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BRIEF

**YB DATO SRI ALEXANDER NANTA LINGGI
MINISTER OF WORKS**

**WORKING VISIT TO PRAGUE, CZECH REPUBLIC TO
ATTEND THE 27TH WORLD ROAD CONGRESS (27TH WRC)
29 SEPTEMBER – 05 OCTOBER 2023**

Prepared by:

Policy and International Division
Ministry of Works Malaysia

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TABLE OF CONTENT

<u>No.</u>	<u>Topic</u>	<u>Page</u>
1.	LIST OF DELEGATION	3
2.	CURRICULUM VITAE Ambassador of Malaysia to the Czech Republic	5
3.	MAP OF CZECH REPUBLIC	6
4.	COUNTRY PROFILE	7
5.	THE 27TH WORLD ROAD CONGRESS (27TH WRC 2023) A. Preliminary Programme (2 nd October 2023) B. Opening Session C. Ministers' Session D. Technical Visit	8
6.	MALAYSIA-CZECH REPUBLIC BILATERAL RELATIONS A. Overview B. Recent High-Level Engagements C. Bilateral Cooperation D. Bilateral Trade, Investment and Tourism	16
7.	MALAYSIAN CONSTRUCTION INDUSTRY A. Insights of Malaysian Construction Industry B. Malaysia's Global Achievements C. Participation of Malaysia's Construction-Related Companies in Czech Republic D. Notification Circular Related to Foreign Contractor Registration E. Management of Foreign Construction Workers F. Road Safety in Highway Operations G. 12 th Malaysia Plan 2021-2025, Key Infrastructure Projects H. Intelligent Transport System (ITS) I. Multi-Lane Fast Flow (MLFF) J. Highway Network Development Plan (HNDP) K. Public Private Partnership (PPP)	25
8.	TALKING POINTS A. Topics of Discussion B. Potential Construction Projects and Cooperation with Singapore	44
9.	ANNEX A : HON. MINISTER OF WORKS SPEECH FOR MINISTERS' SESSION ON ROAD SAFETY	50
10.	ANNEX B : 27TH WORLD ROAD CONGRESS EXHIBITION FLOOR MAPS	51

1. LIST OF DELEGATION

Ministry of Works

- i. YB Dato Sri Alexander Nanta Linggi**
Minister of Works
- ii. Mrs. Nur Aqidah binti Azizi**
Press Secretary to the Minister of Works
- iii. Mrs. A Devani Alaga**
Special Function Officer to the Minister of Works

Public Works Department

- iv. YBhg. Datuk Ir. Ahmad Redza bin Ghulam Rasool**
Director General of Public Works
- v. YBhg. Dato' Ir. Ibrahim bin Esa**
Senior Director, Road Branch
- vi. Ir. Hamzah bin Hashim**
Superintendent Civil Engineer, Road Branch
- vii. YBrs. Dr. Azwan Ezzany bin Azmi**
Superintendent Civil Engineer, Road Facilities Maintenance Branch
- viii. Ir. Ts. Hidrahasbee bin Jamil**
Civil Engineer

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Construction Industry Development Board (CIDB)

- x. **YB Ir. Haji Yusuf bin Abd Wahab**
Chairman of CIDB Malaysia
- xi. **Mr. Nazri bin Zakaria**
Director of CIDB Kelantan

Malaysian Highway Authority (MHA)

- xii. **YB Datuk Seri Jalaluddin bin Alias**
Chairman of MHA
- xiii. **YBrs. Ir. Sazali bin Harun**
Director General of MHA
- xiv. **YBhg. Datuk Zakaria bin Zabidi**
President, *Persatuan Syarikat-syarikat Konsesi Malaysia (PSKLM)*
- xv. **Mrs. Suhayya binti Rofik**
Engineer
- xvi. **Mrs. Farah Nuranis binti Ismail**
Administrative Officer

2. CURRICULUM VITAE

AMBASSADOR OF MALAYSIA TO THE CZECH REPUBLIC

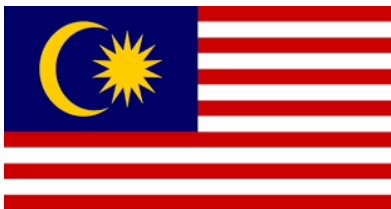

Her Excellency Suzilah Mohd Sidek

Suzilah Mohd. Sidek read International Relations at Staffordshire University, United Kingdom in 1997. She continued her post graduate studies at Universiti Kebangsaan Malaysia (UKM) and the Institute of Diplomacy and Foreign Relations (IDFR) in Strategy and Diplomacy, in 2000. Upon joining the civil service in 2001, she completed her Diploma in Public Administration from the National Public Administration Institute (INTAN) in 2002.

Her working experience began in 1998, when she joined World Communications Sdn. Bhd. as a Public Relations Officer. She then joined the Public Service of Malaysia in 2001, as an Assistant Secretary at the Institute of Diplomacy and Foreign Relations, Ministry of Foreign Affairs. She became part of the Ministry of Foreign Affairs after completing her Diploma in Public Administration, as an Assistant Secretary at the Southeast Asia Division; became the Second Secretary at the High Commission of Malaysia in Ottawa, Canada from 2004-2008; Principal Assistant Secretary of the Research, Treaties and International Law Department from 2008-2010; Principal Assistant Secretary at the Multilateral Department from 2010- 2011 and a Counsellor at the Embassy and Permanent Mission of Malaysia in Vienna, Austria from 2011-2016. She was also a member of the Advisory Group of the Comprehensive Nuclear-Test Ban Treaty Organisation (CTBTO) in Vienna, Austria from 2013-2016.

Upon completing her term in Vienna, she joined the ASEAN-Malaysia National Secretariat as a Director in the Political and Security Division. She was the Deputy Director General for the Political and Security Division, from July 2017- November 2018. From November 2018 to February 2023, she held the position of Minister / Deputy Chief of Mission at the Embassy of Malaysia in Bangkok and served as the Permanent Representative of Malaysia to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). Presently, she has been appointed as Ambassador of Malaysia to the Czech Republic.

4. COUNTRY PROFILE

		
COUNTRY INFORMATION		
Official Name	MALAYSIA	CZECH REPUBLIC
Total Area	329,847 sq. km	78,867 sq km
Government Type	Federal Parliamentary Constitutional Monarchy	Parliamentary Republic
Capital	Kuala Lumpur	Prague
Head of State	SPB YDPA Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah ibni Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah (Since 31 January 2019)	President Petr Pavel (since 9 March 2023)
Prime Minister	YAB Dato' Seri Anwar bin Ibrahim (Since 24 November 2022)	Prime Minister Petr Fiala (since 17 December 2021)
National Day	31 August 1957	28 October (1918)
DEMOGRAPHY		
Population (2022)	33,938,221	10,706,242
Growth Rate (2022)	1.09%	0%
Nationality	Malaysian	Czech
Ethnic Groups	Bumiputera 62.5% (Malays and indigenous peoples, including Orang Asli, Dayak, Anak Negeri), Chinese 20.6%, Indian 6.2%, other 0.9%, non-citizens 9.8%	Czech 57.3%, Moravian 3.4%, other 7.7%, unspecified 31.6%
Religions	Islam, Buddhist, Christian, Hindu	Roman Catholic

Source: Wisma Putra

5. THE 27TH WORLD ROAD CONGRESS (27TH WRC) 2023

A. PRELIMINARY PROGRAMME

2ND OCTOBER 2023 (MONDAY)

8:00 – 8:30	Arrival of delegations and doorstep of Heads of Delegations
8:30 – 10:00	Opening Ceremony
10:00 – 10:30	Coffee Break
10:30 – 12:30	Ministerial Panel on Road Safety
12:40	Family Photo
12:45 – 14:00	Ministerial Lunch
14:15 – 16:15	Ministerial Panel on Cycling
16:15 – 17:00	Tour of the Exhibition for Heads of Delegations
17:00	Opening of the Exhibition for Other Participants
17:00 – 19:00	Official Reception hosted by the Czech Road Society
18:30	Departure of Buses to the Gala Dinner – HoDs only
19:00 – 22:00	Gala Dinner for HoDs only

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B. OPENING SESSION

- The Opening Session will be officially launched by the Chairman of the Senate of the Parliament of the Czech Republic, Milos Vystroil and the Czech Minister of Transport, Martin Kupka.

