

EXECUTIVE SUMMARY

PROPOSAL	:	Implementation of Reviewing the Non-Tariff Measures (NTMs) in Sabah and Sarawak 2020
VENUE	:	MPC Sabah (SBO)
OBJECTIVES	:	<ul style="list-style-type: none"> i. To review all legislation, NTMs and its procedural requirement that are being imposed by regulators; and ii. To reduce unnecessary regulatory burdens that impede business.
Output	:	<ul style="list-style-type: none"> i. Final list on the number of NTMs for selected ministry; ii. Number of legislations developed for the purpose of implementing and enforcing NTMs in Sabah & Sarawak; iii. List of recommendations for improvement; iv. Updated database on numbers of NTMs in Malaysia; and v. 25% potential cost savings.
EXPECTED OUTCOME	:	<ul style="list-style-type: none"> • Cumulative gain in GDP of USD 107 billion or RM 211 billion over 2018-2027 in middle- and high-income economics, respectively; • Increase local participation in Global Value Chains (GVCs); • Improve trade facilitation and encourage investor to Sabah & Sarawak; and • Improve Malaysia ranking in international report such as: <ul style="list-style-type: none"> ➢ Logistics Performance Index (LPI), ➢ World Competitiveness Yearbook (WCY), ➢ Global Competitiveness Report (GCR); and ➢ Doing Business report.
ESTIMATED TOTAL COST	:	RM450,000.00
BUDGET	:	NTMs
DEPARTMENT	:	MPC SBO
Comment/ Signature by PCT	:	

MALAYSIA PRODUCTIVITY CORPORATION (MPC)

PROPOSAL FOR BOARD OF MANAGEMENT

1.0 PURPOSE

The purpose of this paper is to seek the approval from the Board of Management (BOM) for the estimated budget of RM450,000.00 on the implementation of Reviewing Non-Tariff Measures (NTMs) 2020 & Improving Trade Facilitation in Sabah and Sarawak in conjunction with Reviewing Non-Tariff Measures (NTMs) initiatives.

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 2020, NTMs team will also focus on 2 new Ministries (Ministry of Transport - MOT and Ministry of Defence Malaysia – MOD) in 2020 and reviewing the NTMs in Sabah and Sarawak which will be involved the Ministries and Agencies.

3.0 OBJECTIVES

The objectives of the project are:

- i. To review all NTMs and its procedural requirement that are being imposed by regulators by using guillotine approach;
- ii. To reduce unnecessary regulatory burdens on businesses; and
- iii. To update database on NTMs in ASEAN Trade Repository (ATR) and Malaysia National Trade Repository (MNTR).

4.0 OUTPUTS

The outputs of the project are:

- i. Final list on number of NTMs for selected ministry;
- ii. Number of legislations developed for the purpose of implementing and enforcing NTMs in Sabah & Sarawak;
- iii. List of recommendations for improvement;
- iv. Updated database on numbers of NTMs in Malaysia; and
- v. 25% compliance cost savings.

5.0 EXPECTED OUTCOME

The expected outcomes are listed as follows:

- i. Cumulative gain in GDP of USD 107 billion or RM 211 billion over 2018-2027 in middle- and high-income economies, respectively;
- ii. Increase local participation in Global Value Chains (GVCs);
- iii. Improve trade facilitation and encourage investor to Sabah & Sarawak; and
- iv. Improve Malaysia ranking in international report such as:
 - a. Logistics Performance Index (LPI);
 - b. World Competitiveness Yearbook (WCY);
 - c. Global Competitiveness Report (GCR); and
 - d. Doing Business report.

6.0 PROJECT TEAM

Title	Officials/ Associates	Designation
Project Champion	Top Management of MPC	Director General, Deputy Director General (PCD/QED)
Project Leader	Mokhzani Aris Mohd Yusof	Director, SBO
Project Coordinator	1. Cik Ingrid Ng Edy 2. Cik Nurfariha Ahmad	Assistant Manager Assistant Manager
MPC Technical Expert (Appointed in year 2020)	1. YBhg Datuk Dr. Mohd Yaacob Hj Johari 2. Associate Prof. Dr Raman Nordin 3. Associate Prof. Dr Rossazana Abd Rahim 4. Tuan Hj Abdul Hadi Datuk Hj Abdul Kadir 5. YBhg. Dato' Mohamad Noor bin Yaakob 6. Pn. Farahana Rabidin 7. Prof. Dr. Evelyn Shyamala A/P Paul Devadason 8. Assoc. Prof. Dr. Andrew Kam Jia Yi 9. Puan Noor Azian Romlan 10. En. Mohd Hijri Mat Roni	CEO, Sabah Economic Development & Investment Authority (SEDA) Dean, Faculty Economy and Accountancy, Universiti Malaysia Sabah (UMS) Dean, Faculty Economy and Accountancy, University Malaysia Sarawak Director General, Sarawak Economic Development Board of Director, MPC Deputy Commissioner, Law Revision and Law Reform II, Attorney General's Chambers Faculty of Economics and Administration, University of Malaya (UM) Head of Quality Assurance, The National University of Malaysia (UKM) Director, MATRADE Sabah Director, MITI Sabah

