

**KERTAS CADANGAN UNTUK PERTIMBANGAN
LEMBAGA PENGURUSAN MPC (BOM)**

TITLE	:	PEMUDAH INTERNATIONAL BEST PRACTICES SEMINAR ON TECHNICAL DISPUTES MECHANISM IN CONSTRUCTION PERMITS
PROPOSED DATE	:	17 June 2025
BUDGET/COST	:	RM140,000 (RM135,000 from FORE Development Budget and RM5,000 from PCD Operational Budget)
OBJECTIVES	:	<ol style="list-style-type: none"> 1. To enhance understanding among Malaysian regulators and stakeholders on global best practices in Alternative Dispute Resolutions (ADR), particularly in resolving commercial and regulatory disputes efficiently. 2. To facilitate knowledge exchange between the World Bank and local agencies on ADR frameworks that support a conducive business environment. 3. To support Malaysia's reform agenda under the Ease of Doing Business initiative by identifying potential improvements in Malaysia's ADR mechanisms. 4. To strengthen inter-agency collaboration within the Technical Working Group in Business Location (TWGBL) through structured dialogue and technical input on dispute resolution reform.
BENEFITS	:	<ol style="list-style-type: none"> 1. Improved institutional capacity to develop and implement ADR frameworks aligned with international standards. 2. Access to global insights and benchmarking from the World Bank on efficient dispute resolution processes in comparable economies. 3. Promotion of fair and efficient business practices that can enhance investor confidence and reduce the burden on judicial systems. 4. Support for policy formulation and regulatory reform, particularly in strengthening Malaysia's position in global competitiveness indices. 5. Enhanced coordination among TWGBL members, enabling better policy alignment and streamlined processes for business location decisions.
DEPARTMENT	:	Productivity and Competitiveness Development (PCD) / National Competitiveness Section (NCS)
COMMENTS/ SIGNATURE OF ACCOUNTANT		
COMMENTS/ SIGNATURE OF PCT MANAGER		

PEMUDAH INTERNATIONAL BEST PRACTICES SEMINAR ON TECHNICAL DISPUTES MECHANISM IN CONSTRUCTION PERMITS

1.0 PURPOSE

The purpose of this paper is to obtain approval from the Board of Management (BOM) to organise PEMUDAH International Best Practices Seminar on Technical Disputes Mechanism in Construction Permits with The World Bank under the Technical Working Group in Business Location (TWGBL).

2.0 BACKGROUND

The construction sector plays a critical role in driving Malaysia's economic development, infrastructure expansion, and job creation. However, it is also one of the sectors most prone to disputes, often arising from contractual disagreements, project delays, payment issues, and regulatory compliance. These disputes can be costly and time-consuming if resolved solely through traditional court processes.

Alternative Dispute Resolution (ADR) mechanisms—such as arbitration, adjudication, mediation, and conciliation—are increasingly recognised as effective tools for resolving construction-related disputes in a timely and cost-efficient manner. In particular, statutory adjudication under the Construction Industry Payment and Adjudication Act (CIPAA) 2012 has provided a framework for dispute resolution, but there remains room for enhancement and alignment with international best practices.

As part of the government's commitment to improve the ease of doing business and reduce regulatory inefficiencies, the Technical Working Group in Business Location (TWGBL) is exploring opportunities to strengthen ADR frameworks specifically within the construction sector. Engaging with the World Bank, which has extensive global expertise in construction dispute resolution and regulatory reform, will allow Malaysian stakeholders to benchmark current practices and identify practical improvements.

This initiative also supports the broader agenda of ensuring that Malaysia's construction industry operates within a robust legal and institutional framework that promotes investor confidence, contract enforcement, and business continuity.

3.0 METHODOLOGY

The seminar will be conducted through a hybrid format (in-person and virtual) to allow broader participation and engagement. The methodology will include:

- i. Expert Presentation by the World Bank: A dedicated session by World

Bank specialists covering relevant construction dispute frameworks, policy reforms, and case studies from other countries.

