



**SPEECH BY YAB TUN DR. MAHATHIR BIN MOHAMAD, PRIME MINISTER OF MALAYSIA  
TO OFFICIATE GAMUDA DIGITAL INDUSTRIALISED BUILDING SYSTEM (IBS) FACTORY  
ON 2 MAY 2019 (THURSDAY) AT 9.00 AM AT BANTING, SELANGOR**

1. Thank you for inviting me here today to officiate the opening of Gamuda's digital Industrialised Building System (IBS) factory. To be honest, I'm quite thrilled to be here when I was informed that this is going to be Malaysia's first robotics IBS factory that uses digital technology.
2. And from what I gathered Gamuda's IBS factory has the capacity to deliver completed homes very fast, half the time of conventional housing development projects, while not compromising on quality.
3. For Malaysia, like other developing countries, one of the Government's top priorities is to provide an efficient supply of affordable homes. It is part of an effort to ensure the well-being and upward mobility of Malaysians.
4. Such a commitment is inherently important if the Government desires to help the lower income group of its citizenry to have a comfortable living space at the right location for them to pursue employment or other economic opportunities. In effect this will elevate their social-economic status and in turn, will contribute to a healthy economic growth for the nation.
5. Therefore, affordable housing development projects should be well planned, including complete quality recreation facilities like a people's park, sports area and a community club. In essence, a quality home is essentially a place, where not only the living space is comfortable but it comes together with a conducive surrounding.
6. The National Housing Policy or Dasar Perumahan Negara (2018-2025) focuses on social housing issues at the local community level, especially in low-cost stratified housing areas nationwide and having a centralised agency to co-ordinate its effort.
7. It has been implemented in a fragmented way by federal, state and local governments or agencies, and still very much driven by the private sector. As a result, constraints exist in the form of supply and demand mismatch usually due to poor location, affordability levels and the need to manage profit against meeting the needs of the rakyat.
8. It is therefore important that state and federal governments will work together to unlock its land at desirable locations. In order to ensure a continuous supply of homes, there is a need for a method of building that is efficient, productive and low on unskilled labour, allowing upskilling and localisation of our workforce.
9. The Housing and Local Government Ministry, under National Housing Policy aims to build up to 100,000 affordable homes capped at RM300,000 by the end of the year. This is in line with the Pakatan Harapan Government's manifesto of constructing one million affordable housing within the next decade.
10. The lower income or bottom 40% (B40) income group and middle income M40 group, is the main focus of the National Housing Policy over the next five years. Among the policies and programmes which have been set up to tackle the housing issues faced by the target group are:
  - National Affordable Housing Council;
  - National Home Ownership Campaign;
  - National Community Policy.
11. One of the ways recommended to mitigate property oversupply is the Rent-to-Own (RTO) scheme that offers buyers the option to rent their homes for five years and apply for end-financing to purchase it in the sixth year. The Ministry has also been tasked to review the Build-Then-Sell (BTS) policy this year, which could reduce the risk to property buyers.
12. In the Affordable Housing Policy under the National Housing Policy, developers are guided by the procedures to build quality affordable homes for the B40 group. The specifications include built-ups of

not less than 900 square feet with the necessary types of amenities, facilities, and infrastructure being developed.

13. Innovation and the digital technology will be the way forward to tackle the demands for affordable homes. The use of digital Industrialised Building System (IBS); which comprise Building Information Modelling (BIM), an online design tool coupled with IBS in public housing projects, will help the Government to meet its target of one million affordable homes over a period of 10 years.
14. I was informed that Digital IBS provides an opportunity to upscale our local workforce for the future. Moving towards digital IBS technology will enable developers to build cheaper homes in a shorter period of time. It is also less labour-intensive, thus reducing the country's dependency on foreign workers and yearly outflow of capital.
15. Affordable housing, coupled with easy accessibility via an integrated public transport infrastructure (including rail), will improve connectivity and spur business activities and economic growth. This is in tandem with the Government's aspiration and strategy for national housing.
16. Apart from that, embracing digital IBS technology is timely as it is evolving with the Fourth Industrial Revolution (IR 4.0), the current trend of automation and manufacturing technologies that include cloud computing and Building Information Modelling (BIM).
17. For that, Gamuda Berhad should be commended for investing more than RM500 million in the two state-of-the-art factories, the latest one which we are in today.
18. Their move can set the trend in elevating and shifting construction. The digital manufacturing for construction will not only help the Government build the affordable homes of the future, but will result in:
  - Faster construction;
  - A substantial reduction foreign workers dependency in the construction sector;
  - Substantial upskilling and localisation of the Malaysian construction workforce;
  - Superior quality - I was informed that the affordable homes will be built on the same standards as high-end luxury homes.
19. This is the type of disruptive technology the country needs more of.
20. On that note, ladies and gentlemen, I hereby officially launch Gamuda IBS, the digital manufacturing for construction in Malaysia. Congratulations.

Thank you.