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# Royal Institution of Surveyors Malaysia

**BERITA QS**

**DEC 2024**

**Issue No.6**

**Session 2024/2025**



**FOR MEMBERS ONLY**



# CONTENTS

<b>PG1</b>	<b>MALAYSIA CONSTRUCTION INDUSTRY 2024 RECAP</b>
<b>PG3</b>	<b>QUANTITY SURVEYING PRINCIPALS DIALOGUE 2024: POSITIONING FOR GROWTH: QS CONSULTING FIRMS IN AN EVOLVING MARKET</b>
<b>PG8</b>	<b>PRODUCT EDUCATION &amp; EXPO TOUR TO NIPPON PAINT (MALAYSIA) SDN BHD</b>
<b>PG13</b>	<b>RISM QS DIVISION JOINS MANGROVE PLANTING EFFORT TO MARK 20TH ANNIVERSARY OF THE 2004 TSUNAMI</b>

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# MALAYSIA CONSTRUCTION INDUSTRY 2024 RECAP

The Malaysian construction industry experienced a remarkable resurgence in 2024, driven by a confluence of factors including increased private and public investment, a surge in infrastructure projects, and a rebound in tourism. Here's a detailed look at the key highlights and trends that shaped the industry this year:

## ECONOMIC GROWTH AND INVESTMENT

The Malaysian economy projected a robust growth rate of 4.0 to 5.0% in 2024, underpinned by strong domestic demand and private sector expenditure. Malaysian construction industry is estimated to have contributed up to 17.3% of the national GDP. The estimated total value of construction projects stood at RM150.2 billion across 11,980 projects in 2024, surpassing the figures from 2023.

The valuation of Malaysian construction industry is estimated to be growing at a compound annual growth rate (CAGR) of 8.55% from 2024 to 2029. The positive market sentiment was reflected in the Bursa Malaysia Construction Index (BMCON), which reached a four-year high, with close to 57% capital gain in 2024 alone. This indicates overall healthy and bullish sentiment among stock market investors on the Malaysian construction industry.

## BULL MARKET

## GOVERNMENT SPENDING AND INFRASTRUCTURE DEVELOPMENT

The Malaysian government underscored its commitment to infrastructure development by allocating a substantial RM90 billion, representing \*\*23% of the total budget, to development expenditure in 2024. This significant investment paved the way for major infrastructure projects such as the Penang Light Rail Transit (LRT), the Sabah Pan Borneo Highway, the Sabah Sarawak Link Road (SSLR), and the reinstatement of LRT 3 project. These projects not only stimulated economic activity but also created numerous job opportunities, boosting overall industry growth.

Malaysia ranks second in adopting digital technologies among six countries surveyed across the Asia-Pacific region. Among the six countries are Malaysia, Japan, Singapore, Indonesia, India and Australia. Malaysian construction firms utilise an average of 7 digital technologies, outpacing the regional average by 50%. The most adopted key technologies are :

- BIM Tools
- A.I-Driven Safety Systems
- Modular Construction
- Drones and Robotics

## DIGITAL ADOPTION

## SUSTAINABILITY EFFORTS

Government's incentives of RM1 billion were provided to support green construction projects and the adoption of eco-friendly technologies. This resulted in the construction industry achieving a 15% reduction in carbon emissions compared to 2023 levels. Over 200 new projects have received green building certifications such as LEED and Green Mark in 2024. The industry also saw the completion of 50 new solar energy installations and 10 wind energy projects, contributing significantly to the renewable energy capacity.

The Malaysian construction industry's performance in 2024 was a testament to its resilience and potential for growth. With continued investment in infrastructure and a focus on sustainable development, the industry is well-positioned for a promising future.

*This article is prepared by BCISM Sdn. Bhd.*







# QUANTITY SURVEYING PRINCIPALS DIALOGUE 2024

**POSITIONING FOR GROWTH: QS CONSULTING FIRMS IN AN  
EVOLVING MARKET**

**4 DECEMBER 2024 (WEDNESDAY)**

CIDB E-construct Service Sdn Bhd, Menara Sunway Putra, Kuala Lumpur.