C. MINISTERS' SESSION

i. Organisation of The Session

- The agenda for the first day of the Congress on 2nd October 2023 includes two ministerial panels, one in the morning and one in the afternoon. The morning session, starting at 10:30, is focused on Road Safety. The topic for the afternoon session is cycling. For each panel, a background note with the questions will guide the discussion, which should focus on the actual issues and challenges we face on the global scale.
- A professional moderator will lead a discussion through the panels which will be opened by the introductory speeches given by the high-level representatives of international organisations and key global actors such as PIARC, United Nations, International Transport Forum, and the European Commission. Following these opening remarks, the Czech Minister of Transport, Martin Kupka, will kick off the discussion among the heads of delegations.
- Due to the large number of Countries participating in the Congress and the limited time dedicated to both sessions, each country will be assigned to one of the Ministerial Sessions based on their national and international transport policies and actions. Delegations will be informed well in advance about the order of the interventions for each session, with priority given to the Countries represented by Ministers. The interventions are limited to 2 minutes per delegation, with simultaneous interpretation provided in following languages: Czech, English, French, Spanish, German, and Polish. If time allows, other heads of delegations not assigned to the respective panel will be allowed to intervene, with interpretation limited to 1 minute per delegation. Further details will be provided in due time through the liaison officer's channel.

ii. Background Note on Road Safety

- Introduction
 - The issue of road safety remains a paramount global concern, with millions of lives lost and countless injuries sustained each year due to traffic collisions. In response to this alarming trend, the concept of Vision Zero has emerged as a compelling approach to eliminate all road traffic fatalities and severe injuries. Rooted in the principle that human life and health should be the foremost priority within transportation systems, Vision Zero has gained traction as an ethical imperative. As we convene at the PIARC World Road Congress, our collective understanding of the challenges and avenues towards safer transportation systems can be significantly enriched.
- Comprehensive Road Safety Worldwide
 - Road safety is far from a monolithic challenge and the path toward this goal is not a solitary journey. From the well-organized streets of urban centres to the expanding road networks, the complexity remains universal. It is marked by collaboration, a sharing of experiences across divergent contexts.
 - Even in countries where road safety frameworks have reached a certain level of sophistication, the challenge lies in maintaining and enhancing standards, in continuous improvement. Embracing cutting-edge technologies such as AI-driven traffic management, real-time incident monitoring, and predictive analytics becomes the norm.
 - On the other hand, there are places where road traffic fatalities account for a significant share of deaths. Instituting fundamental safety rules and driving a behavioral shift among road users becomes paramount. Infrastructure that balances functionality with safety, all while accommodating rapid urbanization, is the challenge. The road ahead involves simultaneous progress in establishing a culture of adherence to traffic rules.
 - The trajectory of Vision Zero necessitates investment in research, innovation, and international cooperation. This is where the international platform provided by gatherings such as

the PIARC World Road Congress assumes significance. The exchange of ideas, strategies, and best practices resonates profoundly in shaping a common understanding of the road safety landscape.

- Challenges in Enhancing Young Driver Safety
 - Globally, road traffic injuries are the leading cause of death among young people aged 15-29, surpassing diseases, street violence, and armed conflicts. Shockingly, over 15% of fatalities resulting from road traffic accidents involve individuals within the 15-25 age group. Young lives are lost not only within vehicles but also as pedestrians, motorcyclists, and cyclists. The primary risk factors haunting our youth include drunk or drug driving, reckless speeding, distractions from mobile devices, the absence of protective helmets, and neglecting seat-belt usage.
 - Most young people do not intentionally drive recklessly. Instead, their vulnerability stems from inexperience, immaturity, and lifestyle associated with their age. Encouragingly, between 2010 and 2019, numerous IRTAD (International Road Traffic and Accident Database) countries witnessed a decline in traffic fatalities among the 15 to 24 age group, with some nations achieving reductions of over 60 percent. This progress underscores the effectiveness of measures aimed at safeguarding this demographic.
- Questions to guide the discussion for topic 'Road Safety':
 - i. Given the complexity of road safety challenges and the varying stages of road safety evolution worldwide, how can nations collaborate to promote knowledge sharing and capacity building, and what innovative approaches do you propose to expediate progress towards the Vision Zero goal on a global scale?
 - ii. In the pursuit of curbing the alarming statistics surrounding road traffic fatalities and severe injuries among young drivers, could you provide an overview of legislative measures that have proven effective in your respective countries? Beyond legislations, what strategies, encompassing educational campaigns, and driver training programs, have demonstrated tangible outcomes in not

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only reducing this incidents but also fostering a culture of responsible and safe driving habits?

- iii. Tentative Assignments of Countries for the Ministers' Session (as of 19th September 2023) :

Road Safety	Cycling
Australia	Andorra
Canada	Austria
Chad	Benin
Democratic Republic of the Congo	Germany
Ireland	Georgia
Japan	Kenya
Kazakhstan	Quebec
Lithuania	Saudi Arabia
Madagascar	Singapore
Malaysia	Slovakia
Mexico	Switzerland
Moldova	Panama
Morocco	Tanzania
Paraguay	Tonga
Poland	Tunisia
San Marino	United Kingdom
Senegal	
Slovakia	
South Africa	
Spain	
United Arab Emirates	
Zimbabwe	

- List of Ministers Attending the 27th WRC 2023 (as of 22nd September 2023):

No.	State	Head of Delegation	Designation
1	Andorra	Raül Ferré Bonet or David Forné Massoni	Ministre du Territoire et de l'Urbanisme or Secrétaire d'Etat à la Transition énergétique, aux Transports et à la Mobilité
2	Austria	Vera Hofbauer	Head of Directorate General IV – Transport
3	Canada	Arun Thangaraj	Deputy Minister of Transport
4	Chad	Idriss Saleh Bachar	Ministre des Infrastructures et du Désenclavement

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No.	State	Head of Delegation	Designation
5	Czech Republic	Martin Kupka	Minister of Transport
6	Georgia	Irakli Karseladze	Minister of Regional Development and Infrastructure
7	Germany	Susanne Henckel	State Secretary
8	Ireland	Jack Chambers	Minister of State
9	International Transport Forum (ITF)	Young Tae Kim	ITF Secretary General
10	Japan	Mikio Yoshioka	Vice-Minister for Engineering Affairs
11	Kazakhstan	Marat Karabayev	Minister of Transport
12	Kingdom of Tonga	Hon Seventini Toumo'ua	Minister for Infrastructure
13	Lithuania	Julius Skačkauskas	Deputy Minister of Transport and Communications
14	Madagascar	Ndriamihaja Livah Andrianatrehina	Minister of Public Works and/or Transport
15	Malaysia	Alexander Nanta Linggi	Minister of Works
16	Mexico	Felipe Verdugo	Vice Minister of Infrastructure
17	Morocco	Nizar Baraka	Minister of Equipment and Water
18	Panama	Rafael Sabonge	Ministro de Obras Públicas
19	Paraguay	María de la Paz Claudia Centurión Rodríguez	Ministra de Obras Públicas y Comunicaciones del Paraguay
20	San Marino	Stefano Canti	Secretary of State for Lands and the Environment
21	Senegal	Mansour Faye	Ministre des Infrastructures, des Transports terrestres et du Désenclavement
22	Slovakia	Pavol Lančarič	Minister of Transport
23	Switzerland	Juerg Roethlisberger	State Secretary
24	United Kingdom	Richard Holden	Minister for Roads and Local Transport
25	USA	Shaileen Bhatt	Administrator of the Federal Highway Administration

D. TECHNICAL VISIT

Technical Visit 1 : D1 Motorway

(Řikovice – Lipník nad Bečvou – Ostrava – Czech Polish border/ Road Data Bank and the National Traffic Information Centre)

- At 376.7 km, the D1 is the longest motorway in the Czech Republic. The tour will begin at the last section to remain

unfinished, the 10 km stretch from Říkovice to Přerov, which is scheduled for completion in 2025. The subsequent 14 km section from Přerov to Lipník nad Bečvou, where it connects to the D35 from Olomouc, was opened in 2019. The 56.8 km Lipník nad Bečvou – Ostrava-Rudná section was divided into four construction projects, whose completion in 2009 joined the city of Ostrava to the motorway network. There are several large bridge structures to see on the route. The 17.2 km stretch of motorway running through Ostrava on the way to Bohumín, which was put into service in 2007, was demanding to build as it passes through an area compromised by mining and with complex water management conditions. This section includes four large bridges. The final 6.1 km section from Bohumín to the Polish border has been in operation since 2012.



