

The image features a construction site in the background, with a large crane and several buildings under construction. The scene is overlaid with a semi-transparent blue filter. In the foreground, there are several white diagonal lines. The text is centered and reads:

MALAYSIA CONSTRUCTION REPORT OVERVIEW 2022



Market Overview

Economic Update & Outlook

Steel Production, Import, Export & Consumption

Steel Consuming Sectors

Key Market Trend

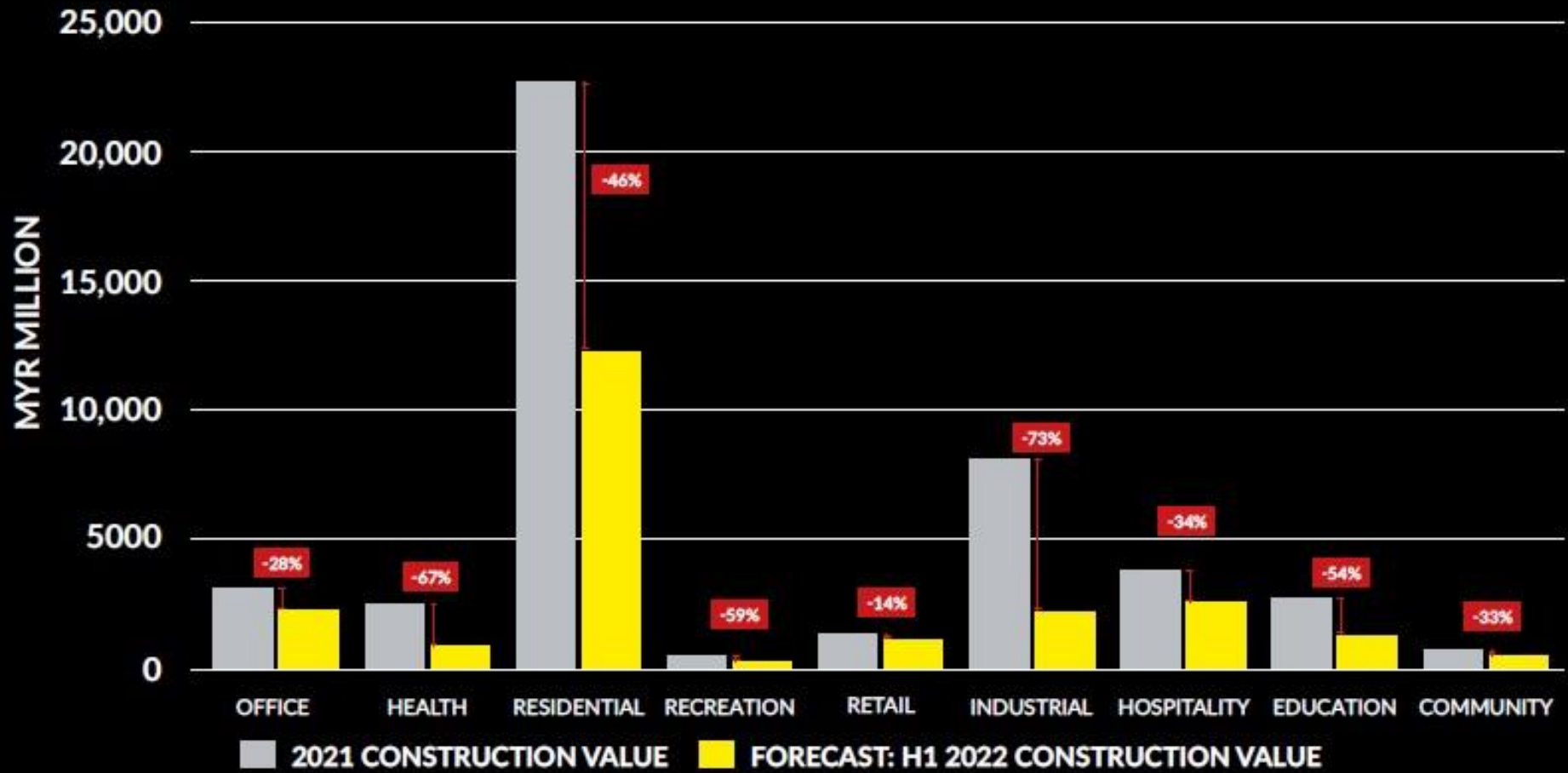
**CONTENT OF
REPORT:**

MARKET OVERVIEW

- ▶ Expected to grow at a CAGR of $\pm 6\%$ during the forecast period 2022-2027
- ▶ Severely affected by the COVID-19 pandemic, were halted throughout the Movement Control Order (MCO)
- ▶ The industry is expected to remain vulnerable to fluctuating oil prices, as it heavily relies on oil sector revenues to finance infrastructure projects.
- ▶ Adding to the pressure were the rising costs of building materials, especially iron, and workforce shortages
- ▶ Construction sector is also facing a serious shortage of workers that has caused major construction projects to fall behind schedule
- ▶ In September 2021, the government announced its plan, Public Private Partnership (PPP) 3.0 model to fund infrastructure projects in the 12th Malaysia Plan (RM12) between 2021 and 2025
- ▶ In December 2021, the Malaysian parliament passed the government's budget for 2022, an expenditure of MYR 332.1 billion (USD 81.8 billion). The budget includes an allocation of MYR 75.6 billion (USD 18.6 billion) for development expenditure

