

**MALAYSIA PRODUCTIVITY CORPORATION (MPC)
PROPOSAL FOR BOARD OF MANAGEMENT**

EXECUTIVE SUMMARY

TITLE	:	Reviewing Non-Tariff Measures (NTMs) in Malaysia																		
OBJECTIVE	:	- To review all NTMs and it's procedural requirement that are being imposed by regulators by using guillotine approach; and - To reduce unnecessary regulatory burdens on business.																		
OUTPUT	:	- Final list on number of NTMs for selected ministry; - List of recommendations for improvement; - Updated database on numbers of NTMs in Malaysia; and 25% compliance cost savings.																		
EXPECTED OUTCOME	:	- Cumulative gain in GDP of USD 107 billion or RM 211 billion over 2018-2027 in moderate and high income economics, respectively; - Increase local participation in Global Value Chains (GVCs); - Improve Malaysia ranking in international report such as: - Logistics Performance Index (LPI), - World Competitiveness Yearbook (WCY), - Global Competitiveness Report (GCR); and - Doing Business report.																		
TOTAL COST	:	RM 2,071,000.00 (RM71,000 balance from NTMs budget 2018) <table border="1" data-bbox="603 1066 1433 1299"> <thead> <tr> <th>No.</th><th>Activity</th><th>Total (RM)</th></tr> </thead> <tbody> <tr> <td>1.</td><td>Monitoring for Improvement</td><td>180,000.00</td></tr> <tr> <td>2.</td><td>Project Costing for Selected Ministries</td><td>1,032,000.00</td></tr> <tr> <td>3.</td><td>Secretariat Costing</td><td>564,000.00</td></tr> <tr> <td>4.</td><td>Study Mission</td><td>295,000.00</td></tr> <tr> <td colspan="2">TOTAL (RM)</td><td>2,071,000.00</td></tr> </tbody> </table>	No.	Activity	Total (RM)	1.	Monitoring for Improvement	180,000.00	2.	Project Costing for Selected Ministries	1,032,000.00	3.	Secretariat Costing	564,000.00	4.	Study Mission	295,000.00	TOTAL (RM)		2,071,000.00
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TOTAL (RM)		2,071,000.00																		
BUDGET	:	NTMs																		
RECOMMENDED BY	:	Productivity and Competitiveness Department (PCD)																		
COMMENT/ SIGNATURE BY PCT	:																			

MALAYSIA PRODUCTIVITY CORPORATION (MPC)

PROPOSAL FOR BOARD OF MANAGEMENT

1.0 Purpose

The purpose of this paper is to request approval from the Board of Management (BOM) to undertake the project on Reviewing Non-Tariff Measures (NTMs) in Malaysia using the NTM allocation of RM2,000,000.

2.0 Background

- Prime Minister has launched the Malaysia Productivity Blueprint on May 8, 2017 and set a minimum target to achieve an annual labour productivity growth of 3.7% by 2020. The productivity blueprint outlines five strategic thrusts: to create manpower for the future, spearhead the digital drive and innovation, ensure industry accountability towards productivity, build a strong ecosystem and put in place a strong implementation mechanism, divided into 10 national initiatives, 32 sectoral initiatives and 16 key activities.
- Under the National Initiative (N7): Key Activity 13 - Remove non-tariff measures that impede business growth and improve efficiency of the logistics sector, recommends the restructuring of non-tariff measures, including customs regulations, to ensure streamlined processes and regulations for export and import permits and regulations.
- In year 2018, 6 Ministries which are Ministry of Agriculture and Agro-based Industry (MOA), Ministry of Health (MOH), Ministry of Primary Industries (MPI), Ministry of Water, Land and Natural Resources (KATS), Ministry of Works (MOW) and Ministry of Human Resources (MOHR) were completed Phase 1 and Phase 2.
- The project team will continue monitor the 6 Ministries as mentioned above and will focus on 8 new Ministries in 2019.

3.0 Objective

- To review all NTMs and it's procedural requirement that are being imposed by regulators by using guillotine approach; and
- To reduce unnecessary regulatory burdens on business.