**Panelists for the Dialogue Session:**

- **Datuk Sr Amran Mohd Majid** - BQSM President
- **Sr Kwan Hock Hai** - RISM Past President, Principal of Perunding PCT Sdn Bhd
- **Dato' Sr Peter Tan** – Principal Advisor of PKT Quantity Surveying Consultant Sdn Bhd
- **Sr Teh Leong Meng** – Principal of JUB Utara Sdn Bhd
- **Sr Dainna Baharuddin** - RISM Past President & Principal of Basar & Harun Sdn Bhd



## QS PRINCIPAL'S DIALOGUE 2024

QS Principal's Dialogue 2024 was organized on December 4, 2024, at CIDB E-construct Service Sdn Bhd, Menara Sunway Putra, Kuala Lumpur, under the theme '*Positioning for Growth: QS Consulting Firms in an Evolving Market*'. In recent years, quantity surveyor (QS) consultant firms have faced unprecedented challenges threatening their viability and growth. As key players in the construction industry, these firms are crucial for managing project costs, ensuring quality, and maintaining financial accountability. However, factors such as market competition, economic fluctuations, and evolving technological landscapes have hindered their effectiveness and number. This dialogue aimed to address these challenges and explore potential solutions for the sustainability of QS firms. The event was attended by 50 participants and was opened by the Vice President of RISM, **Sr Nazir Muhamad Nor**, followed by three insightful sessions throughout the day. The main objectives were:

1. **Identify Challenges:** Discuss the specific struggles faced by QS consulting firms, including market competition, economic factors, increased operating costs, technological advancements, capacity building, talent retention, and evolving client expectations.
2. **Explore Solutions:** Encourage collaboration among industry stakeholders to develop strategies that support the resilience and growth of QS firms, while also exploring innovation and non-traditional services.
3. **Promote Best Practices:** Share successful case studies and practices to help QS firms navigate the current

Landscape effectively.

4. **Foster Networking:** Provide a platform for networking and promoting collaboration among QS professionals, industry leaders, and related stakeholders.

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## SHAPING THE QS INDUSTRY

Key topics discussed in shaping the QS industry included: **Market Dynamics**, which focused on understanding the competitive landscape and its impact on QS consulting firms; **Economic Trends**, which analyzed the effects of economic fluctuations on the demand for QS consultancy services; **Technological Advancements**, which examined the role of technology in transforming QS practices and how firms can adapt; **Talent Management**, addressing the challenges of attracting and retaining skilled professionals in the QS field; and **Client Engagement**, which discussed strategies for meeting changing clients' expectations and enhancing service delivery.

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## Session 1 – Membership Update

**Speaker: Sr Mohamad Shazali Sulaiman, Secretary of RISM QS Division for 2024/2025**

This session provided an update on the membership status, particularly focusing on the QS Division. Attendees were also given a refresher on the RISM Membership portal.



## Session 2 – SMM3 Introduction and Brief

**Speakers: Sr Dr. Syed Haris Syed Mustapa & Assoc Prof Sr Dr. Sarajul Fikri Mohamed**

**Sr Dr. Syed Haris** introduced the newly launched SMM3 (on October 24, 2024) and its alignment with BIM (Building Information Modeling) digital measurement standards. The session also discussed the integration of AI with BIM and SMM3 in modern construction practices.

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## Session 3 – The Dialogue/ Panel Discussion

Moderator: **Sr Jailani Jasmani**, Council Member RISM (2024-2025)

The panel discussion featured the following insights:

**Datuk Sr Amran Majid** addressed issues related to Consultants Services

Agreement (CSA), scale of fees, and quality and quality of QS consultancy services;

**Dato' Sr Peter Tan** discussed the role of foreign firms in Malaysia, the post-COVID development landscape, and emerging sectors like data centers and semiconductors;

**Sr Kwan Hock Hai** highlighted innovation in QS services and new, non-traditional consultancy areas;

**Sr Teh Leong Meng** focused on alternative procurement methods for QS consultancy services and their potential benefits; and

**Sr Dainna Baharuddin** raised issues related to scope changes without additional fees, delayed fee payments, and challenges with government project final account settlements.





## Insights and Recommendations

### Fee Structure and Competitive Tendering

raised concerns over the transition from regulated fee scales to competitive tendering. QS firms must improve performance and justify their value to clients. Comparisons to international practices highlighted the need for defending fair fee structures while remaining competitive. Suggestions were made to categorize firms by size (small, medium, large), ensuring a level playing field in tender bidding processes.