MARKET OVERVIEW

CONSTRUCTION STARTS FORECAST 2021 REVIEW AND H1 2022 FORECAST

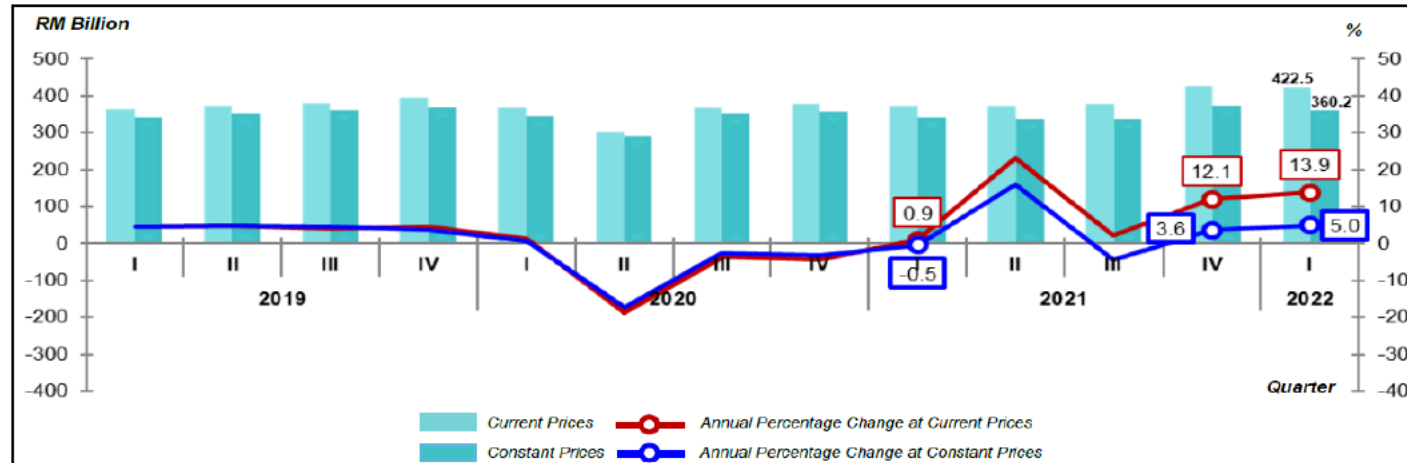


ECONOMIC UPDATE & OUTLOOK

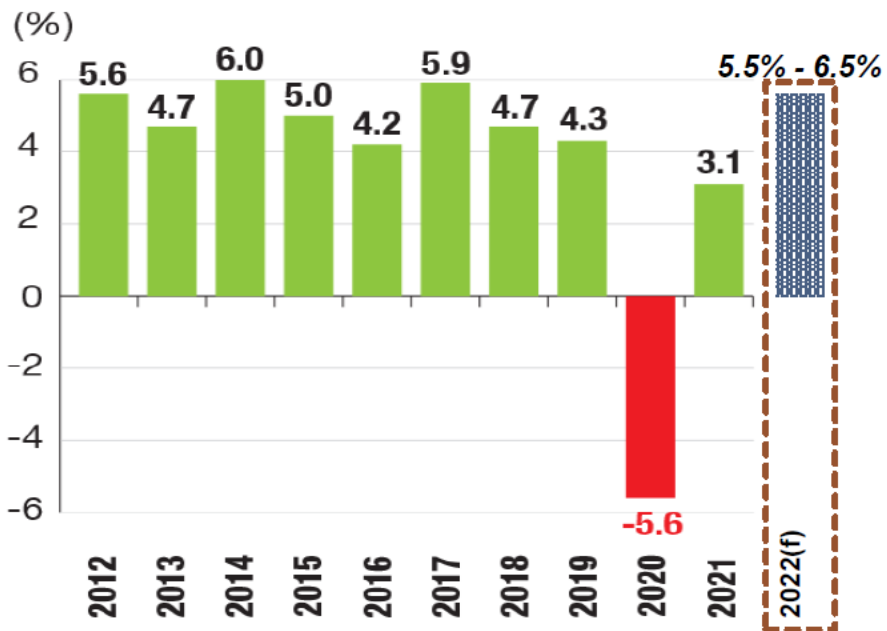
Source: BNM

THE MALAYSIAN ECONOMY IS PROJECTED TO GROW AT 5.5% - 6.5%

GDP - Value Added and Annual Percentage Change



Real and Projected GDP growth



Factors supporting future growth:

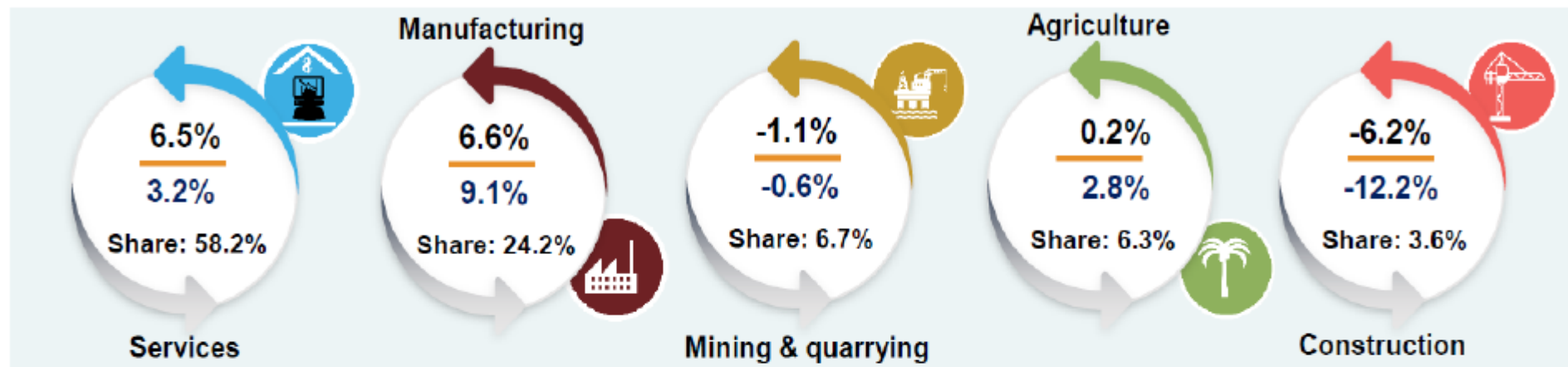
- Expansion in global demand
- Higher private sector expenditure