Technical Visit 2 : The Road Data Bank and National Traffic and Information Centre (NTIC)



- The Road Data Bank and NTIC Department based in Ostrava is a specialised unit of the Czech Road and Motorway Directorate consisting of four divisions – Data Preparation and Collection, GIS and Data Processing, the NTIC, and Roadway Management. It manages the operation

of the Czech Road and Motorway Network Information System on monitored motorways and roads of all classes (I, II and III), provides traffic information from around the Czech Republic via the NTIC, and is in charge of the roadway management system.

Source : wrc2023prague.org

6. MALAYSIA-CZECH REPUBLIC BILATERAL RELATIONS

A. OVERVIEW

- Malaysia and the Czech Republic established diplomatic relations in 1971. Malaysia established its resident mission in Prague in 2001, while the Czech Republic set up its Embassy in Kuala Lumpur in 1994. The year 2021 marked the 50th anniversary of diplomatic relations between both countries.
- Malaysia and the Czech Republic enjoy warm and friendly bilateral relations. Major areas of cooperation are in trade, investment, higher education, defense, and tourism. While the Czech Republic sees Malaysia as an important partner in the Southeast Asian region, Malaysia looks at the Czech Republic as a strong economic power in the Central European region, having an edge in high technology.

Bilateral Mechanism

- Following YB Deputy Foreign Minister's meeting with his counterpart on 12 June 2023, the Ministry is in the process of establishing a Bilateral Consultation mechanism with the Ministry of Foreign Affairs of the Czech Republic. The mechanism will be established first through the Exchange of Diplomatic Notes. The modalities of the consultations and details concerning the date, venue and agenda of each meeting will be further decided by mutual consent of both sides through diplomatic channels.
- The proposed mechanism involves both sides holding periodic consultations on various subjects of mutual interest, alternately in Malaysia and the Czech Republic at a level at least equal to that of the Deputy Secretary General (Bilateral Affairs, Ministry of Foreign Affairs of Malaysia) or Director General (Non-European Countries, Economic and Development Cooperation Section, Ministry of Foreign Affairs of the Czech Republic).

B. Recent High-Level Engagements

- The most recent visit from the Czech Republic to Malaysia was by H.E. Jiri Kozak, Deputy Minister of Foreign Affairs of the Czech Republic on 12-13 June 2023. H.E. Kozak was accompanied by officials from the Ministry of Foreign Affairs, the Ministry of Industry and Trade, Vice President of the Association of Manufacturers and Suppliers of Medical Devices and a business delegation consisting of healthcare/medical manufacturers and related products. As the visit focused on the healthcare industry, H.E. Kozak had also paid a courtesy call on YB Deputy Minister of Health and YB Deputy Foreign Minister, among other engagements.
- During his call on YB Deputy Foreign Minister, both sides discussed opportunities to strengthen bilateral trade through the establishment of a bilateral consultation mechanism, and cooperation in several areas of interests, namely health, research and development, science and innovation, education, tourism, and support at the multilateral fora. Both sides also exchanged views on the Russia-Ukraine conflict and ASEAN-EU relations. H.E Kozak has also extended an invitation for YB DFM to visit the Czech Republic in the near future.
- Prior to that, H.E. Mr. Jozef Síkala, Minister of Industry and Trade of the Czech Republic undertook a working visit to Malaysia on 22-24 February 2023. He was accompanied by business delegations from the Czech Confederation of Industry, to discuss business and economic cooperation between Malaysia and the Czech Republic.
- During the visit, two agreements were signed, namely the Memorandum of Understanding (MoU) between the Union of Industry and Transport of the Czech Republic and the National Chamber of Industry and Commerce of Malaysia (NCCIM), as well as an agreement between Czech pilot training providers and their local partners.
- Both sides also discussed proposals to strengthen bilateral trade relations between the two countries, especially in strategic sectors such as the automotive, energy, and aerospace industries.

Ministry of Investment, Trade and Industry (MITI), through the Malaysian Investment Development Authority (MIDA), will facilitate to materialise these proposed collaborations and encourages Czech companies to obtain authentic information and facilitation for all their business plans in Malaysia from MIDA.

- According to MITI, the Czech Republic has proposed to reactivate the discussion on the Agreement on Economic Cooperation between Malaysia and the Czech Republic as it will present an opportunity for both countries to explore ways to intensify economic and industrial cooperation as well as facilitate trade and investment-related issues; and in response, MITI welcomed this proposal and anticipated that the Czech Republic will take the lead in initiating discussions on this matter.
- The most recent visit from Malaysia to the Czech Republic was by YB Dato' Kamarudin Jaffar, former Deputy Foreign Minister (DFM) on 13-15 February 2022. The Czech Republic was the first destination of his 4-country tour in Europe. In Prague, YB former DFM met his counterpart, H.E Martin Tlapa, Deputy Foreign Minister of the Czech Republic.
- In 2015, YB Tan Sri Abu Zahar Ujang, the former Yang di-Pertua Dewan Negara visited the Czech Republic on 19-22 October 2015. The visit was to reciprocate the official visit of H.E. Milan Stech, President of the Senate of the Czech Parliament, to Malaysia in 2011.
- Former Minister of Foreign Affairs Malaysia, YB Dato' Sri Anifah Aman also made a working visit to the Czech Republic on 13-14 March 2014 as part of the lobbying efforts for Malaysia's candidature as a non-permanent member of the UN Security Council for the term 2015-2016. Subsequently, H.E. Lubomir Zaoralek, the former Czech Foreign Minister, visited Malaysia on 24-27 October 2015 to reciprocate the visit of YB FM. It was the first visit by a Czech FM since 1994.
- On 31 October 2016 and 24 April 2017, H.E. Milos Zeman, the former Czech President had extended an invitation for the former SPB Yang di-Pertuan Agong XV, Sultan Muhammad V to

undertake a state visit to Prague. Previously, similar invitation was extended to the former SPB Yang di-Pertuan Agong XIV, Tuanku Abdul Halim, in 2013. However, both visits did not materialize.

C. Bilateral Cooperation

Defense

- Currently, Malaysia and the Czech Republic do not have formal bilateral defense cooperation. There is no established cooperation between Malaysia and the Czech Republic in the defence industry aside from participation in international defence exhibitions. Relations between both sides are minimal and limited to procurement.
- The Czech Republic has participated regularly in the Defence Services Asia Exhibition and the Langkawi International Maritime and Aerospace Exhibition hosted by Malaysia alternately. In 2023, the Czech Republic side participated in LIMA'23 through its defence companies while in 2022, the Czech Republic participated actively in DSA- NATSEC 2022 and sponsored the country pavilion which host 14 Czech defence- related companies such as Ego Zlin, Meopta, Datafromsky Traffic Analytics, Mesit Asd, Optokon, Retia, Sellier Bellot and EVPU Defence.
- The Ministry of Defence of Malaysia had in the past procured defence equipment from the Czech Republic, namely the Vera passive radar system. While the current defence relations are focused on procurement, both countries could start to venture into other areas such as exchanges of visits between ministerial and military officials and training opportunities.

Science, Technology and Innovation

- To date, Malaysia and the Czech Republic do not have any Memorandum of Understanding for the cooperation in Science, Technology, and Innovation.

Education

- Czech education and research have a long history dating back to the 14th century. In 1348, Charles University in Prague was founded and became the oldest university in Central Europe.
- Czech universities are more and more involved in a wide range of international cooperation activities and programmes taking place in the European Union and other countries. High-quality education and research, especially in Sciences, Engineering, and Medicine, has a long tradition in the Czech Republic.
- The central governing body for education in the Czech Republic is the Ministry of Education, Youth and Sports. The Czech Republic is home to 67 universities, including essential research institutes focused on environmental technologies, such as the Centre for Research and Utilisation of Renewable Energy in Brno, the SUSEN Laboratory for nuclear energy research, and the Institute of Physics of the Academy of Sciences of the Czech Republic.
- Malaysia welcomes any proposal for cooperation in the field of education that is mutually beneficial for both countries. Among the possible areas to explore include capacity building for lecturers and officials related to the education sector, as well as exchanges in the development of curriculum, particularly in technical and vocational education and training (TVET).
- Currently, there are 7 Malaysian students studying in the various public universities in the Czech Republic, as of December 2022, and 3 Czech Republic students enrolled in public and private institutions in Malaysia.
- While there is no MoU between both Governments in the field of Higher Education at this juncture, some collaborative efforts have been initiated between higher education institutions in both countries. The joint collaborative activities are focused on mobility programme for students and academic staffs. There are 19 joint collaborations between 5 public universities and institutions in the Czech Republic.

