

MALAYSIA COUNTRY REPORT

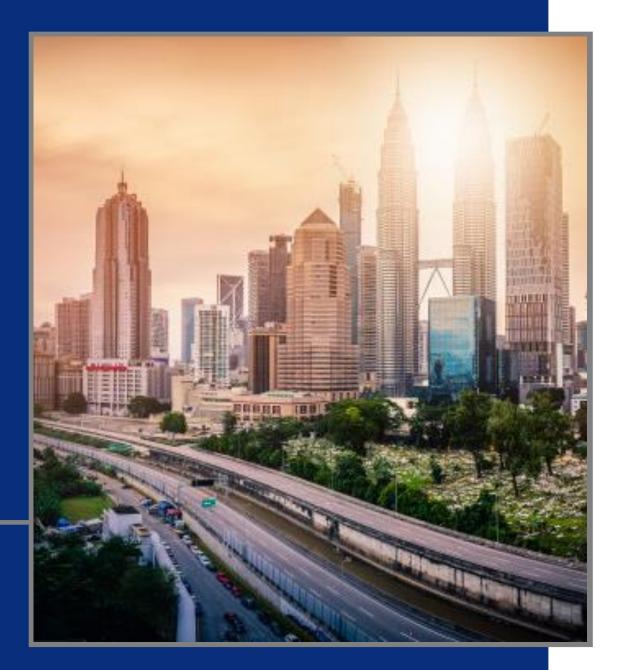
Presented by:

MASTER BUILDERS ASSOCIATION MALAYSIA

(Mr Ong Ka Thiam, Deputy Sec-Gen 1)

50th ACF Council Meeting

11 December 2020



Covid-19 situation in Malaysia and its impact

Information as of Nov 2020

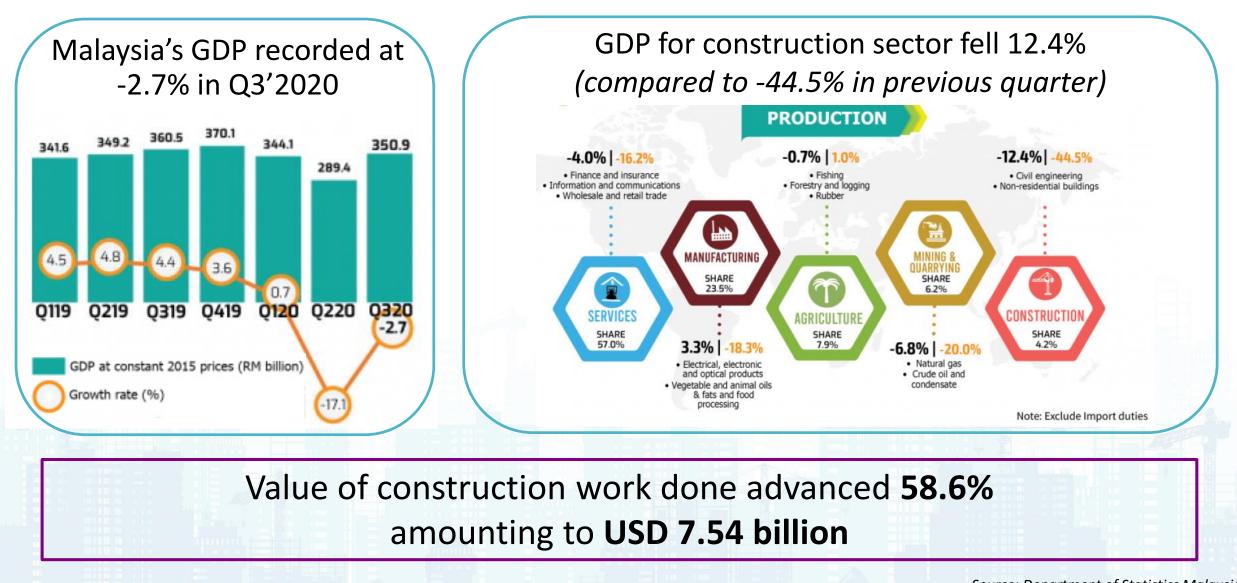
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Feb Aug Mar Apr Jul Sep Oct Nov Dec May Jun Jan WHO declared global 1st Case pandemic on 11 Mar 25 Jan Second Wave Third Wave First Wave 25 Jan – 16 Feb 27 Feb – 30 Jun 20 Sep - current Announcement by CMCO Malaysia Prime Minister for Since 4 May MCO on 16 Mar **MCO 1 MCO 2** MCO 3 MCO 4 Conditional **Recovery MCO 1 Recovery MCO 2 18 Mar** 1 Apr 15 Apr 29 Apr MCO 10 June – 31 Aug Until 31 Dec 2020 31 Mar Until 9 June 14 Apr 28 Apr 12 May 13 Apr 4 May Only essential Travel Few reasons for delay to resume **CMCO/EMCO** in certain All construction activities are Partial allowance restriction services allowed. parts of Malaysia allowed to operate. of construction of 10-km operations: All companies must declare including capital activities via Construction works radius from **Financial** issues company information and application on not allowed with residence. Confusion over SOPs agree to the SOP compliance ٠ MITI's website. exception for pledge at MITI's website by Critical Works. Delay in Covid-19 testing and Malaysian construction 15 Apr 12 May. test results Construction All contractors MUST declare industry employs about 15% Supply chain disruption SOPs and information on construction of the nation's workforce Guidelines by projects through CIDB CIMS Shortage of workers issues affecting more than 190 CIDB Malaysia & Portal. downstream industries. MOW. 18 Mar – 28 Apr RM 18.5 bil losses (USD 4.44 bil) Mainly caused by financial issues, project Some factors for decline of the delivery and labour constraints construction sector: high dependence on foreign labour 20 Apr – 20 Sep low adoption of technology 149 sites out of 7,590 inspected nationwide have not resumed operations, with 45 lack of funding facing financial issues high overhead costs