- ii. Panel Discussion and Q&A Session: Interactive discussions with local stakeholders including the judiciary, legal practitioners, regulatory bodies, business chambers, and government agencies to explore practical challenges and potential solutions for strengthening ADR in Malaysia.
- iii. Technical Dialogue and Gap Analysis: A closed-door technical dialogue between World Bank experts and TWGBL members to map out the current state of ADR in Malaysia and identify possible areas for regulatory and institutional improvement.
- iv. Post-Session Reporting: Compilation of key insights, recommendations, and action points to inform ongoing regulatory reform work under TWGBL and future policymaking.

This approach ensures the program delivers both strategic insights and actionable recommendations, thereby contributing meaningfully to Malaysia's regulatory reform and investment climate enhancement initiatives.

4.0 ESTIMATED COST

The total cost associated with organising the PEMUDAH International Best Practices Seminar on Technical Disputes Mechanism in Construction Permits with The World Bank under the Technical Working Group in Business Location (TWGBL) is **RM140,000**, comprising RM135,000 from the FORE Development Budget and RM5,000 from the PCD Operational Budget. Details are provided in **Appendix 1**.

5.0 PROPOSED AGENDA

The proposed agenda is in **Appendix 2**.

6.0 CONCLUSION

The approval of the Board of Management (BOM) is sought to organise PEMUDAH International Best Practices Seminar on Technical Disputes Mechanism in Construction Permits with The World Bank under the Technical Working Group in Business Location (TWGBL) with a total cost of **RM140,000** utilising RM135,000 from the FORE Development Budget and RM5,000 from the PCD Operational Budget.

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Appendix 1

PEMUDAH INTERNATIONAL BEST PRACTICES SEMINAR ON TECHNICAL DISPUTES MECHANISM IN CONSTRUCTION PERMITS

17JUNE 2025

NO.	TYPE OF PAYMENT	COST PER UNIT (RM)	NO. OF UNIT (UNIT/PAX)	TOTAL COST (RM)
A.	DEVELOPMENT BUDGET – FORE			
1.	Meeting Package	200.00	350 pax	70,000.00
2.	AVA System	20,000.00	1 unit	20,000.00
3.	Moderator	10,000.00	1 pax	10,000.00
4.	Speakers	1,000.00	5 pax	5,000.00
5.	Writing services (report/ speech writers, rapporteurs)	1,000.00	5 unit	5,000.00
6.	Advocacy (Media Statements, Advertisements, Social Media, Advertorial)	2,000.00	5 unit	10,000.00
7.	Publication, Printing and Outreach (Promotional Contents, Certificate & Bunting)	1,000.00	10 unit	10,000.00
8.	Photographer & Videographer (Video, Montage)	2,500.00	2 unit	5,000.00
	TOTAL			135,000.00
B.	OPERATIONAL BUDGET – PCD			
1.	Claims (Mileage, Meal, Toll, Grab/Taxi)	200.00	15 pax	3,000.00
2.	Airfare (Domestic)	1,000.00	2 pax	2,000.00
	TOTAL			5,000.00
	OVERALL TOTAL			140,000.00

**PEMUDAH INTERNATIONAL BEST PRACTICES
SEMINAR ON DISPUTES MECHANISM IN CONSTRUCTION PERMITS**

Date: 17 June 2025 (Tuesday)
Time: 8.00 am – 1.00 pm
Venue: Dorsett Grand Subang Jaya

AGENDA

17 June 2025, Tuesday

- 8.00 am : Registration & Networking Breakfast
Participants register and network informally over breakfast.
- 9.00 am : National Anthem “Negaraku”
Official start of the seminar with the Malaysian national anthem.
- 9.05 am : **Welcoming Address**
by **YBhg. Datuk Zahid bin Ismail**
Director General, Malaysia Productivity Corporation (MPC)
Opening remarks to welcome attendees and set the context for the seminar.
- 9.10 am : **Opening Remarks**
by **YBhg. Datuk Wira M Noor Azman bin Taib**
Secretary General for the Ministry of Housing and Local Government (KPKT)
Official opening remarks emphasizing the importance of the seminar topic.
- 9.20 am : **Keynote Address 1:**

