

Business Outlook in 2024: An interview with Arkitek MAA

4 April 2024



The 43-Storeys Affin Bank Tower at Tun Razak Exchange by Arkitek MAA.

Q: What is your company's outlook on the industry in the new year (2024)? Do you foresee any challenges that will affect your business?

Arkitek MAA went through more than five cycles of economic recession since 1965. We are very optimistic in this post COVID economic recovery climate as we can see many government development initiatives and private developers start to invest more money in developments and construction projects.

This year promises a dynamic and ever-evolving landscape in construction industry with higher adoption rate of technologies such in BIM, Cloud Collaboration and modular pre-fabricated construction. With these advancements in technology and a growing emphasis on sustainable practices we are confident that our firm is on the right track for advancement. Our adaptability and visionary to meet the clients' expectations are the back bone of our success.

Our focus on environmental, social, and governance sustainability in practice and developments that we are participating demands professional commitments from our team which we are ever ready to deliver. This gives us added advantages over our competitors in the industry.

Q: What is the plan/strategy in 2024 to expand the business?

As a result of the COVID-19 pandemic, our firm experienced a significant reduction in capacity, resulting in a downsizing of nearly half of our staff from 2020 to 2022. However, as we enter the first quarter of 2024, we are witnessing a resurgence in project opportunities, prompting us to expand our resources and hire new talents to meet the increasing demand.

With this expansion, we anticipate surpassing our pre-pandemic capacity by the fourth quarter of 2024. This growth in capacity is expected to translate into a substantial increase in income and profit, positioning our firm for a period of significant growth.

Q: How do you read the business sentiment of your country's economy in the first half of 2024?

The business sentiment in Malaysia this year has been mixed following the impact of COVID-19 pandemic. The previous implementation of movement control order has disrupted supply chains and led to a decline in overall business activity.

However, as architects, our main focus is on the design and construction of buildings which come with positive signs of recovery. The government has implemented various development packages to support businesses and stimulate economic growth. We are strategically optimistic that this is the beginning of new cycle of building industry economic growth as businesses and investors navigated pass the pandemic. This post pandemic promises good investment in hi-tech industry, data centres, micro-chip manufacturing, public transportation and aviation.



One Cochrane Residence is another high-rise residential project by Arkitek MAA.

In addition, the demand in houses is growing as most developers had stopped building in the recent pandemic years. The return of housing development projects this year, give opportunities to bigger architectural firms like us and engineering practices to get more jobs in housing projects. In our role as an architect, we are committed to supporting businesses in their recovery efforts by providing innovative design solutions that cater to their needs and it also open for more opportunities for us to participate in their projects.

Q: How concerned are you about the potential impact of inflation on your operational costs in the first half of 2024?

As architects, we find ourselves in a unique position when it comes to navigating the complexities of inflation. Our fee structure, tied to a percentage of construction cost, acts as a shield against the fluctuating winds of economic change. While inflation may bring about increases in construction costs, it also affords us the opportunity to adjust our fees accordingly. In a somewhat paradoxical manner, inflation can actually work in our favour by allowing us to collect higher fees to offset rising operational costs. This dynamic relationship between inflation and our fee structure enables us to not only cover our expenses but also potentially increase our profits.

In essence, the inflation serves as a reminder of the interconnected nature of the architectural profession with the broader economic landscape. It challenges us to adapt and innovate, finding creative solutions to ensure the sustainability and success of our practice amidst the ever-changing tides of financial fluctuation.