ECONOMIC UPDATE & OUTLOOK

Source: DOSM

MODERATE PERFORMANCE ACROSS ALL SECTORS

GDP by Sectors Q1 2022



Q1 2022
Q1 2021




Real GDP Change by Sectors

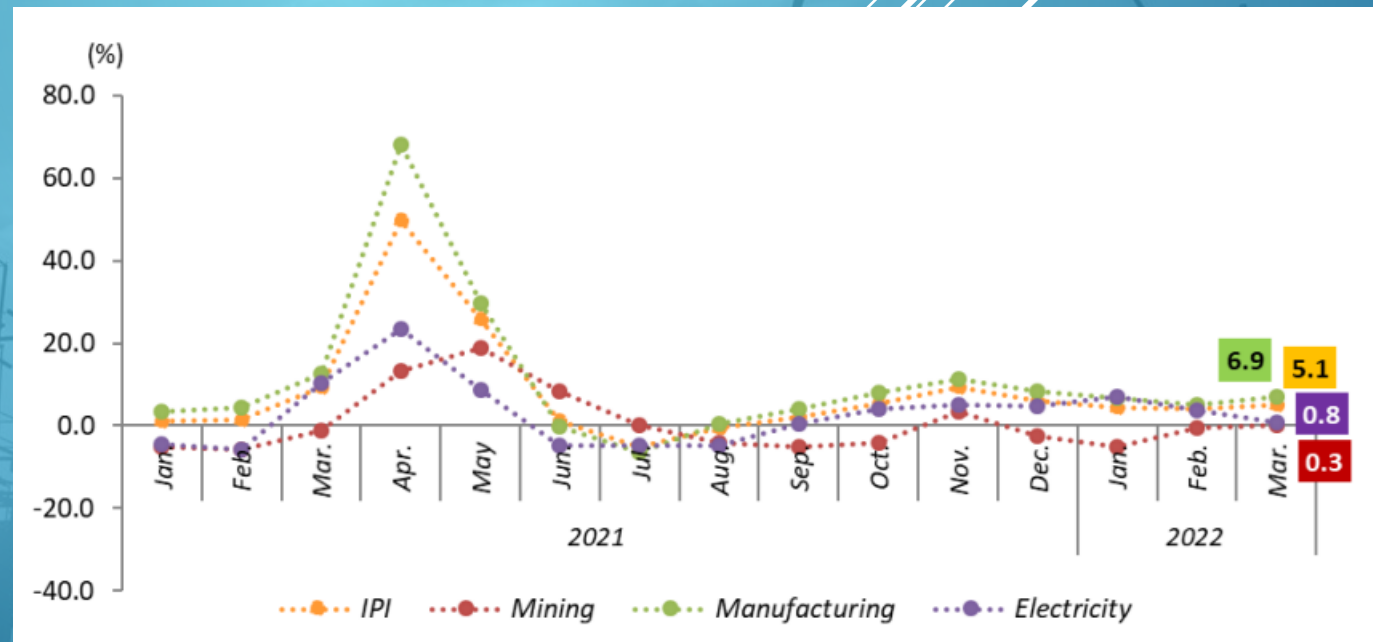
Real GDP (% YoY)	Share (%)	2019	2020	2021	Q1 2022
Manufacturing	22.9	3.8	-2.6	9.5	6.6
Services	57.7	6.1	-5.5	1.9	6.5
Agriculture	6.8	2.0	-2.2	-0.2	0.2
Mining	7.4	-2.0	-10.0	0.3	-1.1
Construction	4.0	0.1	-19.4	-5.2	-6.2
Real GDP	100	4.4	-5.6	3.1	5.0

ECONOMIC UPDATE & OUTLOOK

Source: DOSM

IPI GREW 4.5% IN Q1 2022 DUE TO GROWTH IN MANUFACTURING (6.3%) AND ELECTRICITY (3.7%) SECTORS

SECTOR	INDEX Q1 2022	YoY (%)			
		Q4 2020	Q1 2021	Q4 2021	Q1 2022
IPI	122.7	-0.2	3.9	6.8	4.5
	94.7	-10.0	-4.0	-1.2	-1.8
	133.2	2.8	6.8	9.2	6.3
	120.2	-0.6	-0.1	4.6	3.7