### Evolving Market and Scope Expansion

suggested that QS firms should diversify their services, incorporating facility management, project management, sustainability, and carbon footprint audits. The adoption of BIM is crucial, though it requires significant investment in technology and training. Specialization in emerging sectors like data centers and semiconductors is key for future relevance.

**Preserving QS Standards** emphasized maintaining the BQ (Bills of Quantities) system for cost management and transparency. The rising preference for lump sum contracts and limited fee offerings raised concerns over the future of traditional QS practices.

**Professional Recognition and Value Creation** called for increased QS involvement in project approvals and certifications to elevate the profession's visibility, as well as focusing on value creation through cost analysis, sustainability metrics, and advanced reporting.

**Technological and Workforce Challenges** highlighted the need for quick adaptation to digital tools and technology like AI and BIM. Concerns were raised about the brain drain

in the industry, as experienced senior staff are leaving for better opportunities abroad. The importance of training young QS professionals was also stressed.

**Globalization and Collaboration** encouraged Malaysian QS firms to collaborate internationally and align with global standards while preserving local expertise.

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### Attainable Outcomes for a Resilient Future

To ensure resilience in the future, QS consultant firms are encouraged to embrace **Adaptability, Collaboration, Lifelong Learning, and Sustainability**. Staying relevant requires constant innovation, and firms must work together to leverage collective knowledge and experience, prioritize continuous development, and adopt environmentally conscious practices.

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## CONCLUSION AND WAY FORWARD

The QS Principal's Dialogue 2024 provided a valuable platform for critical discussions and collaborative problem solving. QS consultants need to seize opportunities identified to position themselves for sustained growth and relevance in an ever-evolving market. RISM QS Division hopes to have further discussions with all stakeholders to address further the challenges discussed during the dialogue.







## PRODUCT EDUCATION & EXPO TOUR TO NIPPON PAINT (MALAYSIA) SDN BHD

On **2<sup>nd</sup> December 2024**, a group of 12 participants attended a visit to Nippon Paint (Malaysia) Sdn. Bhd., held at their Shah Alam office. The visit provided 2 CPD points (BQSM) to attendees. The objective of the event was to give participants an insight into the paint processing industry, as well as to highlight the application of new technologies and innovations in construction.

**Nippon Paint**, founded in 1967, is a leading paint brand in Malaysia and across Asia, dominating the coatings sector. The company emphasizes research and development to lead across various industries, including flooring, waterproofing, automotive, industrial, protective, marine, and architectural coatings. In addition to its product offerings, NPM has expanded its portfolio by acquiring companies such as

Selleys in 2020 and Vital Technical Sdn. Bhd. in 2021. In 2022, NPM further expanded by acquiring CMI Construction Material Industry Sdn. Bhd. to diversify into technical mortars, plasters, and other construction materials.

The day began at 9:30 a.m. with registration and light refreshments at the Nippon Paint office. The visit formally started at 10:00 a.m. with a safety briefing from the Safety Department, followed by an opening address from Mr. Aaron Ang, Senior Manager. Mr. Tristan Chan, Senior Executive, then delivered an informative presentation on the various paint products, waterproofing solutions, and the integration of new technologies



in the construction industry. This was followed by a presentation from Ms. Christina Chong, Specification Executive from CMI Marketing Sdn. Bhd., who discussed paint and building material specifications. Ms. Charlene Yus from V-Tech also provided valuable insights into their home and industrial renovation solutions. Both companies are part of the Nippon Paint group.

A Q&A session followed, offering participants the chance to interact and clarify any doubts. The group then visited the product exhibition and showroom, where they were able to observe how different paints are used based on the suitability of various spaces and locations. A group photo session was held to capture the moment, and the event concluded with a networking session over

refreshments, giving attendees the opportunity to connect further. The event concluded at 2:00 p.m. RISM QS Academy extends its sincere thanks to Nippon Paint (Malaysia) Sdn. Bhd. for their warm hospitality and for making the tour a memorable and insightful experience.

















Volunteers planting mangroves at Kg. Changkat Keruing, Perak

## **RISM QS DIVISION JOINS MANGROVE PLANTING EFFORT TO MARK 20TH ANNIVERSARY OF THE 2004 TSUNAMI AT CHANGKAT KERUING, PERAK**



**Perak, 28 December 2024**, in a powerful tribute to the 20th anniversary of the devastating 2004 tsunami, the Royal Institution of Surveyors Malaysia (RISM) Quantity Surveying (QS) Division, through its Surveyor Social Responsibility (SSR) programme, proudly supported a meaningful mangrove planting initiative at Kg. Changkat Keruing, Perak.

