



Pandemic leaves lasting scar on construction sector

KUALA LUMPUR: The Covid-19 outbreak in the country has left a lasting scar on the construction industry with suspension and delays in projects as well as cost overruns coupled with about 4,000 Covid-19 infections recorded just at various worksites as of Dec 21, making it extremely vulnerable.

Construction Industry Development Board (CIDB) records show that the value of construction projects awarded fell 42% to RM55.3 billion for the period of January to October 2020 compared with RM94.6 billion in the same period last year.

Its CEO Datuk Ahmad 'Asri Abdul Hamid, said it was also estimated that the construction industry experienced losses of about RM11.6 billion between March 18 (when the movement control order [MCO] began) and April 14 this year, and another RM6.9 billion were recorded following the reopening of 13 sub-sectors from April 15 to May 1, 2020.

"The losses were estimated from the value of salaries, building materials, machinery rentals, project management and profit which was lost when the industry was not allowed to operate," he told Bernama.

Based on CIDB data, he said, 8,004 construction sites were inspected nationwide from April 20 to Dec 21. 79 or about 1% of the construction sites were not in operation.

"Our records show that by end of August this year, only 1% of construction sites were not operating. However, the figure increased slightly (as of last month) with the enforcement of enhanced movement control order in Kedah and Sabah.

"Some sites which are still in operation could not operate at full capacity. Among reasons for construction sites being unable to function fully are unavailability of workers, materials and capital, and also concerns of infection risk," he added.

With this current spike in cases at

construction sites, Ahmad 'Asri said CIDB had increased site monitoring and inspection across the country through the inter-agency construction site enforcement committee, which includes other agencies such as the Department of Occupational Safety and Health, Public Works Department, Labour Department and the local authorities.

Since April 20, CIDB has conducted 14,025 site inspections, which average about 1,400 inspections per month. As of last month, it had issued warnings, including stop work orders, to about 800 construction sites for not complying with MCO standard operating procedures.

"Critical aspects to look at when dealing with Covid-19 spread at sites are the condition of the construction sites, worker accommodation and their movement from one site to another.

"In fact, the movement of workers between construction sites has been identified as the main cause of Covid-19 transmission at construction sites. Cluster Damanlela is an example of this, whereby five construction projects were affected," he said.

As a response to the current third wave of rise in Covid-19 cases which involved construction sites, an industry engagement session has been organised and chaired by the Senior Minister of Works Datuk Seri Fadillah Yusof to find viable solutions to curb the spread of Covid-19.

Based on consensus made during the engagement, the National Security Council has announced that it is compulsory for all foreign workers in the construction sector in CMC0-affected states to be tested for Covid-19 using the rapid test kit antigen, which is much cheaper than the polymerase chain reaction kit.

The postponement of the implementation of the multi-tier foreign worker levy system to July 1, 2021, which was originally scheduled to take effect on Jan 1, 2021, is also expected to provide

extra breathing space for the industry going into its recovery phase.

According to Home Minister Datuk Seri Hamzah Zainudin, the move was taken after considering the impact of the Covid-19 pandemic on industry growth and business operations.

Meanwhile, a total of RM15 billion were allocated in the 2021 Budget to fund key infrastructure projects including Mass Rapid Transit (MRT3), Gemas-Johor Double Track Rail Project, JB-Woodlands Rapid Transit System, Klang Valley Double Track (phase 1), Pan Borneo Highway, East Coast Rail Link and Light Rail Transit 3 (LRT3).

Ahmad 'Asri said the allocation was indeed a much-welcomed move as it would definitely give a boost for the construction industry to recover from the slowdown experienced because of the Covid-19 pandemic and MCO.

The government had also allocated RM2.5 billion for projects to be awarded to small and medium (grade G1 to G4) contractors, which will definitely assist them in post-Covid-19 recovery.

According to Ahmad 'Asri, the best way for the construction industry to move forward post-Covid-19 is to ensure that contractors are no longer reliant on a foreign workforce.

"The Covid-19 pandemic has shown that the construction sector is too heavily reliant on unskilled foreign labour because of low technology adoption.

Ahmad 'Asri said the construction industry players would also inevitably have to re-evaluate the old ways of doing things and adopt a paradigm shift to remain viable in the long term.

"At the same time, the industry needs to minimise its dependency on foreign workers and instead, embrace new technologies and upskill their local workforce so that they can thrive in the new normal," he added.