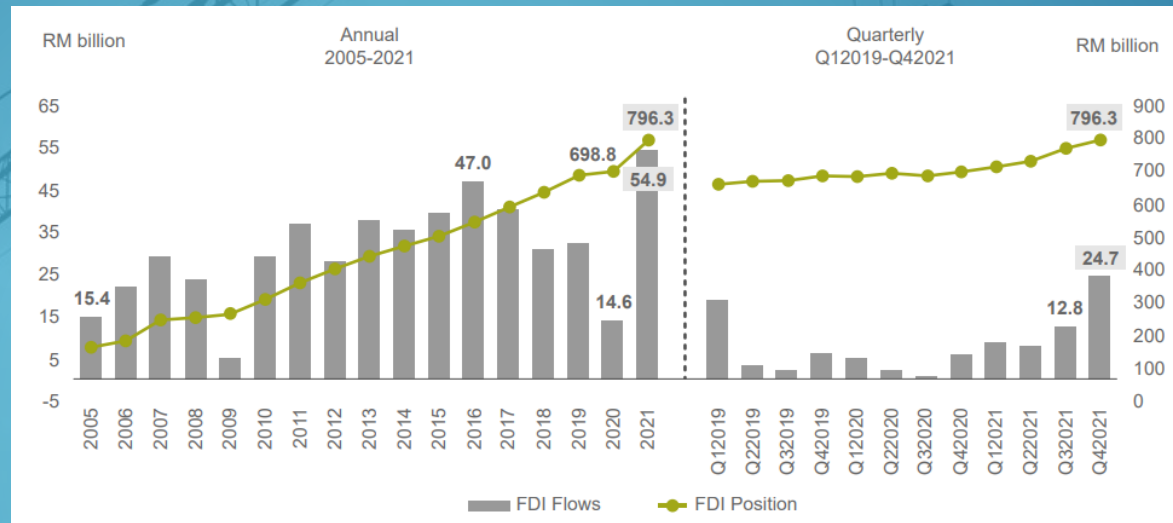


ECONOMIC UPDATE & OUTLOOK

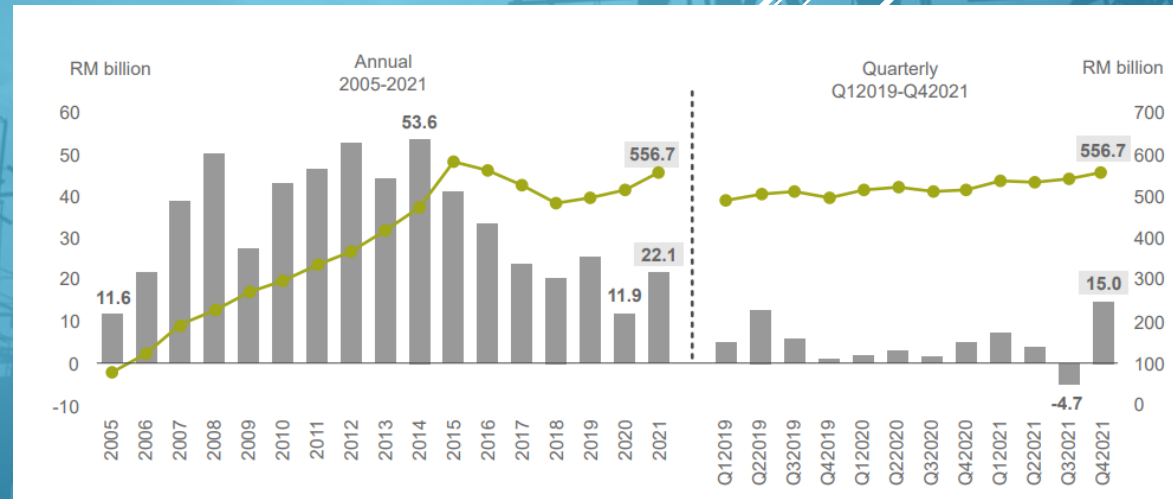
Source: MIDA, DOSM

MALAYSIA BENEFITTED FROM RECOVERY OF GLOBAL FDI FLOWS, RECORDING RM54.9'B IN NET FDI IN 2021 (RM14.6'B IN 2020)

FDI (2005-2021)



DIA (2005-2021)



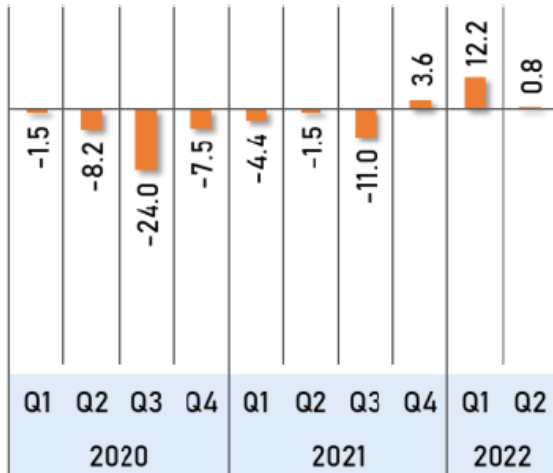
ECONOMIC UPDATE & OUTLOOK

Source: DOSM

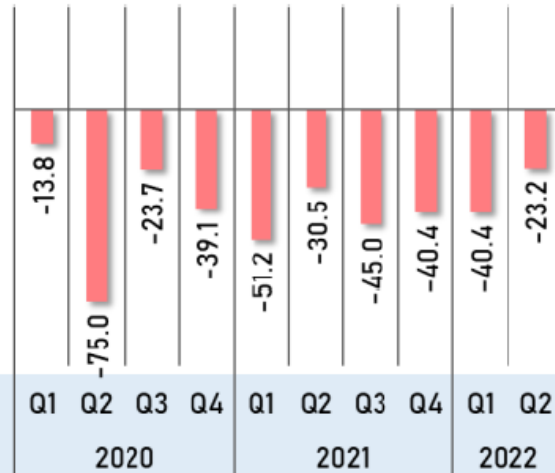
All sectors except for Construction anticipate better business condition in 2Q 2022