Tourism

- Czech tourist arrivals in Malaysia had decreased due to the COVID-19 pandemic, and it is hoped that both sides could explore ways to further increase the people-to-people contact which is a vital instrument in developing closer bilateral ties. According to Tourism Malaysia, Czech tourist arrivals in Malaysia in 2022 increased by 98.1% to 3,351 as compared to 65 in 2021.
- Tourism Malaysia is carrying out selective and strategic promotions in the Czech Republic through its office in Frankfurt, Germany, particularly to promote quality tourism, enhance the image of Malaysia as an ideal holiday destination, and create better business opportunities for Malaysian private sectors.

Culture

- The Governments of Malaysia and the Czech Republic have not signed any Cultural Agreement. However, Malaysia is supportive of cultural exchange in the areas of arts and heritage activities between both countries.
- Malaysia and the Czech Republic have signed five (5) bilateral agreements as follows:
 - i. Air Services Agreement, signed on 2 May 1973;
 - ii. Trade Agreement, signed on 28 June 1996;
 - iii. Investment Guarantee Agreement, signed on 9 September 1996;
 - iv. Avoidance of Double Taxation Agreement, signed on 8 March 1996; and
 - v. Partial Visa Abolition Agreement, signed on 17 May 1991.
- To date, the following documents are currently being negotiated and are yet to be concluded:
 - i. MoU on Cooperation in the Field of Tourism;
 - ii. Treaty on Mutual Assistance in Criminal Matters;

- iii. Agreement on Economic Cooperation between Malaysia-Czech Republic; and
- iv. MoU of Understanding in Military-Technical.

Malaysians in the Czech Republic

- Professional Malaysians working in the Czech Republic made up another group of Malaysians registered with the Embassy. They consist of professionals working in IT sectors, lectures, travel agencies, and logistics companies. As of 31 May 2023, 80 Malaysian expats, 16 students, and 13 others are registered with the Embassy with the total number of Malaysians in the Czech Republic being 109.

Source: Wisma Putra

D. BILATERAL TRADE, INVESTMENT AND TOURISM

i. Trade Outlook

- In **2022**, the Czech Republic was Malaysia's 40th global trading partner. Among the European Union (EU) member states, the Czech Republic was Malaysia's 9th largest trading partner, 8th largest export destination and 13th largest source of import.
- Malaysia's **total trade** with the Czech Republic **increased** by 5.6% to RM4.76 billion (USD1.09 billion) as compared to RM4.51 billion (USD1.09 billion) in 2021.
- Malaysia's **exports** to the Czech Republic **increased** by 9.0% to RM3.59 billion (USD0.81 billion) from RM3.29 billion (USD0.79 billion) in 2021.
- Malaysia's **imports** from the Czech Republic **decreased** by 3.6% to RM1.17 billion (USD0.27 billion) from RM1.22 billion (USD0.29 billion) in 2021.
- Malaysia recorded a **trade surplus** of RM2.41 billion (USD0.55 billion) with the Czech in 2022.

- Major exports to the Czech Republic in 2022 were:
 - Electrical & Electronic Products (80.4%);
 - Other Manufactures (7.6%);
 - Optical & Scientific Equipment (2.9%);
 - Manufactures of Plastics (2.4%); *and*
 - Machinery, Equipment & Parts (2.3%).
- Major imports from the Czech Republic in 2022 were:
 - Electrical & Electronics Products (49.7%);
 - Chemicals & Chemical Products (14.6%);
 - Machinery, Equipment & Parts (6.3%);
 - Optical & Scientific Equipment (6.0%); *and*
 - Other Manufactures (5.3%).
- From **January to August 2023**, Malaysia's total trade with Czech Republic decreased by 13.0% to RM2.62 billion (USD0.58 billion) compared to the corresponding period in 2022. Total exports to Czech Republic decreased by 16.8% to RM1.88 billion (USD0.42 billion). Likewise, total imports from Czech Republic decreased by 1.7% to RM0.74 billion (USD0.16 billion).

Source: MITI

ii. Investment

- From 1980 – March 2023, there are **no approved and/or implemented** manufacturing projects with Czech participation in Malaysia.
- As of March 2023, there is one record of Czech Republic investments in the Global Establishments, namely in a Regional Office (RO) setup by Hasam S.R.O. amounting to RM2,052,600 (US\$496,644) with a proposed manpower of 6 people. The company specialises in the development, production and installation of identification systems, access devices, RFID, turnstiles, gates, car parking systems and the implementation of sophisticated information technologies. The company's RO approval was granted in 2019 and 2021.

- For the record, there was one Malaysian investment in the Czech Republic by Aspirasi Pertiwi Sdn. Bhd. which had an agreement of strategic partnership and investment with Evektor (Czech aircraft manufacturer) since 2014.
- The agreement outlined Aspirasi Pertiwi Sdn Bhd's investment of US\$200 million (CZK4 billion) (9% equity) to finalise the development (certification) and launch of serial production of a multipurpose twin engine aircraft EV-55 Outback (a 9-14 seat twin PT6 powered STOL utility aircraft). Over 800 units of EV-55 Outback were forecasted to be sold for over 20 years.
- On 16 March 2017, Evektor announced in its corporate webpage that it has temporarily put the EV-55 Outback project on hold until uncertainties have been resolved with the Malaysian partner.
- It was reported in media that Aspirasi Pertiwi stopped its funding, as 2 out of 3 Czech shareholders face possible criminal charges in "shareholder's war".
- In March 2017, the Malaysian team assigned for the project has returned to Malaysia.

Source: MITI

7. MALAYSIAN CONSTRUCTION INDUSTRY

A. Insights of Malaysian Construction Industry

- The value of work done in the Construction sector continued to increase for the fifth quarter with year-on-year growth of 8.1 per cent to record a total of RM32.4 billion in the second quarter of 2023 (Q1 2023: 9.4%). The increment was supported continuously by double-digit growth in Civil engineering with 10.4 per cent in this quarter (Q1 2023: 17.2%).
- In the meantime, the sub-sector of Special trade activities recorded higher growth in this quarter by 9.8 per cent as compared to 9.0 per cent in the previous quarter while the Non-residential buildings sub-sector grew modestly by 5.7 per cent (Q1 2023: 9.6%). Additionally, the work done value in the Residential buildings sub-sectors rebounded to 6.9 per cent from negative 2.2 per cent registered in the preceding quarter. A total of RM12.1 billion or 37.4 per cent of the Construction work done value was Civil engineering contributed mainly by the Construction of roads and railways activity with a value of RM6.5 billion in this quarter.
- In the meantime, the value of work done for Non-residential buildings and Residential buildings was RM9.9 billion (30.7%) and RM7.3 billion (22.7%), respectively. The combined share of these two construction activities made up more than half of the work done value in this quarter, encompassing 53.4 per cent. Meanwhile, Special trade activities amounted to RM3.0 billion (9.2%), largely in Plumbing, heat and air-conditioning installation (RM0.9 billion); and Electrical installation (RM0.8 billion) activities.
- The private sector remained as the main spurs to the growth in this quarter, with an increase of 17.3 per cent (Q1 2023: 10.6%). The value of work done by the private sector amounted to RM20.4 billion or 63.1 per cent of the total construction work done value. Nevertheless, the public sector with a share of 36.9 per cent or equivalents to RM11.9 billion, declined by 4.8 per cent during this quarter (Q1 2023: 7.4%).

- Nearly one-fourth or 23.3 per cent of the work done value in the second quarter of 2023 was concentrated in Selangor, amounting to RM7.5 billion. The highest of the value of work done in Selangor was Civil engineering (RM2.4 billion), followed by Residential buildings (RM2.3 billion) and Non-residential buildings (RM2.1 billion). Meanwhile, Johor which was ranked second with a value of RM3.8 billion or 11.9 per cent share, was supported mainly by Non-residential buildings (RM1.4 billion) and Civil engineering (RM1.3 billion). In the meantime, the value of work done in Wilayah Persekutuan was RM3.7 billion (11.5%) and Sarawak with RM3.4 billion (10.5%).