4.0 Output

- Final list on number of NTMs for selected ministry;
- List of recommendations for improvement;
- Updated database on numbers of NTMs in Malaysia; and
- 25% compliance cost savings.

5.0 Expected Outcome

- Cumulative gain in GDP of USD 107 billion or RM 211 billion over 2018-2027 in moderate and high income economics, respectively;
- Increase local participation in Global Value Chains (GVCs);
- Improve Malaysia ranking in international report such as:
 - Logistics Performance Index (LPI),
 - World Competitiveness Yearbook (WCY),
 - Global Competitiveness Report (GCR); and
 - Doing Business report.

6.0 Project Team

Project Champion	: Dato' Haji Abdul Latif bin Haji Abu Seman	Deputy Director General, MPC
Project Leader	: Mokhzani Aris Mohd Yusof	Senior Manager, MPC
Project Coordinator	: i. Siti Zurianah Othman	Assistant Manager, MPC
Team members	ii. Lee Wan Swanee	Assistant Manager, MPC
	i. Nurul Syamimi Ismail	Assistant Manager, MPC
	ii. Nuraizah Harun	Assistant Manager, MPC
	iii. Ilyana Norsaidah Ab Rahman	Assistant Manager, MPC
Technical Expert (Appointed in year 2017 & 2018)	iv. Nurul Farahaton Najihan Jusoh	Assistant Manager, MPC
	1. Datuk Prof. Dr. Rujhan Mustafa	Ministry of Higher Education (MOHE)
	2. Prof. Dr. Rajah a/l Rasiah	University of Malaya (UM)
	3. Dato' Nik Rahmat bin Nik Taib	Former Deputy Secretary General of Ministry of International Trade and Industry (MITI)
	4. Datuk Fadilah Baharin	Department of Standards Malaysia
	5. Dato' Mohamad Noor Yaakob	Board of Director, MPC
	6. Dato' Sri Dr. Vijayan	Malaysia Freight Forwarders Association (MAFFA)
	7. Farahana Rabidin	Attorney General's Chambers
	8. Al Muhammad Mukmin Abdul Ghani	Ministry of International Trade and Industry (MITI)
	9. Dr. Evelyn Shyamala	University of Malaya (UM)
	10. Dr. Vgr Chandran Govindaraju	University of Malaya (UM)
	11. Dr. Andrew Kam Jia Yi	The National University of Malaysia (UKM)
	12. Shamini Sakthinathan	Federation of Malaysian Manufacturers (FMM)
	13. Goh Swee Seang	MPC Associate
	14. Megat Akbarruddin Megat Ismail	MPC Associate
	15. Dr. Hjh Puziah Hanum Abdul Ghani	MPC Associate

*New technical experts will be appointed from time to time.