RM 1 = USD 0.24 (Central Bank of Malaysia as of 26 Nov 2020)

Malaysia's GDP Performance in Quarter 3



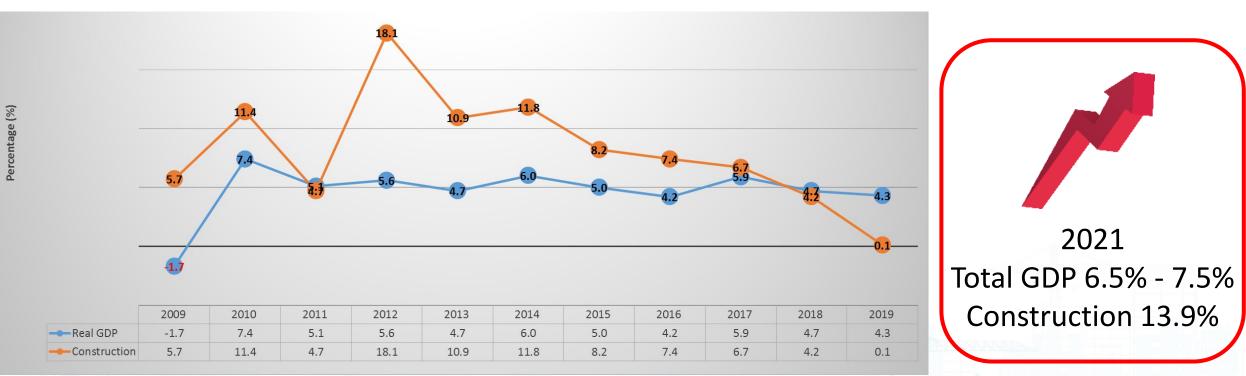


RM 1 = USD 0.24 (Central Bank of Malaysia as of 26 Nov 2020)