Source: Department of Statistics Malaysia (DOSM)

B. Malaysia's Global Achievement

- As of September 2023, Malaysian contractors have been awarded 1,340 projects with the total value of RM 239.3 billion in 76 countries. 116 projects worth RM 60.1 billion are still in the construction stages while the other 30 projects worth RM 8.5 billion are categorized under miscellaneous whereby, the projects status was not disclosed or reported to CIDB.

Project Status	No. of Project	Project Value (RM)
Completed	1,194	170.7 billion
Ongoing	116	60.1 billion
Miscellaneous	30	8.5 billion
Total	1,340	239.3 billion

Source: CIDB Malaysia as of September 2023

C. Participation of Malaysian Construction-Related Companies in Czech Republic

- To date, Malaysia is yet to explore any potential cooperation in terms of construction projects in Czech Republic and vice versa.

Source: CIDB

D. Notification Circular Related to Foreign Contractor Registration

- On 1st February 2023, CIDB issued 2 notification circulars related to international contractor company registration in Malaysia namely :
 - i. Circular Letter CIDB-BIL 1/2023, Notification on Foreign Contractor Government Work Procurement Certificate (SPKKA); and
 - ii. Circular Letter CIDB-BIL 2/2023, Notification of Restructuring on Foreign Contractor Registration.
- Referring to the Circular letter CIDB-BIL 2/2023, the international contractor is required to be registered with CIDB before they can undertake any construction works or participate in any tender. The international contractor must declare and register any construction works which has been awarded to them. Other registration requirements would be that companies must be registered with the Malaysian Companies Commission; with a paid up capital of minimum RM750,000; and appointed two technical staff (Malaysian citizens) who have bachelor's degrees related to construction fields.
- Construction companies that are members of the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) agreement can apply for Foreign Contractor Government Employment Certificate (SPKKA) to enable them to participate in government procurement. The 11 member countries of the CPTPP are Australia, Brunei, Canada, Chile, Japan, Malaysia, New Mexico, Peru, Singapore, Vietnam and New Zealand.

Source: CIDB

E. Management of Foreign Construction Workers

- Management of foreign workers in the construction sector is controlled by MoW with **Construction Industry Development Board** (CIDB) as the Regulatory Agency and **Construction Labor Exchange Center** (CLAB) as the implementor.
- CIDB's role as the **Regulatory Agency** is to assist in **processing complete** and **eligible employer's applications** for foreign workers and **approve** the application on the same day.

- CLAB will cater for the **needs of organisations and companies** by bringing in and **reassigning foreign workers** to all employers in the construction industry.

Current Issues

- i. For 2023, it is forecasted that **400,000 foreign workers** will be **urgently needed** for the construction sector involving projects valued of more than RM109 billion.
- ii. The construction sector experienced **a shortage of foreign construction workers** due to delays in the entry of foreign workers into the country, problems with the limited source country and most of our “traditional” foreign workers, in particular from Indonesia are no longer interested to work in Malaysia, due to better employment opportunities in their home countries.

Initiatives Implemented

- iii. To solve shortage issues, the Government has agreed to **reintroduce the labour recalibration programme** and create a more relaxed plan to employ foreign workers to fulfil the demand for foreign workers in the country.
- iv. Recalibration programme was created **to legalise existing illegal immigrants** in the country so that they could be employed by qualified employers.
- v. **Relaxed plan for hiring programme** is for employers to hire foreign workers from 15 source countries without needing to go through pre-requisite hiring and quota qualifications.

Way forward

- vi. Our main concern for our nation’s construction industry is to be sustainable, productive and competitive. The industry is dependent on the use of foreign workers projected at **35%** of total workforce in construction.

- vii. Over the years, CIDB has introduced various initiatives to enhance productivity, reduce our dependence on foreign labour and encourage local talent to join the construction industry.
- viii. CIDB has been initiating transformation through various means such as facilitating the adoption of new technologies like Industrialised building system (IBS), Building Information Modelling (BIM), and the training of local construction personnel in various high-value trades such as Crane Operation, Architectural Drafting, Mechanical & Electrical and many more professional courses offered through the Construction Academy of Malaysia, the assessment centre and training arm of CIDB.

Source: BDA

F. Road Safety in Highway Operations

- Malaysia Highway Authority (MHA) is a federal statutory agency under the Ministry of Works, that was established in accordance with the Laws of Malaysia Act 231 Highway Authority Malaysia (Incorporation) Act 1980. MHA was established to supervise and execute the design, construction, regulation, operation and maintenance of inter-urban highways, to impose and collect tolls, to enter into contracts and to provide for matters connected therewith. Currently, MHA monitor over 33 operating concession companies.
- In supporting of the 2nd Global Decade of action on road safety voluntary target on providing safer roads, MHA has embarked on the International Road Assessment Program (iRAP), where the results shows that 70 % of our highway network has been rated 3 star and above. MHA is in progress to eliminate 1 to 2-stars roads in stages.
- The monitoring of accidents occurring on the highway is based on data recorded by the concessionaires into the Malaysian Highway Road Accident Analysis & Database System (MHROADS) during the year. This system also monitors highway concessionaires'

progress in adopting iRAP proposed road safety countermeasures that is needed to achieve the target of 3-star and above rating.

- MHROADS recorded that the total number of accident in 2022 was 20,444 cases compared to 14,709 in 2021. In addition, the total number of deaths recorded in 2022 was 607 deaths compared to 380 in 2021, an increase of 227. However, comparison between toll highways with others road type, toll highways only contribute 7% of the total fatalities in Malaysia.
- From the total number of accidents, there were 5200 accidents involving motorcycles, which 540 accidents occurred during bad weather. Motorcyclists are most vulnerable road users. Every year many motorcyclists sustain serious injuries and die in devastating crashes. Therefore, the government through the Ministry of Works has instructed MHA to take the initiative to implement the improvement and addition of motorcycle shelter on the highway.

Through the initiative of the Madani Malaysia Bitara Programme :

- The Bitara Malaysia Madani Initiative Programme (Bitara Madani) is implemented through various efforts to provide more comfort to the public, especially involving the public who use the services provided by the Government and Agencies.
- The Bitara Malaysia Madani initiative, run by the Public Sector Special Task Force (STAR), looks at the implementation of low-cost, high-impact and fast-paced initiatives.
- MHA believes that the convenience of this motorcycle shelter is a necessity from an important safety point on every highway and good planning needs to be carried out based on the suitability of the location.
- Thus, the Motorcycle Shelter Improvement and Addition Programme on Highways under the Bitara Malaysia Madani Initiative should be implemented for the well-being of the Malaysian is mainly for motorcyclists who are largely made up of low and middle-income citizens. This program will also indirectly

encourage the Concession Company to be more concerned about the safety of these motorcyclists.

Latest status of implementation:

- A total of 353 motorcycle shelters were built along Malaysian toll highways.
- For the Bitara Madani Program, MHA has planned together with concession companies to build another 119 new location of motorcycle shelter starting from the third quarter of year 2023 to fourth quarter of 2024.
- 40 location of motorcycle shelter will be built in 2023. The remaining 79 locations will be implemented by 2024 in stages.

Continuous improvement program:

- In addition, MHA also implemented continuous improvement programmes on blackspot. Accident prone locations or also known as 'blackspot'. The blackspot locations are determined based on annual accident statistics on all highway networks at intervals of 100 meters and will be analysed using the weighting method. As a result of the improvement works and interventions implemented throughout the identified blackspot location has helped reduce the accident rate by 50-90% in each location.
- In 2022 10 blackspot locations have been identified to be improved in year 2023. This location will be monitored for 3 years after improvements are implemented to ensure a significant reduction of the number of accidents compared to previous year.
- MHA also adopted Road Safety Audit (RSA) approach in all its toll highway particularly from RSA Stage 1 to 5. RSA Stage 5 is widely adopted on operating highway as proactive measure to improve the level of road safety in every aspect possible.

- Ministry of Works also collaborates with other government enforcement agencies such as Road Transport Department and Royal Malaysia Police for enforcement.
- Continuous campaign also is part of the programme to educate road users the importance of road safety awareness. Social media is one of the main mediums to increase public awareness on road safety issues.

