Mida to approve 100 IBS-based projects by 2020

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KUALA LUMPUR: The Malaysian Investment Development Authority (Mida) aims to approve 100 projects that adopt the Industrialised Building System (IBS), with a total of RM2bil additional investment by 2020, said chief executive officer Datuk Azman Mahmud.

As of March 2016, MIDA has approved 56 IBS-related projects with investment worth RM1.7bil, he said.

Azman said the government is supporting the adoption of IBS in the construction industry and has introduced tax incentives for IBS projects to encourage more companies to adopt the system.

"We would like to encourage more companies (to invest and) help drive this initiative so that our construction industry is more modernised and efficient.

"We are supporting this initiative (IBS)," he told reporters after signing a memorandum of understanding (MoU) with the Construction Industry Development Board (CIDB).

In line with the initiative to boost IBS in the industry, Mida has granted Gamuda Industrial Building System (IBS) Sdn Bhd an Investment Tax Allowance (ITA), making it the first company to receive such an incentive.

Gamuda IBS was granted the incentive for its innovative and high value-added technology in the building construction industry in manufacturing Industrialised Building Systems (IBS).

Gamuda IBS, a company wholly-owned by Gamuda Bhd, will be using a state-of-the art automated production system in its operations.

A company granted an ITA gets an allowance of 60% of qualifying capital expenditure such as factory, plant, machinery or other equipment used for the approved project incurred within five years from the date on which the first qualifying capital expenditure is incurred.

Under the MoU, Mida and CIDB will collaborate to promote and accelerate the adoption of IBS to increase productivity in the construction industry.

Mida and CIDB will provide advisory and other policy advocacy on matters relating to incentives, investment opportunities on IBS, green initiatives and building materials for industry players.— Bernama