Source: Department of Statistics Malaysia Quarterly Construction Statistics, Third Quarter 2020 (10 November 2020) Malaysia Economic Performance Third Quarter 2020 (13 November 2020)

GDP Trend Year to Year





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Year	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Real GDP	(1.7)	7.4	5.1	5.6	4.7	6.0	5.0	4.2	5.9	4.7	4.3
Manufacturing	(0.3)	11.9	4.7	4.8	3.5	6.2	4.9	4.4	6.0	5.0	3.8
Services	2.6	7.4	7.0	6.4	5.9	6.5	5.1	5.6	6.2	6.8	6.1
Agriculture	0.4	2.4	5.8	1.0	2.1	2.1	1.2	(5.1)	7.2	0.1	1.8
Mining	(3.8)	(0.3)	(5.5)	1.4	0.7	3.3	4.7	2.2	1.0	(2.6)	(1.5)
Construction	5.7	11.4	4.7	18.1	10.9	11.8	8.2	7.4	6.7	4.2	0.1



Current construction issues in Malaysia

- Announced on 25th November 2020, all foreign workers to undergo mandatory Covid-19 screening.
- Social Security Organisation (SOSCO) to subsidise for the rapid antigen test.
- Effective 26th November, authorities to impose fine if employers provide accommodation for foreign workers in crowded spaces.

ADDITIONAL CASH FLOW ISSUES



Transfer of Employer Programme

 Government has allowed employer who cannot afford to sustain the workers or financially affected by the pandemic to transfer employees to another employer.

MyFutureJobs for Recruitment of Foreign Workers and Employment of Expatriate

 Effective 1st January 2021 – employers are required to advertise job vacancies on national job portal <u>https://www.myfuturejobs.gov.my/</u>

Levy Discount 25% for Foreign Workers

 Reduced by 25% for all companies where their work permits expire between 1st April to 31st December 2020.



Undocumented Migrant Recalibration Plan

- Consists of 2 main components
 - Return Recalibration Programme
 - Allow undocumented migrants to return to their home country voluntarily, subject to the stipulated conditions.
 - Labour Recalibration Programme
 - Regularises illegal immigrants in the country as foreign workers who could be legally employed by eligible employers subject to strict conditions.
- It will be implemented from <u>16 November 2020 until 30 June 2021</u>.



Building Material - Steel - T10/T12/T40 (October 2019 ~ October 2020)



USD1.00 = MYR4.00

High — Low

Month



Building Material - Cement - Bag (October 2019 ~ October 2020)





Building Material - Cement - Bulk (October 2019 ~ October 2020)





Building Material - Ready Mix Concrete - Normal Mix (October 2019 ~ October 2020)





Building Material - Sand (October 2019 ~ October 2020)





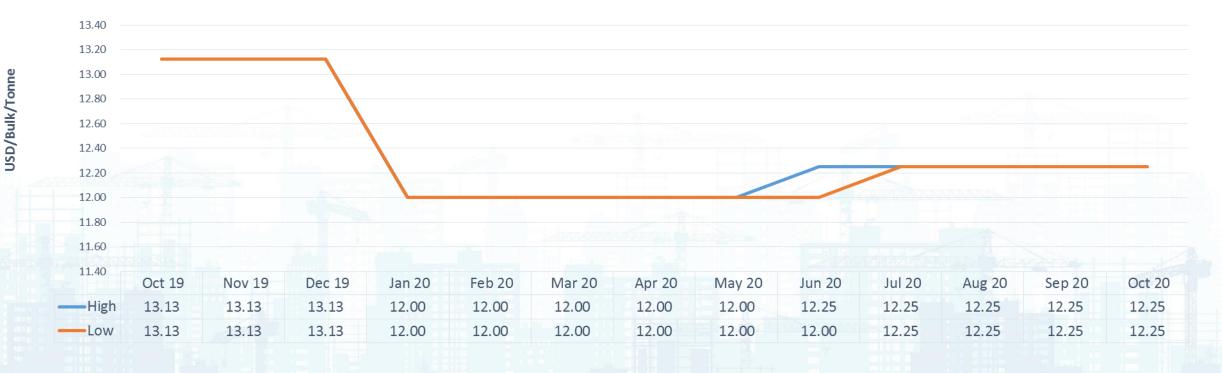
Building Material - Common Clay Brick (October 2019 ~ October 2020)