Source: LLM

G. 12th Malaysia Plan 2021-2025, Key Infrastructure Projects

- The 12th Malaysia Plan (12MP) is a comprehensive development plan to ensure **sustainable economic growth** with a more equitable distribution of opportunities and outcomes.
- In the 12th Malaysia Plan, the Malaysian government outlined its plans for the **restructuring of the highway development model**. This restructuring is aimed at reducing the risk to the government while enabling concessionaires to carry out operations and maintenance of the highway, while enabling the generation of fair returns from toll fare collection.
- There are 33 operational toll highways (**2049.70 km**) and 13 highways are still in planning and development phase:
 - Planning phase : 8 highways (301.1 km, RM 23.59 Billion)
 - PJD LINK, WISE, PBE, DUKE 2A, KL-NODE, SKLIA, NPE2, Widening KL-KARAK; and
 - Construction Phase : 5 highways (332.06 km, RM16.855 Bilion) - WCE, SPE, EKVE, SUKE (Phase 2) and MEX2
- For the central to east coast regions of the Peninsula, the Lingkar Tengah Utama (LTU), formerly known as Central Spine Road (CSR) connecting Bentong, Pahang and Kuala Krai, Kelantan was at 51% completion as of December 2022, and the construction of the remaining CSR alignment is expected to be completed by 2026.

- The construction of the Kota Bharu – Kuala Krai (KBKK) highway in Kelantan is also being carried out in phases, with two out of eight sub-packages from Pasir Hor to Ketereh completed in 2019. As of December 2022, the work progress on the KBKK was at 42.8% with the remaining alignment from Ketereh to Kuala Krai expected to reach completion by 2026.
- The Lebuhraya Pantai Timur 3 (LPT 3) will connect Gemuruh, Terengganu to Tok Bali, Kelantan. The preliminary works for LPT 3 which commenced in 2020, has completed in April 2022. Based on the discussion held with the Economic Planning Unit (EPU) in April 2022, EPU agreed for this project to be carried out under the privatisation concept. Hence, this project will need to go through the Request For Proposal (RFP) process and KKR is currently in the process of setting up the Project Team to prepare for the Need Statement in order for the UKAS to proceed with the RFP. This will then enable KKR to table a Cabinet Paper and present to the Cabinet to request for principal approval for the implementation of this project.
- For East Malaysia, work progress on the Pan Borneo Sabah Highway was at 74% as of February 2023, and a further 281 km of the highway is expected to be completed by January 2025. Meanwhile, the Pan Borneo Sarawak Highway from Telok Melano to Miri was at 94% completion as of February 2023, and is expected to be ready by September 2023.
- For the Greater Klang Valley, the five highways under construction are the Sungai Besi-Ulu Kelang Elevated Expressway (Suke) (Phase 2), East Klang Valley Expressway (EKVE), Setiawangsa-Pantai Expressway (SPE), Putrajaya-KLIA Expressway (MEX 2) and West Coast Expressway (WCE). SPE and Suke (Phase 2) are scheduled for completion in Q3 2023, meanwhile EKVE and MEX 2 are scheduled for completion in Q4 2024. The West Coast Expressway (WCE) from Banting, Selangor to Taiping, Perak is expected to be completed by 2025.
- 170 development projects (new and on-going projects) were listed under the 2nd Rolling Plan of the 12th Malaysia Plan. The scope of these projects includes maintaining, upgrading and developing roads and buildings, dilapidated bridges, slope, research and development, port, highways in federal and state.

Source: BPP, BPJ and LLM

H. Intelligent Transport System

- Ministry of Works Malaysia has initiated overarching efforts in addressing the issues of traffic congestion, seamless intelligent mobility, and safety in transportation through the publication of the Malaysian ITS Blueprint (2019-2023) in June 2019. Prior to the publication, various engagements with relevant stakeholders have been done to ensure all issues and concerns are captured with regards to ITS applications in Malaysia.
- Sixteen (16) Intelligent Transport System (ITS) initiatives were identified in the Blueprint. These initiatives are currently being piloted and developed by six (6) leading Technical Working Group (TWG) under the Malaysian ITS Steering Committee and overseen by the ITS Council.
- Various Ministries and Government agencies are working together under the said committees to ensure successful implementation of the initiatives. As of February 2023, the implementation of the ITS initiatives is showing remarkable progress and are fully supported by the stakeholders. **Three (3) initiatives** have been **completed**; Electronic Tolling Collection (ETC), Autonomous Vehicle (AV) and **Standards on ITS**.

i. Malaysian ITS Blueprint 2019-2023 Initiatives

TWG 1 – Ministry of Works (MOW)	
SWG 1	Radio Frequency Identification (RFID)
SWG 2	Electronic Tolling Collection (ETC) - Completed
SWG 3	National Intelligent Transportation Management Centre (NITMC)
SWG 4	Multi Lane Fast Flow (MLFF)
SWG 5	Weigh in Motion (WiM)
TWG 2 – Ministry of Transport (MOT)	

SWG 1	On Board Unit (OBU)
SWG 2	Advanced Traveller Information System (ATIS)
SWG 3	National Freight Data (NFD)
SWG 4	Ports Connectivity
SWG 5	Autonomous Vehicle (AV) - Completed
TWG 3 – Ministry of International Trade & Industry (MITI)	
SWG 1	Internet of Things (IoT)
SWG 2	System & Data
SWG 3	Standards - Completed
TWG 4 – Ministry of Communication & Multimedia (K-KOMM)	
Policies & Regulations	
TWG 5 – Ministry of Works (MOW)	
International Border Crossing Clearance (IBCC)	
TWG 6 – National Disaster Management Agency (NADMA)	
Disaster Management	

ii. **National Intelligent Transportation Management Centre (NITMC)**

- NITMC will integrate and centralise traffic and transportation data information to be shared and disseminated to relevant agencies for purposes of traffic, transport management and disaster management. New and useful information such as real time traffic status and travel route planning will also be shared with the public.
- Related data will be integrated and collected from other transportation agencies, local governments, highway operators and emergency management agencies to be further refined and processed in NITMC before being disseminated back to the public

and relevant planning agencies. NITMC will also leverage the use of crowd-source data on traffic and social media data to further maximises resources and increase engagement.

- NITMC is currently at the Proof-of-Concept (POC) stage to validate the workability of traffic and transportation data integration, data analysing & processing, as well as data sharing through dashboard and mobile application.

iii. ITS in Disaster Management

- Although Malaysia may not be a natural disaster-prone country if compared to the neighbouring countries, the worsening effects of climate change in the recent years calls out for more proactive solutions in order to prevent huge losses. This includes leveraging the use of ITS in managing disaster preparedness and responses.
- The National Disaster Command Centre (NDCC) by National Disaster Management Agency (NADMA) is a centre for monitoring, data collection and information dissemination with regards to disaster management at local and national level.
- Integration between NDCC and NITMC can help disseminate the information to other Government agencies for rescue efforts and disaster mitigation during crises. With the data from NITMC, the NDCC can carry out decision making process for disaster alert warning while the logistic dispatch process and emergency response period can also be improved.
- It is critical for countries to share experience and technology to prevent or better manage the effects of natural disaster, and to establish a system for cooperation and collaboration in times of large-scale disasters.

Source: BPJ

I. Multi-Lane Fast Flow

- Aligned with the initiatives under the Malaysian Intelligent Transportation System (ITS) Blueprint 2019-2023, the Multi Lane Fast Flow (MLFF), previously known as the Multi Lane Free Flow is a new method of toll collection system that is currently adopted

by developed countries. It is one of the initiatives under the nine (9) ITS Sectors - the electronic payment system.



Nine (9) ITS Sectors

- The development of RFID including the usage of RFID Reader and RFID Antenna at toll concessionaires are at various stages of implementation.
- MLFF is a system that allows toll collection to be made at high speed without requiring vehicles to stop or slow down for toll payment. It is generally implemented through the provision of gantry structures on highways equipped with automatic vehicle detection and classification. It is also equipped with Video Enforcement System and CCTV Digital Video Recorder for enforcement purposes and claims against lawful toll offenses in accordance with the legislation.
- The Government also intends to implement MLFF through the establishment of the Central Tolling Agency (CTA) which serves as the central agency that implements and regulates the entire MLFF system for all toll highways in Malaysia.