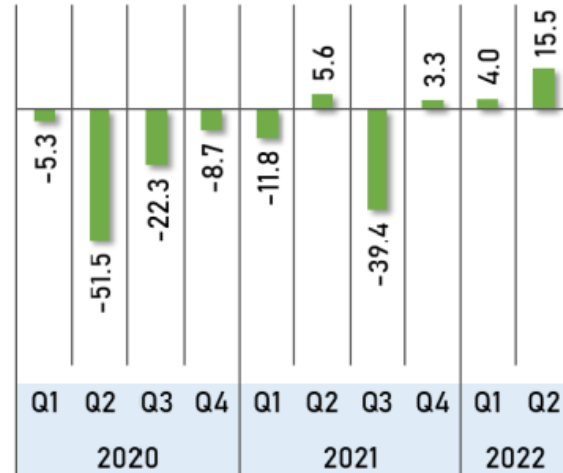
Industry



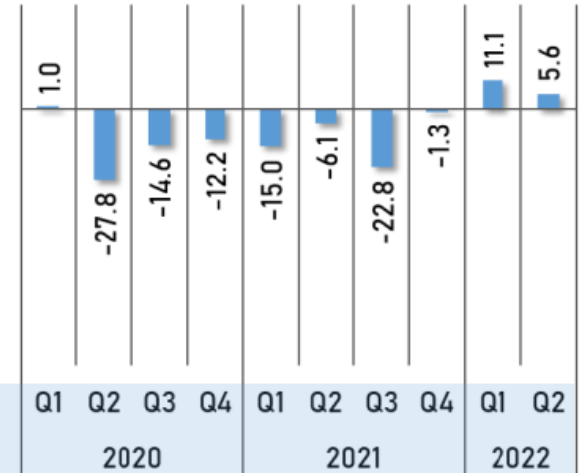
Construction



Wholesale & Retail Trade



Services

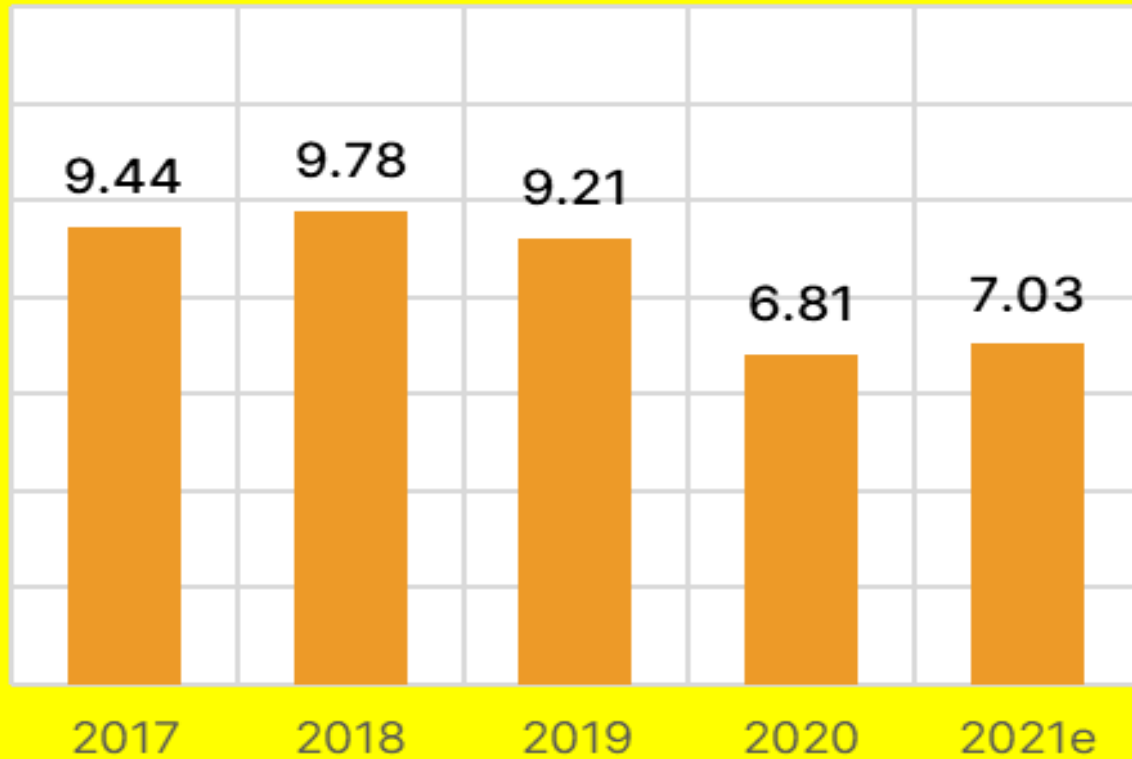


STEEL PRODUCTION, IMPORT, EXPORT & CONSUMPTION

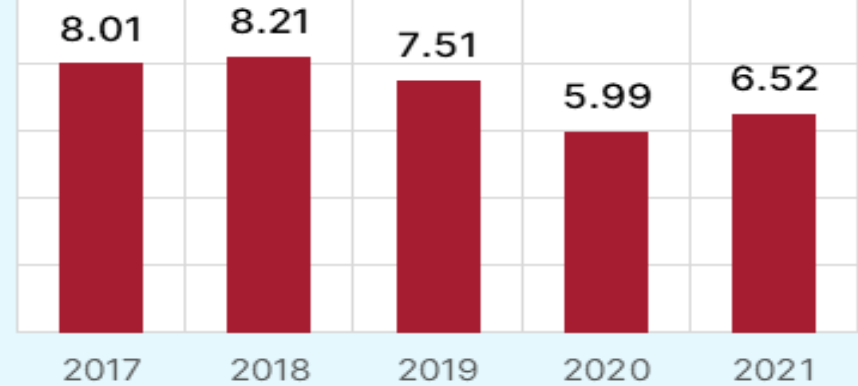
Source: MISIF, DOSM

2021 DATA FOR MALAYSIA

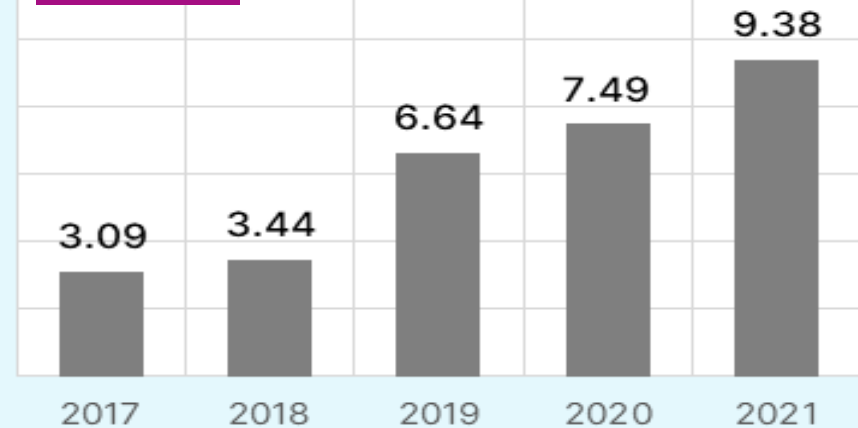
Apparent Steel Consumption (ASC)



Imports



Exports



STEEL CONSUMING SECTORS

Source: BNM, CIMB, DOSM, HIS MARKIT, MAA, MIDA, MISIF MOF, SME BANK