USD1.00 = MYR4.00



Building Material - Timber Plywood - 12mm X 4' X 8' (October 2019 ~ October 2020)



Month

High

Low

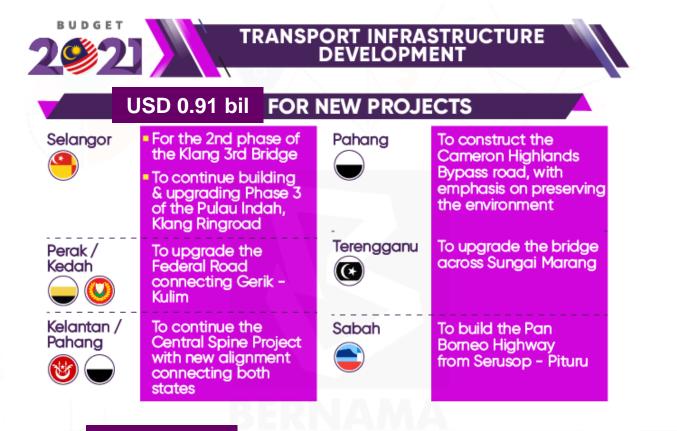
USD1.00 = MYR4.00



About RM 69 billion (approximately USD 16.56 billion) was allocated for development of various projects across the country in the recent Budget 2021 tabulation on 6 November 2020.



Source: Ministry of Finance Malaysia, 6 November 2020



USD 3.6 bil FOR EXISTING PROJECTS

- To fund the Pan Borneo Highway, Gemas-Johor Bahru Electrified Double-Tracking Project & Klang Valley Double Tracking Project (Phase 1)
- To continue key projects such as Rapid Transit System Link from Johor Bahru to Woodlands, Singapore & MRT3 in Klang Valley

Source: Finance Minister, Tengku Datuk Seri Zafrul Tengku Abdul Aziz

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REGIONAL DEVELOPMENT



U	SD 187.2 mil FOR EXISTING PROJECTS					
IRDA	Rapid Transit Bus Transport System at 3 High Capacity Routes & busway construction					
ECER	To build Kelantan's Palekbang Bridge to Kota Bahru					
NCER	To build infrastructure / related components of Kedah's Special Development Zone project in Yan & Baling					
SCORE	Infrastructure project in the Samalaju Industrial Area, Sarawak					
SDC	To continue Sabah's Sapangar Bay Container Port expansion					

 Existing tax incentives for ECERDC, Iskandar Malaysia & SDC extended until 2022



 Raw water piping project from Sungai Kesang & Tasik Biru to Melaka's Jus Reservoir
USD 36 mil

 EPF to continue developing Kwasa Damansara including commercial/residential areas, social infrastructures, innovation/medical hubs

USD 12 bil

IRDA – Iskandar Regional Development Authority ECER – East Coast Economic Region NCER – Northern Corridor Economic Region SCORE – Sarawak Corridor of Renewable Energy Building & upgrading of water/ electricity/road infrastructures, health/education facilities in:

Sabah - USD 1.22 bil Sarawak - USD 1.08 bil

SDC – Sabah Development Corridor ECERDC – East Coast Economic Region Development Council EPF – Employees Provident Fund

Source: Finance Minister, Tengku Datuk Seri Zafrul Tengku Abdul Aziz

Published: Nov 12, 2020 Bernama Infographics



Thank You and continue to Stay Safe.