The programme, spearheaded by KUASA (Persatuan Aktivis Sahabat Alam), in collaboration with the local community, the Ministry of Natural Resources and Environment, Lagenda Properties, Pantai Hospital Manjung, and Majlis Perbandaran Manjung, brought together more than 100 enthusiastic volunteers united by a common goal: to restore mangrove ecosystems and safeguard coastal areas. The QS Department of UiTM Sri Iskandar, Perak, also contributed their support to the initiative.

On the day of the event, over 600 mangrove saplings were planted, symbolising resilience and recovery. Volunteers actively participated in a variety of activities, including reflections on the



lasting impact of the 2004 tsunami, engaging educational talks on the vital role mangroves play in coastal protection, and an exhibition highlighting the rich biodiversity of these unique ecosystems. Sr Nazir, Chair of RISM QS Division, expressed his pride in the initiative, saying, "This initiative is a powerful reminder of the strength and unity that arise from a shared goal. By planting these saplings, we not only honour the memory of those affected by the tsunami but also take tangible steps towards creating a safer, more sustainable future." The event highlighted the importance of community-driven conservation efforts and the urgent need to protect our natural environment, ensuring that future generations will benefit from the sustainable efforts being made today.



Sr Nazir also took part in the mangrove tree planting activity



The volunteers pose for a group photo before heading out to plant mangroves