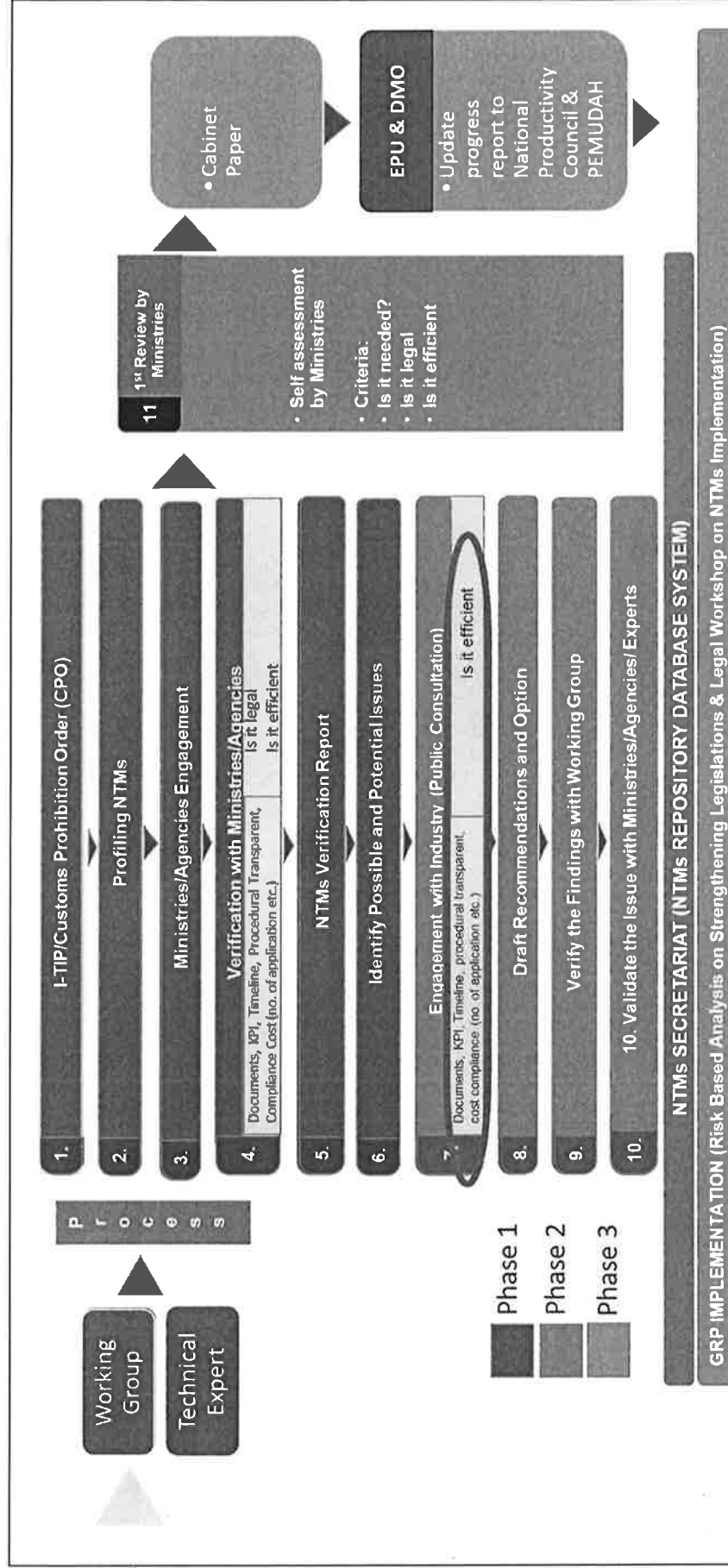
7.0 Project Implementation

7.1 The Review of unnecessary NTMs will be executed at the ministry as listed below:

No.	Ministry/Agency/Commission	No. of NTMs	Status
M1	Ministry of Agriculture and Agro-based Industry (MOA)	86	Existing
M2	Ministry of Health (MOH)	502	
M3	Ministry of Primary Industries (MPI)	27	
M4	Ministry of Water, Land and Natural Resources (KATS)	39	
M5	Ministry of Works (MOW)	2	
M6	Ministry of Human Resources (MOHR)	14	
M7	Energy Commission (EC)	7	New
M8	Ministry of International Trade and Industry (MITI)	38	
M9	Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC)	13	
M10	Ministry of Domestic Trade and Consumer Affairs (KPDNHEP)	8	
M11	Ministry of Finance (MOF)	9	
M12	Ministry of Foreign Affairs (MOFA)	9	
M13	Malaysian Communications and Multimedia Commission (MCMC)	7	
M14	Ministry of Home Affairs (MOHA)	25	

Source: Integrated Trade Intelligence Portal (I-TIP) and Customs Prohibition Order (CPO) 2017.

8.0 Project Governance



9.0

Estimated Total Cost

9.1 Monitoring for Improvement:

No.	Activity	Ministry Involved	Seminar/lab/workshop/meetings/ public consultation/residential meeting package (RM500/pax/day)	Total (RM)
1.	Workshop on Monitoring Improvement for NTMs Implementation (January 2019)	i. MOA ii. MOHR iii. KATS iv. MOW/KKR	RM500 x 60 pax x 2 days	60,000.00
2.	Workshop on Monitoring Improvement for NTMs Implementation (March 2019)	i. MOH ii. MPI	RM500 x 50 pax x 2 days	50,000.00
3.	Engagement with Ministries/Agencies on Monitoring Improvement Initiatives (April – November 2019)	i. MOA (30 persons) ii. MOHR (10 persons) iii. KATS (30 persons) iv. MOW/KKR (10 persons) v. MOH (30 persons) vi. MPI (30 persons)	RM500 x 140 pax x 1 day	70,000.00
TOTAL (RM)				180,000.00

