



MASTER BUILDERS ASSOCIATION MALAYSIA (MBAM)
Bangunan Persatuan Kontraktor Binaan Malaysia
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Press Release

Dear Editor,

CONSTRUCTION INDUSTRY CALLS FOR URGENT SUPPORT AND COLLECTIVE ACTION AMID ESCALATING COST PRESSURES

Please find enclosed the press release for your kind consideration and publication.

Should you require further information or clarification, please do not hesitate to contact:

1. **Mr. Lenny Lim, General Manager – 012 620 5377**
2. **Ms. Ainur Fazira, Public Relations and Communications Executive – 012 377 6976**

We sincerely thank you in advance for your support and look forward to the publication of the article.

Yours faithfully,

MASTER BUILDERS ASSOCIATION MALAYSIA

LOH MEI LING AMN
Executive Director



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PRESS RELEASE

CONSTRUCTION INDUSTRY CALLS FOR URGENT SUPPORT AND COLLECTIVE ACTION AMID ESCALATING COST PRESSURES

The construction industry is currently facing an unprecedented convergence of challenges arising from ongoing geopolitical tensions in the Middle East, which have significantly disrupted global supply chains and driven sharp increases in material and energy costs.

These developments have placed immense pressure on contractors across all levels—large, medium, and small—who are now confronted with rising input costs, uncertain delivery timelines, and increasingly constrained cash flows. Left unaddressed, these pressures risk impacting not only project delivery but also the broader economic ecosystem that relies heavily on the construction sector as a key driver of national development.

A Call for Government Support

In light of these extraordinary circumstances, the industry respectfully calls upon the Government of Malaysia to consider a set of targeted and timely support measures to ensure continuity and stability within the sector:

1. Immediate Financial Relief

- Temporary reduction or deferment of relevant taxes impacting construction services
- Targeted diesel subsidies and support for logistics-related costs
- Provision of soft loans and financial guarantee schemes to ease contractors' cash flow constraints

2. Fair and Balanced Contractual Framework

- Introduction of mandatory price fluctuation mechanisms (VOP) for key materials such as steel, cement, and fuel
- Assurance that new fiscal policies or taxes are not applied retrospectively to existing contracts
- Strengthening of payment mechanisms to ensure timely certification and disbursement



3. Supply Chain Stabilisation

- Facilitation of alternative sourcing through relaxed import requirements and expedited approvals
- Consideration of strategic reserves for critical construction materials

4. Project Continuity Measures

- Recognition of extension of time (EOT) entitlements arising from supply chain disruptions
- Temporary relief or moderation of liquidated ascertained damages (LAD) for affected projects
- Review and adjustment of ongoing government project contracts where necessary

These measures are not merely industry support initiatives—they are essential steps to safeguard the timely delivery of national infrastructure and development projects.

A Call for Private Sector Collaboration

At the same time, the industry appeals to private sector clients, developers, and stakeholders to adopt a collaborative and pragmatic approach during this period of global uncertainty.

We urge all parties to:

- **Revisit contract terms where necessary**, particularly for projects at early stages, to reflect current market realities
- **Adopt fair risk-sharing practices**, recognising that unprecedented cost escalations are beyond the control of any single party
- **Facilitate open dialogue and negotiation**, with the objective of preserving project viability rather than enforcing rigid contractual positions
- **Support timely payments**, ensuring contractors are not unduly burdened with financing escalating costs

The success of any project depends on the sustainability of all stakeholders involved. A collaborative approach today will prevent disruptions and disputes tomorrow.



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Ensuring Industry Sustainability

The construction sector remains committed to delivering quality projects, supporting employment, and contributing to national growth. However, the current environment demands a recalibration of risk allocation and a collective effort to navigate through these external shocks.

This is not a challenge faced by contractors alone. It is a shared national concern that requires coordinated action from Government, industry players, and private sector stakeholders alike.

Conclusion

The industry stands ready to work closely with all relevant authorities and partners to develop practical solutions and implement necessary reforms. Through mutual understanding, fair practices, and timely intervention, we are confident that the sector can overcome these challenges and continue to play its vital role in nation-building.

“We are not seeking protection, but partnership— to ensure that projects continue, businesses sustain, and the nation progresses.”

Mr Oliver HC Wee KMN AMN

魏献勤

President, Master Builders Association Malaysia (MBAM)



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About MBAM:

- Master Builders Association Malaysia (MBAM) was founded in 1954 and it has since grown more than 18,000 direct and indirect members comprising of corporations, affiliated associations and associated industry companies in the construction industry.
- MBAM is a member of the International Federation of Asian and Western Pacific Contractors' Associations (IFAWPCA), Building Industry Presidents' Council (BIPC) and is currently chairing the ASEAN Constructors Federation (ACF).
- MBAM current President is Mr. Oliver Wee Hiang Chyn.
- Based in Kuala Lumpur, MBAM is managed by elected Council Members. The Council is supported by a well-staffed Secretariat, headed by an Executive Director.
- MBAM's vision is to be The Prime Mover and the Recognised Voice of the Malaysian Construction Industry.

Other information:

Master Builders Association Malaysia (MBAM)

Persatuan Kontraktor Binaan Malaysia (MBAM)

马来西亚建筑商总会 (MBAM)

President Oliver HC Wee KMN AMN

魏献勤