- Among the advantages of implementing this MLFF are as follows:
 - a. Overcome traffic congestion;
 - b. Regulate the management and data of a more effective and efficient toll collection system;
 - c. Provision of a more effective and anti-monopoly Open Payment platform;
 - d. Improve security of toll plaza; and
 - e. Reduce environmental pollution.

Source: BPJ and LLM

J. Highway Network Development Plan (HNDP)

- The Highway Network Development Plan (HNDP) is the Malaysian Road Network Development Plan, approved by the National Meeting Action Council No. 1/2010 on 4 March 2010.
- The HNDP for Peninsular Malaysia, Sabah, Sarawak and the Federal Territory of Labuan was published in 1993 through a joint venture of the Malaysian Government through the Road Planning Division, Ministry of Works (BPJ, KKR) and the Government of Japan through the Japan International Cooperation Agency (JICA) for Malaysian highway planning until 2010.
- MoW continued the review of HNDP 2020 for Peninsular Malaysia which was published in 2007. While the review of HNDP 2025 for the State of Sabah, Sarawak and the Federal Territory of Labuan was published in 2010.
- Recently, MoW has published HNDP 2030 which is a review of HNDP 2020 that focuses on two (2) parts, namely Peninsular Malaysia and the Klang Valley and its relevant areas. This plan contains a priority schedule for the implementation of new road projects and upgrading of existing roads in Peninsular Malaysia based on technical aspects. It is to ensure the road network system is in line with current developments such as corridor development and state development plans.
- HNDP 2030 will be used as the Ministry's main document reference for the 12th and 13th Malaysia Plan. The HNDP 2030

study was highlighted in the Cabinet Meeting on 13 October 2020 and presented at the National Physical Planning Council Meeting No.38.

- Meanwhile, HNBP 2040 which is a review of HNBP 2025 for Sabah, Sarawak and the Federal Territory of Labuan kicked off in 2023 and is expected to be published in early 2025.

Source: BPJ

K. Public Private Partnership (PPP)

- Public Private Partnership (PPP) is a form of **collaboration between the public sector and the private sector** where a standalone business is **created, financed and managed** by the **private sector as a package** that includes the construction, management, maintenance, repair and replacement of public sector assets covering buildings, infrastructure, equipment and facilities.
- Principally, justifications for adopting PPP would **reduce the upfront costs for the Government** in providing and maintaining public facilities. Nevertheless, the Government can benefit from the private sector's expertise in building an efficient infrastructure and creating an environment conducive to the industrial development or services as PPP permits innovation.

i. Public Private Partnership (PPP) in Malaysia

- The involvement of the private sector in providing public goods and services is not new in Malaysia. With the introduction of **Malaysia's Incorporated Policy in 1983**, cooperation between the public and the private sectors has been fortified to foster the country's economic growth. This was followed by the publication of **Privatisation Guidelines in 1985** by the Economic Planning Unit of the Prime Minister's Department. The relationship between the two parties continued to evolve with the announcement of the **Privatisation Master Plan** during the Sixth Malaysia Plan in 1991 (RMKe-6).

- In **2006**, the Government unveiled the **Private Finance Initiative (PFI) programme** under the **Ninth Malaysia Plan (RMKe-9)**, as a part of the PPP, which **sets out several principles** on the **procurement method** and **implementation process**.
- Subsequently, **Public Private Partnership Unit (UKAS)** of the Prime Minister's Department, was **established in 2009** as a Central Agency to further assist strategic partnerships between the public and the private sectors in the Government projects. Taking into consideration of rationalising the role of the Government in business, the **Facilitation Fund** was introduced in **2010** under the **Tenth Malaysia Plan (RMKe-10)**, where a sum of RM20billion has been allocated to facilitate private sector investment in projects with high strategic value to the nation such as infrastructure, education, tourism and health.

ii. **Role of Ministry of Works (MOW)**

- Under the Ministry of Works (MOW) Malaysia, PPP is mainly **operationalised** for **highway** and **main roads projects**. The major benefit of the PPP is to **shorten the travel time** and **easing congestion** besides to meet the objectives of National Development Policy.
- There are **two methods** of privatisation for highways and roads in Malaysia. The first method is called **Build-Operate-Transfer (BOT)**. Through this method, the private company or the **concession company** will **construct new highways** using its **own fund**; **operate and maintain** the project for a concession period for **more than 30 years**; **collect toll** from traffic users; and **transfer the highway to the Government** at the end of the concession period at no cost.
- The **second method** is called **Management Contract**. Through this method, the **Government will finance the cost** for the roads; the private company or the **concession company** will **undertake maintenance** of the roads for the **concession period of 10 to 15 years**; and eventually will **transfer the roads to the Government** at the end of the concession period at no cost.

iii. **Initiative of Public Private Partnership (PPP) in Malaysia**

- During the **Ninth Malaysia Plan (RMKe-9)**, the Government introduced the **Private Finance Initiative (PFI)** programme under the PPP, to support greater participation of the private sector in the areas of management, operations and maintenance to improve the delivery of infrastructure facilities and public services.
- Once the private sector has **delivered the completed assets and services to the public sector client**, the private sector will **receive payment** from the Government **in the form of lease rental charges**, which commensurate with the levels, quality and timeliness of service provision throughout the concession period. The structure of the lease rental payment for PFI projects will guarantee a total return to the concessionaire's capital investment expenditures including financing cost repayment and profit to investment.
- Through assistance from PFI programme, **22 projects** with an estimated value of **RM12 billion** were undertaken via privatisation and PPP. Among completed projects are **Rawang-Ipoh Electrified Double Track Project; Senai-Desaru Exressway; Kemuning-Shah Alam Highway (KESAS); Kajang-Seremban Highway (LEKAS); Alor Setar-Padang Besar Highway Second Package** (under PLUS Highway); **Karamunsing-Kota Kinabalu Flyover; Malaysia Federal Route 1 (Sarawak) Second Phase; upgrading of Kuching International Airport** as well as **upgrading of Alor Setar, Kuala Terengganu and Labuan Airports**.
- In the **Tenth Malaysia Plan (RMKe-10)**, an estimated value of **RM62.7 billion** has been allocated for **52 projects** under PPP such as the construction of seven toll highways, five Universiti Teknologi MARA branch campuses, the Integrated Transport Terminal in Gombak, privatization of Penang Port and redevelopment of Angkasapuri Complex, Kuala Lumpur as Media City.
- At the same time, an amount of **RM20 billion** has been injected as the **Facilitation Fund** to bridge the viability gap for private investment in priority areas such as **infrastructure**, education, tourism and health. Among **completed projects** were the **Senai**

Hi-tech Park in Iskandar Malaysia and the Raw Water Supply for Industrial Complex in Tanjong Langsat, Johor.

- Under the **Twelfth Malaysia Plan (RMKe-12)**, a specific facilitation fund for infrastructure projects will be established under the **Public Private Partnership (PPP) 3.0 model**. The project implementation model will not involve the Government's financial commitment and will instead **adopt the Request for Proposal (RFP) method**. The projects will stimulate the economy, bridge the development gap among the nation's regions and improving the people's wellbeing.
- Among the projects include **the first phase of the Klang Valley double track project between Rawang and Salak Selatan; the electrified double track project from Gemas to Johor Bahru; the East Coast Rail Link (ECRL) and the West Coast Highway.**

iv. Latest Development

- Recently, a highway named **Sungai Besi-Ulu Kelang (SUKE)** has been opened to public on 16th September 2022, in conjunction with the Malaysia Day. The motorist using the highway enjoyed toll-free access for a month. The stretch will involve a **16.6km** alignment from **Cheras-Kajang Interchange to Bukit Antarabangsa Interchange**.
- SUKE also recorded a **proud achievement** when its **two (2) unique features**, namely the **country's first two-level helicoidal ramp** and the **highest Segmented Girder Bridge (SBG)** measuring **56.4 metres** from ground level, made it into the **Malaysia Book of Records**.
- The highway will become a major alternative route in several strategic locations, reducing traffic congestion by up to 36 percent during peak hours and shorten the travelling time from 75 to 25 minutes.

v. Conclusion

- PPP is all about **how a private sector participates in the public procurement process**. This approach does not only benefit the

local economic development but also **reduces the Government burden, increases public trust** towards Government, **improves efficiency** in delivering public services and **facilitates innovation**.