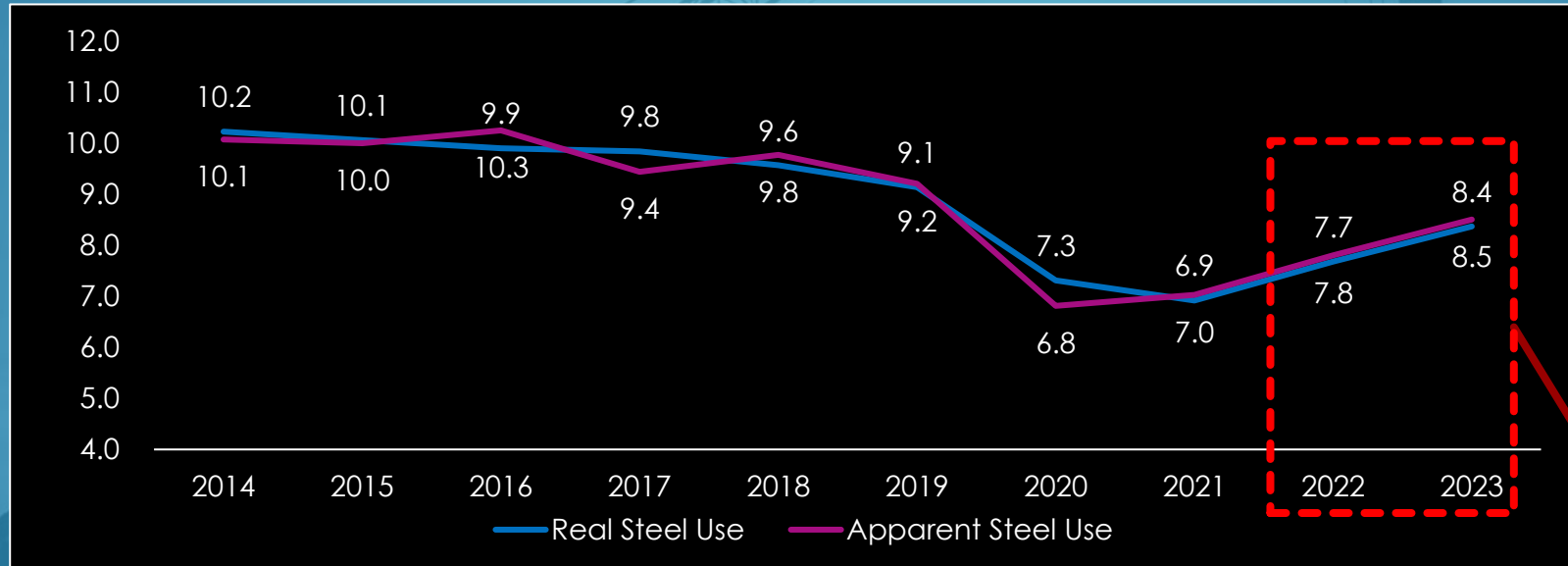
INDIVIDUAL WEIGHTAGE AND GROWTH

	Weight (%)	Y-o-Y Growth (%)					
		2018	2019	2020	2021	2022(f)	2023(f)
Construction	63.2	-2.1%	5.7%	-9.5%	-12.6%	11.4%	10.2%
Automotive	7.8	23.2%	11.1%	24.6%	0.6%	7.5%	7.0%
Other Transport	0.7	-1.6%	-0.1%	-3.2%	3.6%	10.0%	9.0%
Mechanical & Equipment	7.8	-0.1%	-0.2%	5.5%	12.1%	3.8%	3.6%
Electrical & Electronics	9.1	6.8%	2.7%	14.8%	22.3%	9.7%	8.9%
Fabricated Metal Products	11.4	-2.2%	2.7%	8.6%	7.5%	12.5%	11.1%
SWIP	100.0	0.8%	5.0%	-1.3%	-4.1%	10.5%	9.4%

