



Malaysia Construction Market Report 2021 - Key Trends and Opportunities to 2025 - ResearchAndMarkets.com

DUBLIN, October 05, 2021--(BUSINESS WIRE)--The "Construction in Malaysia - Key Trends and Opportunities to 2025" report has been added to ResearchAndMarkets.com's offering.

The Malaysian construction industry has been severely affected due to the disruption caused by the Coronavirus (COVID-19) pandemic.

The report estimates that the industry's output shrank by 17.2% in 2020, as construction activity was brought to a standstill across many parts of the country, owing to the impact of COVID-19 containment measures.

According to the Department of Statistics Malaysia (DOSM), the country's value-add at 2015 constant prices fell by 21.3% year on year (YoY) in the first three quarters of 2020. During this period, civil engineering works were the most affected, followed by non-residential and residential activities.

The industry is expected to post a sharp recovery in 2021, assuming that there is no repeat of the containment measures that were in place in 2020, with growth supported by investments in transportation and energy projects. The industry is expected to grow by 9.8% in 2021 and register annual growth in the range of 6.0-6.6% between 2022 and 2025.

In mid-December 2020, the government approved a 2021 budget worth MYR322.5 billion (US\$73.3 billion), which is the largest in the country's history, and is 2.4% higher than last year's budget of MYR314.7 billion (US\$76 billion). Of the total budget, 73.3% is allocated towards operational expenditure, 21.4% towards development expenditure and the remaining 5.3% towards dealing with COVID-19.

The industry's growth over the forecast period will be supported by a recovery in economic conditions, coupled with investments in infrastructure, renewable energy, and residential, telecommunications and water infrastructure projects. As a part of the 2021 budget, the government allocated a total of MYR9.6 billion (US\$2.2 billion) to the state governments of Sabah and Sarawak to upgrade road, power, and water infrastructure projects, as well as to improve health and education facilities.

Forecast-period growth will also be driven by the government's target to produce 20% of its energy from renewable energy sources by 2025, and its target of building one million housing units for low-income earners by the end of 2029.

<https://finance.yahoo.com/news/malaysia-construction-market-report-2021-114500115.html>