

Malaysia Construction Market Report 2022: Construction Industry to Expand by 16.5% in 2022 - Forecast to 2026

Dublin, April 04, 2022 (GLOBE NEWSWIRE) -- The "Malaysia Construction Market Size, Trends and Forecasts by Sector - Commercial, Industrial, Infrastructure, Energy and Utilities, Institutional and Residential Market Analysis, 2020-2025" report has been added to ResearchAndMarkets.com's offering.

The Malaysian construction industry grew by an estimated 1.5% in real terms in 2021, following an annual decline of 19.4% in 2020

The industry's output in 2021 was supported by an improvement in wider economic activity and more favorable external demand. Despite remaining stable in the first half of last year, construction activities plummeted in the third quarter of 2021, due to weakness in civil engineering, residential and non-residential building construction activity.

As a result, the Malaysian construction industry contracted by 2.6% year on year (YoY) in the first three quarters of 2021, according to the **Department of Statistics Malaysia (DOSM)**. The industry is expected to have registered positive growth in the final quarter of 2021, supported by a fall in Coronavirus (COVID-19) infections and the subsequent relaxation of restrictions. However, severe flooding towards the end of Q4 2021 may slow growth in early Q1 2022.

GlobalData expects the Malaysian construction industry to expand by 16.5% this year, supported by further improving economic conditions, the government's focus on completing large infrastructure projects, and increased investment on industrial and energy projects.

In December 2021, the Malaysian parliament passed the government's budget for 2022, approving an expenditure of MYR332.1 billion (\$81.8 billion). The budget includes an allocation of MYR75.6 billion (\$18.6 billion) for development expenditure, as well as a number of incentives to improve employment rates and support businesses.

The construction industry is expected to register an annual average growth of 6.2% between 2023 and 2026, driven by investment in large-scale transport and energy projects. In September 2021, the government announced its plan to establish the Public Private Partnership (PPP) 3.0 model, a specialized mechanism to fund infrastructure projects in the 12th Malaysia (12MP) plan between 2021 and 2025.

In June 2021, the government unveiled its energy transition plans until 2040, aiming to increase the proportion of renewable energy in the total energy mix from 2% in 2019, to 31% by 2025 and 40% by 2035. As part of the 12MP, the government announced its goal of developing 120 cities to achieve sustainable city status by 2025, by providing additional support to private sector projects implementing strategic development programmes. The government also intends to construct 500,000 affordable houses by 2025.

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