STEEL CONSUMING SECTORS

Source: MOF, CIMB, MAA, SME BANK

POSITIVE GROWTH EXPECTED IN 2022 and 2023 (11.0% and 9.0%)



mil ton	2014	2015	2016	2017	2018	2019	2020	2021e	2022f	2023f
Apparent Steel Use	10.1	10.0	10.3	9.4	9.8	9.2	6.8	7.0	7.8	8.5
Change	0.0	(0.1)	0.3	(0.8)	0.3	(0.6)	(2.4)	0.2	0.8	0.7
Growth (%)	0.3	(0.8)	2.5	(7.9)	3.5	(5.8)	(26.0)	3.2	11.0	9.0

mil ton	2014	2015	2016	2017	2018	2019	2020	2021e	2022f	2023f
Real Steel Use	10.2	10.1	9.9	9.8	9.6	9.1	7.3	6.9	7.7	8.4
Change	0.0	(0.2)	(0.2)	(0.1)	(0.3)	(0.4)	(1.8)	(0.4)	0.8	0.7
Growth (%)	0.3	(1.6)	(1.6)	(0.6)	(2.8)	(4.5)	(20.0)	(5.4)	11.0	9.0

Based on high growth scenario for all 6 Steel Consuming Sectors

STEEL CONSUMING SECTOR - CONSTRUCTION

Source: BNM, MOSM, MIDF

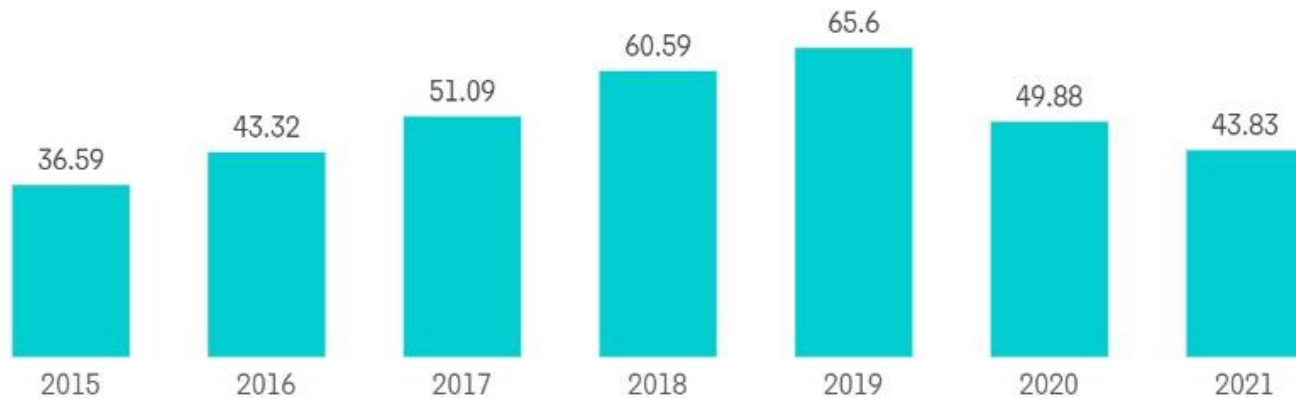
Value of Construction Work Done and % Change



(Y-o-Y Change)	2020	2021	Q1 2021	Q2 2021	Q3 2021	Q4 2021
Overall Value	-19.4%	-5.0%	-12.9%	-21.0%	42.6%	-10.5%
Overall # of Projects	20.5%	20.2%	20.1%	15.4%	22.0%	23.0%
Value By Subsector						
Civil Engineering	-24.0%	-12.1%	-22.3%	59.5%	-29.7%	-20.3%
Residential Building	2.8%	-4.7%	-4.2%	18.0%	-24.9%	-18.2%
Non Residential Building	-17.1%	0.8%	-5.3%	37.0%	-10.4%	-7.1%
Special Trades	-2.1%	35.8%	38.0%	75.0%	21.0%	22.5%
Value By Project Owner						
Private	-19.7%	-4.2%	-9.8%	23.1%	-14.1%	-8.3%
Public + Government	-19.1%	-6.0%	-11.3%	74.8%	-28.1%	-18.8%

KEY MARKET TRENDS

Value of civil engineering work in Malaysia from 2015 to 2021, in billion MYR



Source: Industry Association



Investments in Infrastructure Sector to Boost Construction Activity

- ▶ East Coast Rail Link project (604 km)
- ▶ Light Rail Transit 3
- ▶ Mass Rail Transit 2
- ▶ Electrified Double Track Gemas-Johor Bahru
- ▶ Klang Valley Double Track Phase 2
- ▶ Central Spine Road
- ▶ Pan Borneo Highway
- ▶ Coastal Highway in Sarawak

KEY MARKET TRENDS

INFRASTRUCTURE SECTOR ACTIVITIES

EAST COAST RAIL LINK (ECRL) PROJECT

- > A **688km** rail line
- > Construction: **Suspended** since July 2018
- > Current status: **Renegotiations** of terms



The 3 phases (original plan)

- **1st Phase:** Klang Valley to Kuantan
- **2nd Phase:** Kuantan to Kuala Terengganu
- **3rd Phase:** Kuala Terengganu to Kota Baru and Tumpat