# Heartiest Congratulations



**Pn. Zainora Zainal**

on the appointment as  
**Chief Executive**  
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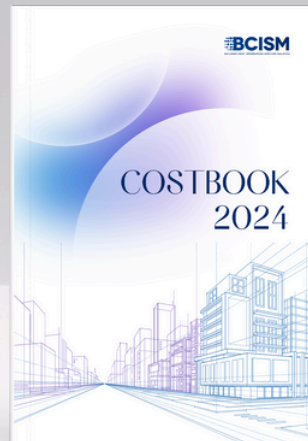
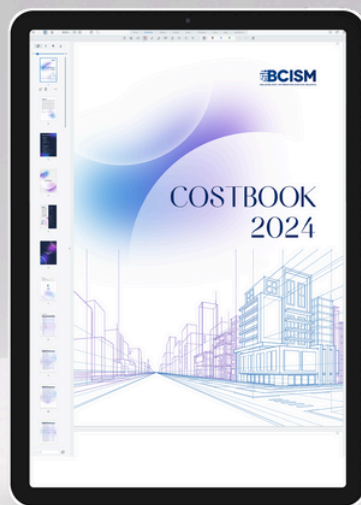
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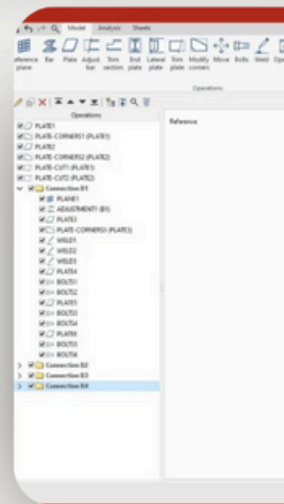
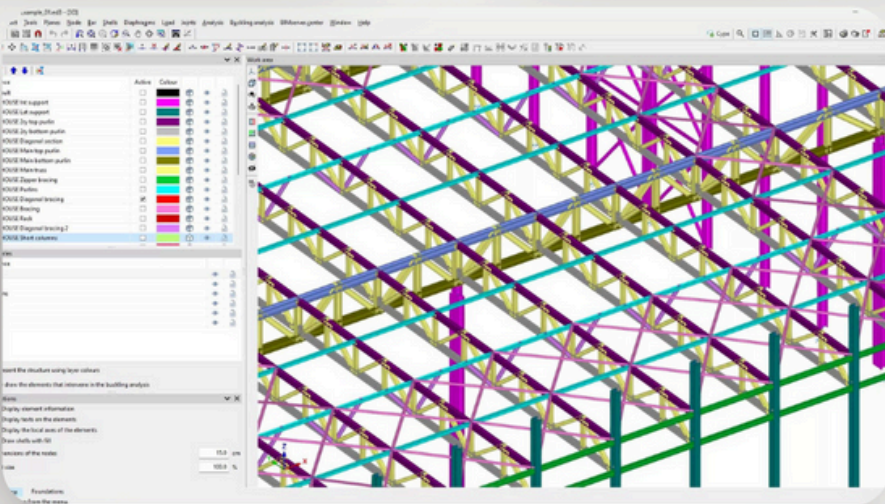
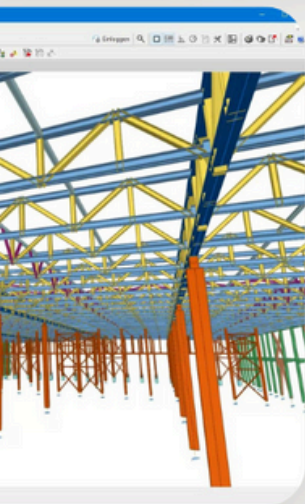
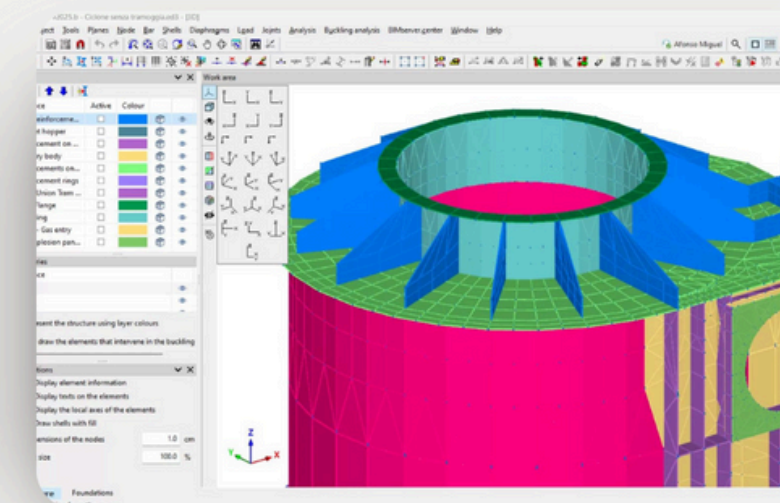
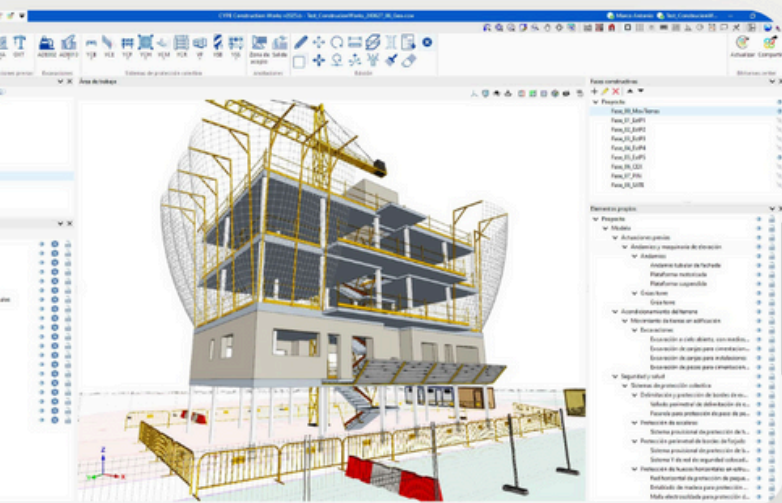
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- BUILDING COST INDEX
- TENDER PRICE INDEX

The screenshot displays the N3C website interface. At the top, there is a navigation bar with 'Home', 'About', 'Products', and 'Contact' links, along with 'ADD ON' and 'TEST/AT2' buttons. The main content area features a grid of 12 product categories, each with an icon and a label: Building Materials Price, Labour Wage Rate, Machinery Hire Rate & Equipment Purchase Price, Building Material Cost Index, Building Labour Cost Index, Building Machinery and Equipment Cost Index, Building Cost Index, Tender Price Index TPI, Publications, Other Products, Whole Life Costing & Cost Benchmarking, and Unit Rate Library. Below the grid, a line chart shows the 'Building Materials Price' index from Jan23 to Jan24. The y-axis represents the index value, ranging from 20 to 27. The x-axis shows months from Jan23 to Jan24. Three data series are plotted: a red line (highest values), a blue line (middle values), and a green line (lowest values). All series show a general upward trend over the period.