Title	Officials/ Associates	Designation
	11. Mr. Faizal Mohd Yusof	Senior Director, Investment Policy and Trade Facilitation Division, MITI
	12. Mr. David Rowbin	Director, ASEAN Economic Integration Division, MITI
	13. Mr. Nik Shehar bin Nik Wan	MPC Associate
	14. Mr. Ahmad Zaidi Abd. Wahab	MPC Associate
	15. YBhg. Dato' Johnson Dai Yun Choi	President, Sabah Freight Forwarders & Logistics Association (SFFLA)

7.0 PROJECT IMPLEMENTATION

7.1 The reviewing of NTMs will be executed at the ministries/ agencies as listed below:

No.	Ministry/ Agency	NTMs Baseline	
		I-Tip	CPO
1	Sabah Wildlife Department	2	12
2	Forestry Department of Sabah	-	3
3	Department of Veterinary Services and Animal Industry, Sabah	-	25
4	Department of Agriculture (DOA) Sabah	-	27
5	Federal Agricultural Marketing Authority (FAMA)	-	2
6	Environment Protection, Sabah	-	1
7	Sabah Museum	-	1
8	Suruhanjaya Tenaga	-	1
9	Sarawak Forestry Corporation	4	-
10	Forest Department Sarawak	-	16
11	Department of Agriculture of Sarawak	-	30
12	Department of Marine Fisheries, Sarawak	-	3

13	Federal Agricultural Marketing Authority (FAMA)	-	2
14	State Veterinary Authority, Sarawak	-	34
15	Natural Resources and Environmental Board Sarawak	-	1
16	Sarawak Electricity Supply Corporation (SESCO)	-	2
17	Sarawak Museum	-	1
Total		6	179

8.0 PROPOSED BUDGET

8.1 Project Costing

No	Facilitator fees (RM1,500/ man-days) (Phase 1&2)	Residential meeting package (Seminar/ lab/ workshop/ meeting/ public consultation) (RM500/pax/day)	Accommodation and allowances (RM500/ night/ pax)	Flight fare (RM1,500 return/ pax)	Total (RM)
1.	<u>Phase 1</u> Principle Consultant: RM1,500 x 24 mandays x 1 $= \text{RM36,000.00}$ Consultant: RM1,500 x 14 mandays x 1 $= \text{RM21,000}$	RM500 x 20 pax x 2 sessions $= \text{RM20,000}$	RM500 x 1-night x 4 pax x 2 sessions $= \text{RM4,000}$	RM1,500 x 4 pax x 2 sessions $= \text{RM12,000}$	93,000
2.	<u>Phase 2</u> Principle Consultant: RM1,500 x 24 mandays x 1 $= \text{RM36,000}$ Consultant: RM1,500 x 14 mandays x 1	RM500 x 20 pax x 2 sessions $= \text{RM20,000}$	RM500 x 1-night x 4 pax x 2 sessions $= \text{RM4,000}$	RM1,500 x 4 pax x 2 sessions $= \text{RM12,000}$	93,000

No	Facilitator fees (RM1,500/ man-days) (Phase 1&2)	Residential meeting package (Seminar/ lab/ workshop/ meeting/ public consultation) (RM500/pax/day)	Accommodation and allowances (RM500/ night/ pax)	Flight fare (RM1,500 return/ pax)	Total (RM)
	= RM21,000				
3.	Monitoring Phase Principle Consultant: RM1,500 x 5 mandays x 1 = RM7,500 Consultant: RM1,500 x 5 mandays x 1 = RM7,500	RM500 x 20 pax x 2 sessions = RM20,000	RM500 x 1-night x 4 pax x 2 sessions = RM4,000	RM1 500 x 4 pax x 2 sessions = RM12,000	51,000
4.	Monitoring Phase Principle Consultant: RM1,500 x 5 mandays x 1 = RM7,500 Consultant: RM1,500 x 5 mandays x 1 = RM7,500	RM500 x 20 pax x 2 sessions = RM20,000	RM500 x 1-night x 4 pax x 2 sessions = RM4,000	RM1 500 x 4 pax x 2 sessions = RM12,000	51,000
5.	External Junior Consultant: RM1,500 x 25 mandays x 3 = RM112,500	RM500 x 20 pax x 2 sessions = RM20,000	RM500 x 1-night x 3 pax x 2 sessions = RM3,000	RM1 500 x 3 pax x 2 sessions = RM9,000	144,500
JUMLAH					432,500

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 led 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.

8.2 Secretariat Costing

No	Activities	Total (RM)
1.	Honorarium for 3 rapporteurs (RM1,000.00 x 3)	3,000.00
2.	Publication (writer, proof-reader, printing, and layout design)	12,500.00
JUMLAH		15,500.00

9.0 APPROVAL FROM BOM

The approval of the Board of Management (BOM) is sought on on the implementation of Reviewing Non-Tariff Measures (NTMs) 2020 & Improving Trade Facilitation in Sabah and Sarawak in conjunction with Reviewing Non-Tariff Measures (NTMs) initiatives which estimated total expenses of RM450,000.00 (utilizing approved BOM paper: Reviewing Non-Tariff Measures (NTMs) in Malaysia, approved on 6/1/2020 - Bil.8/2020).

Prepared by:

Mokhzani Aris Mohd Yusof
Director
Sabah Regional Office

6 March 2020

Verified by:

Zahid Ismail
Deputy Director General
Malaysia Productivity Corporation

6 March 2020