9.2 Project Costing for Selected Ministry:

Activity Ministry	Facilitator fees (RM1,500/man-days) (Phase 1&2)	Seminar/lab/workshop/meetings/ public consultation/residential meeting package (RM500/pax/day)	Domestic travelling		Total (RM)
			Accommodation and allowances (RM500/night/pax)	Flight fare (RM1,500 return/pax)	
M7	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
	Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00				
M8	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
	Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00				
M9	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
	Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00				
M10	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
	Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00				
M11	Principle Consultant: RM1,500 x 24 mandays x 1	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions =	129,000.00

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M12	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00 Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
M13	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00 Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
M14	Principle Consultant: RM1,500 x 24 mandays x 1 = RM36,000.00 Consultant: RM1,500 x 14 mandays x 1 = RM21,000.00	RM500 x 20 pax x 4 sessions = RM40,000.00	RM500 x 1 night x 4 pax x 4 sessions = RM8,000.00	RM1,500 x 4 pax x 4 sessions = RM24,000.00	129,000.00
TOTAL (RM)					1,032,000.00

Note:

1. Total man-days for payment for each facilitator will be based on the appointment letter.
2. The review on NTMs at ministry level is lead by at least one facilitator, which will be appointed by Director General MPC.
3. The cost of accommodation will be based on the rate specified in the government circular

9.3 Secretariat Costing

Activities	Price per unit (RM)	Total (RM)
Technical expert meeting honorarium (RM500/expert/meeting)	RM500 x 6 meetings x 15 experts	45,000.00
Technical expert honorarium for joining seminar/lab/workshop/meetings/public consultation	RM500 x 10 sessions	5,000.00
Technical expert meeting package (RM100/meeting/pax)	RM100 x 10 meetings	1000.00
Buying Services (salary, allowances, and equipment rental)	RM5,000 x 12 months x 5 officers	300,000.00
Promotional items	-	100,000.00
NTMs repository system	-	40,000.00
Publication (writer, proof reader, printing, and layout design)	-	73,000.00
	TOTAL (RM)	564,000.00

3) Study Mission Costing

Activities	Price per unit (RM)	Total (RM)
Study Mission to Australia (Cooperation with MOA) Accommodation + Flight Ticket + Ground Transport + Insurance + Allowances + etc.	RM 29,000 x 5 pax	145,000.00
WTO and NTMs Week at Geneva, Switzerland Accommodation + Flight Ticket + Ground Transport + Insurance + Allowances + etc.	RM 30,000 x 5 pax	150,000.00
	TOTAL (RM)	295,000.00

Note: A separate BOM Paper will be submitted for the study mission and the delegates will include WG's from ministries and agencies.

The study visit to Australia and Switzerland expected to be held on February and October 2019 respectively. It will involve the first wave of group consists KATS, MOW, MPI, MOHR, MOA and MOH that already completed this initiatives.

11.0 Approval from BOM

The approval of the Board of Management (BOM) is sought to undertake the project on Reviewing Non-Tariff Measures (NTMs) in Malaysia using the NTM allocation of RM2,000,000. Estimated applied budget by quarter for NTMs project in 2019 are as follows:

Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL (RM)
RM1500,000.00	RM450,000.00	RM600,000.00	RM450,000.00	2,000,000.00

Prepared by:



Lee Wan Swanee
Assistant Manager
PCD

Date: 26/12/2018

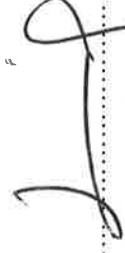
Checked by:



Mokhzani Aris Mohd Yusof
Senior Manager
PCD

Date: 26/12/2018

Approved by:



Dato' Haji Abdul Latif Haji Abu Seman
Deputy Director General
PCD

Date: 25/12/2018