Malaysia’s Technical Disputes Mechanism: Shaping a Competitive Business Environment (option 1)

Or

“Technical Dispute Resolution in Malaysia: Driving Productivity in the Business Landscape” (option 2)

by **YBhg. Datuk Ar Ezumi Harzani Ismail**
PEMUDAH Member
This keynote explores how Malaysia’s construction disputes mechanism directly influences the national economy and productivity. It highlights the role of an efficient disputes mechanism in improving the investment climate, reducing project delays, and enhancing competitiveness which relates with World Bank’s B READY.
- 9.40 am : **Keynote Address 2:**

Overview of Dispute Mechanisms and Its Impact to Productivity/ Efficiency
by **Prof. Kim Lovegrove**
World Bank Expert
Insights on dispute resolution mechanisms in construction internationally and their effects on productivity & economy growth.

- 10.20 am : **Insight Session:** Construction Technical Disputes: Strategies for Managing and Resolving Disputes Effectively
by **Prof. Dr. Aishah Chua Abdullah**
MPC Associates
Presentation on current state and challenges faced in Malaysia's construction disputes mechanisms.
- 10.50 am : Coffee Break
- 11.05 am : **Panel Discussion:** Malaysia's Construction Disputes Landscape
- i. Prof Kim Lovegrove, World Bank
 - ii. Government Reps (KPKT)
 - iii. Industry/Construction Expert (REHDA)
- Moderator: Sayed Munawar/ Dr Mohamad Norjayadi
- Interactive discussion exploring the landscape of construction disputes in Malaysia.*
- 12.00 pm : Session Ends & Networking Lunch
- 2.00 pm : Internal Discussion with MPC (Roadmap)

ROUNDTABLE DISCUSSION WITH WORLD BANK EXPERT

Developing Roadmap for Enhancing Malaysia's Construction Disputes Mechanism

Purpose:

- i. Collaboratively develop a strategic roadmap to reform and strengthen Malaysia's construction dispute resolution system.
- ii. Align reforms with Malaysia's productivity goals and the BREADY framework to enhance the nation's competitiveness as a preferred business location.

Key Focus Areas:

Current Challenges: Identify bottlenecks and inefficiencies in the existing dispute mechanisms.

Innovation & Technology: Explore the use of digital platforms and alternative dispute resolution (ADR) techniques to expedite case resolution.

Capacity Building: Strengthen institutional capabilities among government agencies, judiciary, and industry stakeholders.

Participants:

- World Bank Experts, including Prof. Kim Lovegrove
- Senior officials from Malaysia Productivity Corporation (MPC)
- Representatives from Ministry of Housing and Local Government (KPKT)
- Industry leaders, legal experts, and professional associations
- Representatives from PEMUDAH and other relevant government bodies
- Productivity Nexus

Expected Outputs:

- Draft roadmap with prioritized initiatives and clear timelines.
- Agreement on short-term and long-term reform measures.
- Framework for enhanced coordination between public and private sectors.
- Recommendations for piloting innovative dispute resolution tools aligned with BREADY.
- Identification of resource needs and opportunities for technical support.

AGENDA

- 2.30 pm : • **Opening Remarks**
by YBhg Datuk Ar Ezumi Ismail
Co-Chair, Technical Working Group on Business Location (TWGBL)
- **Dialog Session**
Developing Malaysia Roadmap for Enhancing Malaysia's Construction
Disputes Mechanism
- Running coffee provided*
- 4.15 pm : Summary & Conclusion
- 5.00 pm : Session Ends