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**ISSUES IN THE LATE PAYMENT DUE TO COVID-19
PANDEMIC**

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ABSTRACT

Delay or late payment in the construction project is a common phenomenon and has become a habit in the construction industry. However, in the year 2020, the pandemic of Coronavirus (COVID-19) has dramatically spread over the world. Due to COVID-19 Pandemic, the issue of late payment becomes worse and critical. Many parties involved in the project was affected especially the contractor. In line with the issue, the aim of this research is to identify the strategies to overcome the late payment issues due to the pandemic COVID-19 in the construction industry. The objectives of this research are to identify the factor that can lead to the late payment during the pandemic COVID-19, to determine the implication of late payment to the contractor due to pandemic COVID-19 and to suggest the potential strategies to overcome the late payment issue due to pandemic COVID-19. This research used quantitative approach through the distribution of questionnaire survey to the G6 Contractor that focusing on Petaling district. All the data collected have analysed using descriptive statistical analysis in the Statistical Package for the Social Sciences (SPSS) software. At the end of the research, the findings shows that the suspension of work during Movement Control Order (MCO) is the main factor that lead to the late payment during the pandemic COVID-19. Furthermore, the delay in project completion is the major implication of late payment to the contractor due to pandemic COVID-19. The findings also found that, the majority of respondents agreed that proper planning and budgeting of project is the potential strategies to overcome the late payment issue due to pandemic COVID-19. Therefore, by these finding, it hopes to help provide insight to contractor regarding the factor and implication of late payment during pandemic COVID-19 as well as to overcome the late payment issue due to pandemic COVID-19.

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CHAPTER 1 :

INTRODUCTION

1.1 INTRODUCTION / BACKGROUND OF RESEARCH

The construction industry plays a vital role in contributing to the development of Malaysia's economy. According to the statistic of Growth Domestic Product (GDP) by the Department of Statistics Malaysia, the construction sector is a significant contributor to the Malaysian economy which has contributed approximately 10.4% in 2021 (DOSM, 2021). The construction industry has significant multiplier impacts on other economic sectors such as manufacturing, transportation and finance.

The pandemic of Coronavirus (COVID-19) has dramatically spread over the world. A total of 200 nations have been reported cases of COVID-19 (WHO, 2020). In Malaysia, the first positive case of COVID-19 were recorded in early 2020. Due to the number of cases increased, the government of Malaysia announced a Movement Control Order (MCO) in the intermediate of March 2020. It also affects all the construction activities since they have been stopped immediately. Therefore, this pandemic gives a great impact to the construction industry especially to the stakeholder involved in the project including the contractor, engineers, quantity surveyors and labourers.

During the pandemic COVID-19, financial issues especially late payment has occurred in the construction industry (Zamani et al., 2021). Generally, payment can be described as the sum of money that needs to be pay by one party to another party for a particular purpose. In the construction industry, payment is like the lifeblood of a project. It is because, late payment can affect the structure of the construction pyramid, starting from the client and entirely flow to the main contractor and subcontractor