (MBAM).

A delegation of four council members and myself met Prime Minister Tun Dr Mahathir Mohamad for about an hour in Putrajaya on Jan 29.

Tun Mahathir was very attentive and, to our delight, he said he would bring the issues we raised, as contained in an MBAM memorandum we handed him, before the Cabinet.

I also took the opportunity to extend our congratulations to Tun Mahathir on his election as prime minister for the second time and thanked him for bringing new hope to Malaysia after a watershed victory in the 14th general election.

The delegation members comprised immediate past president Datuk Matthew Tee, deputy president Tan Sri Sufri Mohd Zin, secretary-general Eric Yong and council member Datuk Astaman Abdul Aziz.

The fact that we were seated in front of the prime minister's working desk was, to me, a clear indication of his serious concern about the issues we brought up in our first courtesy call.

I came away feeling that the outcome of our meeting with Tun Mahathir was most unexpected yet very pleasant, and I am pleased to share four of the key issues we raised in our memorandum:

- Cancellation/deferment/lack of projects;
- No payment for government projects;
- Competition from foreign contractors; and
- Support for export of construction services.

Our earnest hope is that with Tun Mahathir's timely intervention, contractors facing a bleak future will be given a helping hand, thus easing their predicament and tight cash flow.

Cancellation and deferment of projects

MBAM urges the government to consider spending up the commissioning of projects that were announced in Budget 2019 to prop up the construction industry. This will restore investor confidence in the market.

If there is no other choice but to cancel projects that have started, we propose that the contractors be compensated accordingly.

Without project continuity, the industry capacity to build cannot be maintained and MBAM is worried that skilled manpower, such as the 10,000 estimated professionals and sub-professionals, in the construction industry may be forced to venture overseas or switch to other industries to earn a living.

No payment for government projects

It is estimated that more than RM1 billion worth of outstanding payments due for various past and ongoing LRT and other government projects have not been made for almost a year and this is really exerting pressure on the industry's supply chain.

MBAM hopes payments can be made sooner to ease the contractors' burden.

Competition from foreign contractors

The industry's competition landscape has changed with the odds stacking up and the survival of homegrown contractors getting harder.

MBAM hopes the government will consider awarding 100% of its construction jobs to local players, after which they can source relevant foreign expertise to assist them in the projects.

If it is a private job with foreign funds, then we would like to propose that 50% of the projects be awarded to local players instead of the current practice of 30%. In Australia, all the contractors are local companies.

Support for export of construction services.

MBAM has been encouraging constructors to look to Asia and beyond for growth, citing the large markets overseas and their need for housing and infrastructure.

It is worthwhile for local contractors to compete for overseas projects. But first, they must prove that they are credible and have the capacity and capability to do the jobs.

MBAM urges the government to be proactive and to provide moral and financial support and formulate a policy that promotes the export of construction services, thus raising the profile of Malaysian builders.

We hope the prime minister will look at the challenges faced by the local construction players on totality to create a sustainable ecosystem that will ensure the long-term growth of the industry.