

Headline	Contractors' wish list for Budget 2018
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Contractors' wish list for Budget 2018



MY SPACE BY
FOO CHEK LEE

On Oct 27, the 2018 budget estimates will be tabled in Parliament. Given the role of the construction industry as a key economic driver, the Master Builders Association Malaysia (MBAM) — as the leading and largest non-governmental organisation representing the industry — hopes the government will address the issues the association has raised.

MBAM submitted its feedback in May, at the invitation of the Treasury, and we hope our wish list for Budget 2018 will be given due consideration.

Our concern is more than profit alone — it is geared towards smoothing the process of nation building to ensure that large-scale infrastructure projects that are announced are implemented and completed on time with minimal glitches.

As in previous pre-budget dialogues, MBAM is grateful to the government for engaging us and we hope that MBAM and industry stakeholders will continue to be consulted before any policies are implemented.

Appeal to reduce import duties for specified heavy machinery

Currently, many key ongoing projects, and those that are being planned, require the usage of trucks, pavers and motor graders.

The large-scale projects include the Kuala Lumpur-Singapore High-Speed Rail, the Pan Borneo Highway, KL118 tower building in Kuala Lumpur, the Refinery and Petrochemical Integrated Development project in Johor, and the MRT Line 2 in the Klang Valley.

MBAM is asking for a reduction of import duties on machinery that is not manufactured in the country. The impact of the potential loss of revenue for the government is minimal.

The reverse maybe true. If the proposed reduction in import duties were approved, it would encourage contractors to purchase more machinery, especially new equipment, as opposed to buying old and second-hand.

New machinery has improved safety features and is not prone to breakdowns, thus reducing downtime. Occupational safety and health and productivity on the work site would increase, thus reducing the dependency on foreign workers.

Our import duties are the highest of the levies imposed by other Asean countries. Singapore, Thailand and Vietnam have done away with import duties on the same heavy machinery that we need. Our import duties for asphalt pavers and motor graders are 20% while those for articulated trucks and dump trucks are 30%.

With the challenging economy, the construction industry really needs all the help it can get, not only to sustain but to compete for tenders overseas.

Moreover, when the market opens up in the future, with newer machinery available to local contractors at reduced import duties, they will not be at a disadvantage.

Incentives for improved adoption of IBS

The government is firm on man-

dating the adoption of the Industrialised Building System (IBS) by the construction industry and has given a three-year grace period for full implementation by 2020.

MBAM would like to encourage the government to provide tax investment allowance for new technology and machinery investment to encourage contractors to use new machinery and technologies for the production and installation of IBS components.

IBS products can reduce the usage of building materials that damage the environment and reduce the dependency on foreign workers.

Subsidy for implementing BIM

Much has been said in the construction industry about implementing Building Information Modelling (BIM), a system that enhances efficiency, reduces material wastage and ensures shorter delivery timelines.

BIM is a virtual representation of a building containing all the information required for construction using computers and software.

One of the barriers to implementing BIM is the high cost of the software. It is hoped that the government can provide a subsidy for companies to adopt BIM.

BIM compliance will help in IBS planning and implementation and augment the government's initiative to implement Construction Design and Management regulations meant to control hazard and risk at the planning and design stage.

Consultants and contractors must use BIM before they can be offered government contracts to further drive BIM implementation.



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Setting up training centres for crane and machinery operators

Several serious accidents involving cranes and heavy machinery have resulted in adverse publicity for the construction industry. We hope the government can assist to set up crane and machinery operators training centres to help operators enhance their skills and promote safety.

Currently, cranes can only be operated by Malaysians or permanent residents and qualified, experienced crane operators are in short supply.

MBAM hopes the government will invest some capital and work with the industry to set up such training centres.

MBAM CSR brings cheer to Orang Asli homes

MBAM CSR projects are touching lives in ways that make a big difference to those it has helped. Two generators provide electricity that enables children in the two dozen households in two Orang Asli villages — Kampung Chuweh and Kampung Chuweh Baru — to study at night.


This MBAM CSR "Light for Life" project was carried out in collaboration with Malaysian Nature Society and cost about RM150,000. Some 50 MBAM members took part in the three-day outing recently.

At another village, Kampung Tebang, the participants laid pipes and installed four water tanks. All three villages are located in the Royal Be-

lum Forest Reserve in Perak.

A reminder

MBAM hopes contractors will register their workers under the rehiring programme before the deadline at the end of the year. Failure to comply will incur stiff penalties.

As for our wish list, we hope the government will consider it beneficial to accept our recommendations for the greater good of the Malaysian construction industry. 

Foo Chek Lee is MBAM president and managing director of Pembinaan Mitrajaya Sdn Bhd