Project Title: East Coast Rail Link, ECRL

Total track: 688 km

Project Worth: RM 12.0 Billion

Project Completion: End 2027

KEY MARKET TRENDS

INFRASTRUCTURE SECTOR ACTIVITIES

LIGHT RAIL TRANSIT LINE 3 (LRT 3), MALAYSIA



Project Title: Light Rail Transit Line 3, LRT 3

Total track: 37.6 km

Project Worth: RM 16.63 Billion

Project Completion: February 2024

KEY MARKET TRENDS

INFRASTRUCTURE SECTOR ACTIVITIES

Gemas - Johor Bahru Electric Double-Tracking Rail Project

Complements the electric double-tracking network system: Ipoh-Padang Besar, Rawang-Ipoh, Klang Valley and Seremban-Gemas sectors

Enhances social and economic network in the southern part of the peninsula

RM8.9 billion project including the prevention of landslides

Issue of relocating 929 settlements along the route resolved

Distance

192 KM

Travel time

(KL - JB)

3 hrs 30 mins

Travel time

(Padang Besar - JB)

9 hrs

Services daily

22



Project started

2017

Expected to commence operations in October

2021

Cost

RM8.9 billion

Completed

28%

Number of stations

11

Capacity

346 seats

Speed

140-160 KPH

Source: Gemas-JB Electric Double-Tracking Rail Project team leader, Noor Azman Ramlee

Bernama Infographics

GEMAS - JOHOR BAHRU ELECTRIC DOUBLE-TRACKING RAIL PROJECT

Project Title: Gemas-Johor Bahru Electric Double Tracking Rail

Total track: 192 km

Project Worth: RM 8.9 Billion

Project Completion: 2022

KEY MARKET TRENDS

INFRASTRUCTURE SECTOR ACTIVITIES



Project Title: Klang Valley Double Track Phase 2

Total track: 265 km







Project Worth: RM 4.5 Billion

Project Completion: September 2026

KEY MARKET TRENDS

INFRASTRUCTURE SECTOR ACTIVITIES

Pan Borneo Highway

-  Four-lane, dual carriageway of JKR R5 standard
-  Safer road travel for 3.4 million people
-  Estimated to cost RM29bil
-  Create 400,000 jobs
-  Completion in 2023
-  Toll-free



Source: Star archive

©The Star Graphics

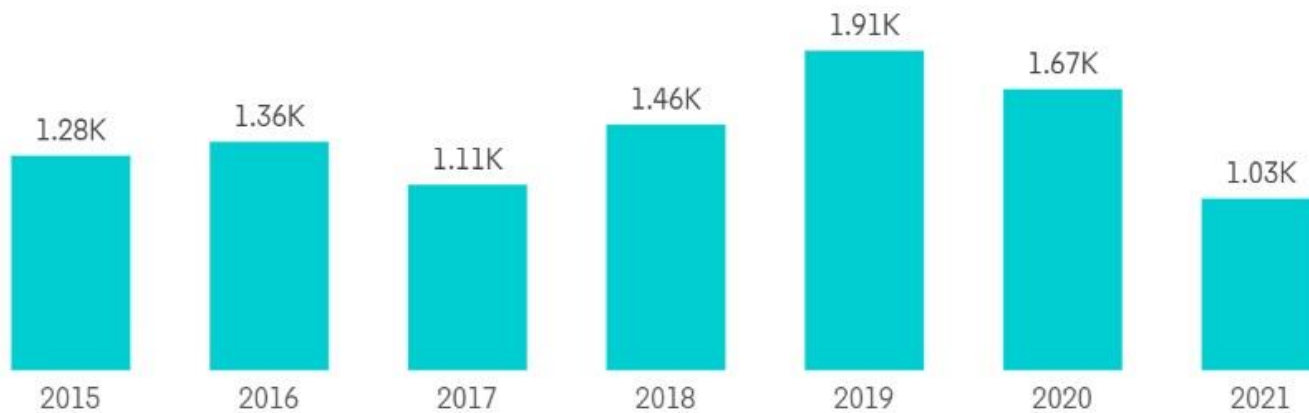
Project Title: Pan Borneo Highway

Project Worth: RM 29.0 Billion

Project Completion: 2023

KEY MARKET TRENDS

Value of Public Residential Building Construction in Malaysia, 2015 - 2021, in Million MYR



Source: Statistics Malaysia



Increase in Residential Constructions To Drive the Construction Market

- ▶ 1 Malaysia Civil Servants Housing project (PPA1M)
- ▶ First House Deposit Financing
- ▶ Program Rumah Mesra Rakyat
- ▶ People's Housing Program (PPR)
- ▶ Syarikat Perumahan Negara Berhad

KEY MARKET TRENDS

RESIDENTIAL CONSTRUCTIONS



Project Title: PPA1M

Total Unit: 175 K

Target Price per unit : RM 90 ~ 120 K

Target Group: B40 Group

KEY MARKET TRENDS

RESIDENTIAL CONSTRUCTIONS

Syarat-Syarat Kelayakan

Rumah Mesra Rakyat



Warganegara Malaysia.



Pemohon & pasangan tidak memiliki rumah sendiri atau memiliki rumah usang / tidak sempurna.

18+

Pemohon berumur 18 tahun ke atas.



Tapak / Tanah bersesuaian & bebas daripada gadaian / bebanan ke atasnya. Jika pemohon bukan tuan punya tanah, pemohon mestilah mendapat kebenaran pemilik.

3k1

Pendapatan bulanan seisi rumah tidak melebihi RM3,000.



Keluasan tanah tidak kurang daripada 3,600^{mp} (Tertakluk kepada rekabentuk).



Lakaran artis Rekabentuk RMR 02



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***THANK YOU FOR
WATCHING!***

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