- Continuous economic development requires the public sector to enhance the practice of the PPP to ensure that the needs of the people could be met according to the required standard at the best cost to the public sector.

Source: BPP

8. TALKING POINTS

A. Topics of Discussion

i. Roles of the Ministry of Works

- The Ministry of Works (MoW) and its agencies are responsible for Malaysia's public works, highways authority, **construction sector, and construction-related services** for engineers, architects, and quantity surveyors.
- With the vision to spearhead Malaysia's infrastructure development and construction industry, MoW is responsible for the execution of **infrastructure development** and provide **advisory services** to other **technical agencies**.
- Our **ultimate goal** is to **provide infrastructures projects** that **benefit the rakyat**. The priority of the Ministry is to develop facilities and amenities for the betterment of the people. This include **maintaining** and **developing federal and state roads** (20,017.966 km of federal roads and 247, 027.612 km of state roads), **highways** (1,981.1 km of 29 toll highways), **buildings**, **enhance mobility** and **connectivity** especially those in rural areas.

ii. National Construction Policy (NCP) 2030

- MOW's **National Construction Policy (NCP) 2030** launched on 9 November 2021 is set to support the **adoption and adaption of technology** in work processes, standardisations, and mechanisms including business culture.
- **NCP 2030** is a '**game changer**' for **Malaysian construction sector**. The volatility of recent socio-economic rebound impacted from the COVID-19 pandemic has necessitate the need for **transformation** of construction landscape and **step up our game** by adopting and **embracing digitalisation** and **new technologies**.
- The initiative underscores vital elements in providing quality infrastructure encompassing **quality and safety**, environmental **sustainability**, **productivity** of human capital,

internationalisation, competitiveness and infrastructure maintenance.

- As the **custodian of infrastructure development** in Malaysia, the **internationalisation of construction sector** is aligned with our objective to provide **conducive environment for economic growth and international competitiveness.**

iii. **Highway National Development Plan (HNDP)**

- In view of roads and highways as major infrastructure development under MoW, the **Highway National Development Plan (HNDP)** has become the main source of reference for projects implementation. The HNDP is a comprehensive **master plan** that covers planning, implementing, and maintaining of roads and highways in Malaysia. HNDP highlights **4 key aspects of traffic studies, land usage, locality socio economic and environment.**

iv. **Intelligent Transportation System (ITS) Blueprint 2019-2023**

- Aligned with the **national mission** towards **development of smart cities**, MoW also published the **Malaysian Intelligent Transportation System (ITS) Blueprint 2019-2023** in June 2019. The **ITS Steering Committee** is tasked at overseeing its **16 initiatives** under the blueprint which are currently in its **third year of implementation.**
- **ITS initiatives** that are currently in various development stages include the **Virtual National Intelligent Transport Management Centre (VNITMC)**, the **Weigh-in-Motion (WIM)**, the **Radio Frequency Identification (RFID)** for Multi-Lane Free Flow, the Internet of Things (IoT), the Autonomous Vehicle (AV) and Disaster Management.
- MoW is also looking forward to implementing the **Multi Lane Fast Flow (MLFF) toll collection system** through the establishment of the **Central Tolling Agency (CTA)** which serves as the central agency that executes and regulates the entire MLFF system for all toll highways in Malaysia. MLFF aims to **overcome traffic congestion, promotes efficient toll collection and reduce environmental pollution.**

- **The Highway Planning Division (BPJ)** as the ITS Secretariat will continue its active engagement with ITS Malaysia and partners to push forward Malaysia's interest in strengthening and **achieving a connected intelligent transport community**.

v. **Management of Foreign Construction Workers**

- Malaysia's construction industry is projected to be 35% dependent on foreign workers for the total workforce in construction and this has become our main concern for the industry to be sustainable, productive and competitive.
- CIDB as the Regulatory Agency for management of foreign workers in Malaysia continues to introduce various initiatives over the years to reduce the issue of dependency of foreign workers in the industry such as facilitating adoption of Industrialised Building System (IBS), Building Information System (BIM) and training of local construction personnel.

vi. **Public Private Partnership (PPP) Initiatives**

- Under the **Ministry of Works of Malaysia (MOW)**, Public Private Partnership (PPP) is **mainly operationalised for highway and main roads projects**. The **major benefit** of the PPP for the projects is **to shorten the travel time** and **easing congestion** besides to meet the objectives of the National Development Policy.
- There are **two methods of privatisation** for highways and roads in Malaysia. The first method is called **Build-Operate-Transfer (BOT)**. Through this method, the private company or the concession company will construct new highways using its own fund; operate and maintain the project for a concession period for more than 30 years; collect toll from traffic users; and transfer the highway to the Government at the end of the concession period at no cost.
- The **second method** is called **Management Contract**. Through this method, the Government will finance the cost for the roads;

the private company or the concession company will undertake maintenance of the roads for the concession period of 10 to 15 years; and eventually will transfer the roads to the Government at the end of the concession period at no cost.

- During the **Ninth Malaysia Plan (RMKe-9)**, the Government introduced the **Private Finance Initiative (PFI)** under the PPP, to support greater participation of the private sector in the areas of management, operations and maintenance to improve the delivery of infrastructure facilities and public services.
- Under the **Twelfth Malaysia Plan (RMKe-12)**, a specific facilitation fund for infrastructure projects will be established under the **Public Private Partnership (PPP) 3.0 model**. The project implementation model will not involve the Government's financial commitment and will instead **adopt the Request for Proposal (RFP) method**. The projects will stimulate the economy, bridge the development gap among the nation's regions and improving the people's wellbeing.
- Among the projects include the first phase of the Klang Valley double track project between Rawang and Salak Selatan; the electrified double track project from Gemas to Johor Bahru; the West Coast Highway and the East Coast Rail Link (ECRL).
- Recently, a highway named **Sungai Besi-Ulu Kelang (SUKE)** has been opened for public on 16 September 2022, in conjunction with Malaysia Day. The motorist using the highway enjoyed toll-free access for a month. The stretch involves a 16.6km alignment from Cheras-Kajang Interchange to Bukit Antarabangsa Interchange.
- SUKE also recorded a proud achievement when **its two unique features**, namely **the country's first two-level helicoidal ramp** and **the highest Segmented Girder Bridge (SBG)** measuring 56.4 metres from ground level, made it into the Malaysia Book of Records.
- The highway also become a **major alternative route** in several strategic locations, **reducing traffic congestion by up to 36 percent** during peak hours and **shorten the travelling time from 75 to 25 minutes**.

- Malaysia strongly believes that the PPP approach does not only benefit the local economic development but also **reduces the Government burden, increases public trust** towards Government, **improves efficiency** in delivering **public services** and **facilitates innovation**.
- The economic development requires the public sector to enhance the practice of the PPP to ensure that the needs of the public can be met according to the required standard at the best cost to the public sector.

B. Potential Construction Projects and Cooperation with Czech Republic

i. Malaysian Construction Industry

- Malaysian construction companies have a good track record of completing high quality projects around the globe. The scope of construction projects includes **commercial building, mechanical and electrical, jetty, port, water, waste water, road, highway, bridges, mixed development, power and energy**.
- As of September 2023, Malaysian contractors have been awarded **1,340 projects** with a total value of **RM239.3 billion** in **76 countries**, with 116 projects worth RM60.1 billion are still under implementation.
- Malaysian contractors including professionals are exploring opportunities overseas as an effort to revive and rejuvenate their businesses which were severely impacted by the pandemic. Our players are keen to continuously explore projects and **exchange expertise and services**. Our interest includes partnering on construction works relating to:
 - i. Highway (IJM, Gamuda, Sunway);
 - ii. Development/ Buildings/ Residential (Sime Darby, SP Setia);
 - iii. Power/Energy (Minconsult, Rohas Technic, Pestech);
 - iv. ICT (Serba Dinamik, Eversendai);

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- v. Aerospace (Serba Dinamik);
- vi. Ports/Airports (Muhibbah Engineering); and
- vii. Oil & Gas (Serba Dinamik, Sapura Energy, KNM Group, Sarawak Consolidated).

**Policy and International Division
Ministry of Works
25th September 2023**

ANNEX A :

SPEECH

HON. MINISTER OF WORKS MALAYSIA

MINISTERS' SESSION : ROAD SAFETY

ANNEX B :

**27TH WORLD ROAD CONGRESS
EXHIBITION FLOOR MAPS**