\* Disclaimer: Potential users are reminded that the building materials price presented is by no means accurate but it is an average of the entire participating contractors in this survey exercise. Users will have to use their professional judgement in order to get the best out of the information provided.

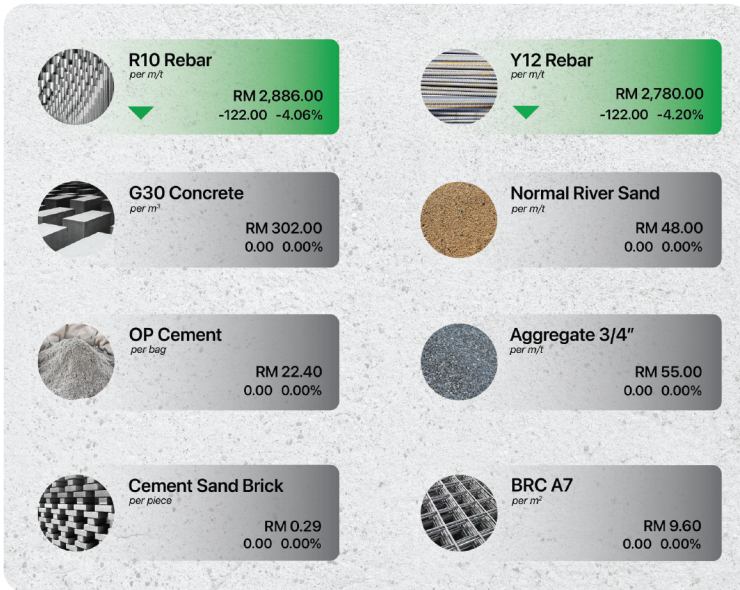




## Building Material Prices November 2024



## Building Material Prices for November 2024



A COLLABORATION BY



BCISM is a joint-venture between Construction Industry Development Board Malaysia (CIDB) and Royal Institution of Surveyors Malaysia (RISM), mandated as the main service provider of centralised building cost information for the industry and its stakeholders.



Disclaimer

Prices presented are extracted from N3C BMP weekly data. Users will have to use their professional judgement to get the best reference out of the pricing information provided. For more frequently analysed, updated and wider range of data, visit [n3c.cidb.gov.my](http://n3c.cidb.gov.my)

BCISM Monthly Basic Building Material Prices (BMP) is a compilation of weekly data from National Construction Cost Centre (N3C). This data is published monthly on BCISM official social media channels and official website as one of the free construction cost data resources.

Steel prices eased in November 2024 after a euphoric run driven by China's economic stimulus package. The global market is pricing in a weaker demand for China-produced steels in 2025 amid speculation of potential tariffs on China under Trump administration. Furthermore, U.S steel producers are expanding their capacity and ramping up their production to capitalise on the potential tariffs.

Head over to [www.bcism.org.my](http://www.bcism.org.my) for more historical monthly BMP data and more comprehensive N3C construction cost data .

### Important Update

BCISM has relocated office to the following new address in accordance with the arrangement of Royal Institution of Surveyors Malaysia (RISM).

**Bangunan Juruukur, Tingkat 1, 64 & 66, Jalan 52/4, 46200 Petaling Jaya, Selangor**

Self-collection of online purchases will be at the new address.



Building Cost Information Services Malaysia (BCISM) was founded as a collaboration between CIDB Malaysia and RISM to establish a centralised building cost information platform for the industry and its stakeholders. BCISM was founded in July 2019 to be the main service operator of National Construction Cost Centre (N3C). N3C provides construction cost information to construction industry players in Malaysia, which assist them in the preparation of early cost estimates, cost planning and life cycle costing.

BCISM also conducts market research and publishes market overview and market trend reports as free resources for the industry stakeholders. It is BCISM's mission to publish transparent and equitable construction cost information to the industry stakeholders and ultimately promote competitive, progressive and innovative growth and development of Malaysian construction industry. To find out more about BCISM, visit [www.bcism.org.my](http://www.bcism.org.my)



Reminder notice for the renewal of the  
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**Start Date: 1st October 2024**  
**End Date: 31st March 2025**

Penalty Note: Payments made after 31st March 2025 will be subject to penalties



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