

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

**EXECUTIVE SUMMARY**

<b>TITLE</b>	: Reviewing Non-Tariff Measures (NTMs) in Malaysia (2020)															
<b>OBJECTIVE</b>	: <ul style="list-style-type: none"> <li>• To review all NTMs and its procedural requirement that are being imposed by regulators by using guillotine approach; and</li> <li>• To reduce unnecessary regulatory burdens on business.</li> </ul>															
<b>OUTPUT</b>	: <ul style="list-style-type: none"> <li>• Final list on number of NTMs for selected ministry;</li> <li>• List of recommendations for improvement;</li> <li>• Updated database on numbers of NTMs in Malaysia; and</li> <li>• 25% compliance cost savings.</li> </ul>															
<b>EXPECTED OUTCOME</b>	: <ul style="list-style-type: none"> <li>• Cumulative gain in GDP of USD 107 billion or RM 211 billion over 2018-2027 in moderate and high income economics, respectively;</li> <li>• Increase local participation in Global Value Chains (GVCs);</li> <li>• Improve Malaysia ranking in international report such as: <ul style="list-style-type: none"> <li>◦ Logistics Performance Index (LPI),</li> <li>◦ World Competitiveness Yearbook (WCY),</li> <li>◦ Global Competitiveness Report (GCR); and</li> <li>◦ Doing Business report.</li> </ul> </li> </ul>															
<b>TOTAL COST</b>	: RM 1,802,500.00 <table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <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>688,000.00</td> </tr> <tr> <td>2.</td> <td>Project Costing for Selected Ministries</td> <td>451,500.00</td> </tr> <tr> <td>3.</td> <td>Secretariat Costing</td> <td>663,000.00</td> </tr> <tr> <td></td> <td><b>TOTAL (RM)</b></td> <td><b>1,802,500.00</b></td> </tr> </tbody> </table>	No.	Activity	Total (RM)	1.	Monitoring for Improvement	688,000.00	2.	Project Costing for Selected Ministries	451,500.00	3.	Secretariat Costing	663,000.00		<b>TOTAL (RM)</b>	<b>1,802,500.00</b>
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2.	Project Costing for Selected Ministries	451,500.00														
3.	Secretariat Costing	663,000.00														
	<b>TOTAL (RM)</b>	<b>1,802,500.00</b>														
<b>BUDGET</b>	: NTMs															
<b>RECOMMENDED BY</b>	: Productivity and Competitiveness Development (PCD) Division															
<b>COMMENT/ SIGNATURE BY PCT</b>	:															

# **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 (2020) using amount of RM 1,802,500.00 from NTM allocation of RM2,000,000.00.

### **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.
- In 2019, 5 Ministries which are Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC), Ministry of Domestic Trade and Consumer Affairs (MDTCA), Ministry of Foreign Affairs (MOFA), Ministry of International Trade and Industry – MITI, and Ministry of Tourism, Arts and Culture (MOTAC) were completed Phase 1 and 2. While Ministry of Finance (MOF), Ministry of Communications and Multimedia Malaysia (MCMM), and Ministry of Home Affairs (MOHA) had completed Phase 1 and will continue Phase 2 in 2020.
- The project team will continue monitor the 8 Ministries as mentioned above and will focus on 2 new Ministries (Ministry of Transport - MOT and Ministry of Defence Malaysia – MOD) in 2020.

### **3.0 Objective**

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

### **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);

- o World Competitiveness Yearbook (WCY);
- o Global Competitiveness Report (GCR); and
- o Doing Business report.

## 6.0 Project Team

<b>Project Champion</b>	:	Dato' Abdul Latif Haji Abu Seman	Director General, MPC
<b>Project Leader</b>	:	Mokhzani Aris Mohd Yusof	Senior Manager, MPC
<b>Project Coordinator</b>	:	1. Norliza Ahmad 2. Lee Wan Swanee	Manager, MPC Assistant Manager, MPC
<b>Technical Expert (Appointed in year 2020)</b>	:	1. Representative	Ministry of Economic Affairs (MEA)
		2. Prof. Datuk 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. Tan Sri Dato' Sri Dr. Vijayan	Malaysia Freight Forwarders Association (MAFFA)
		7. Pn. Farahana Rabidin	Attorney General's Chambers
		8. Mr. 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. Mdm. Shamini Sakthinathan	Federation of Malaysian Manufacturers (FMM)
		13. Mr. Goh Swee Seang	MPC Associate
		14. Mr. Megat Akbarruddin Megat Ismail	MPC Associate
		15. Dr. Hjh. Pauziah Hanum Abdul Ghani	MPC Associate
		16. Mr. Faizal Mohd Yusof	Ministry of International Trade and Industry (MITI)
		17. Mr. David Rowbin	Ministry of International Trade and Industry (MITI)
		18. Mr. Nik Shehar bin Nik Wan	MPC Associate
		19. Mr. Ahmad Zaidi Abd. Wahab	MPC Associate

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

## 7.0 Project Implementation

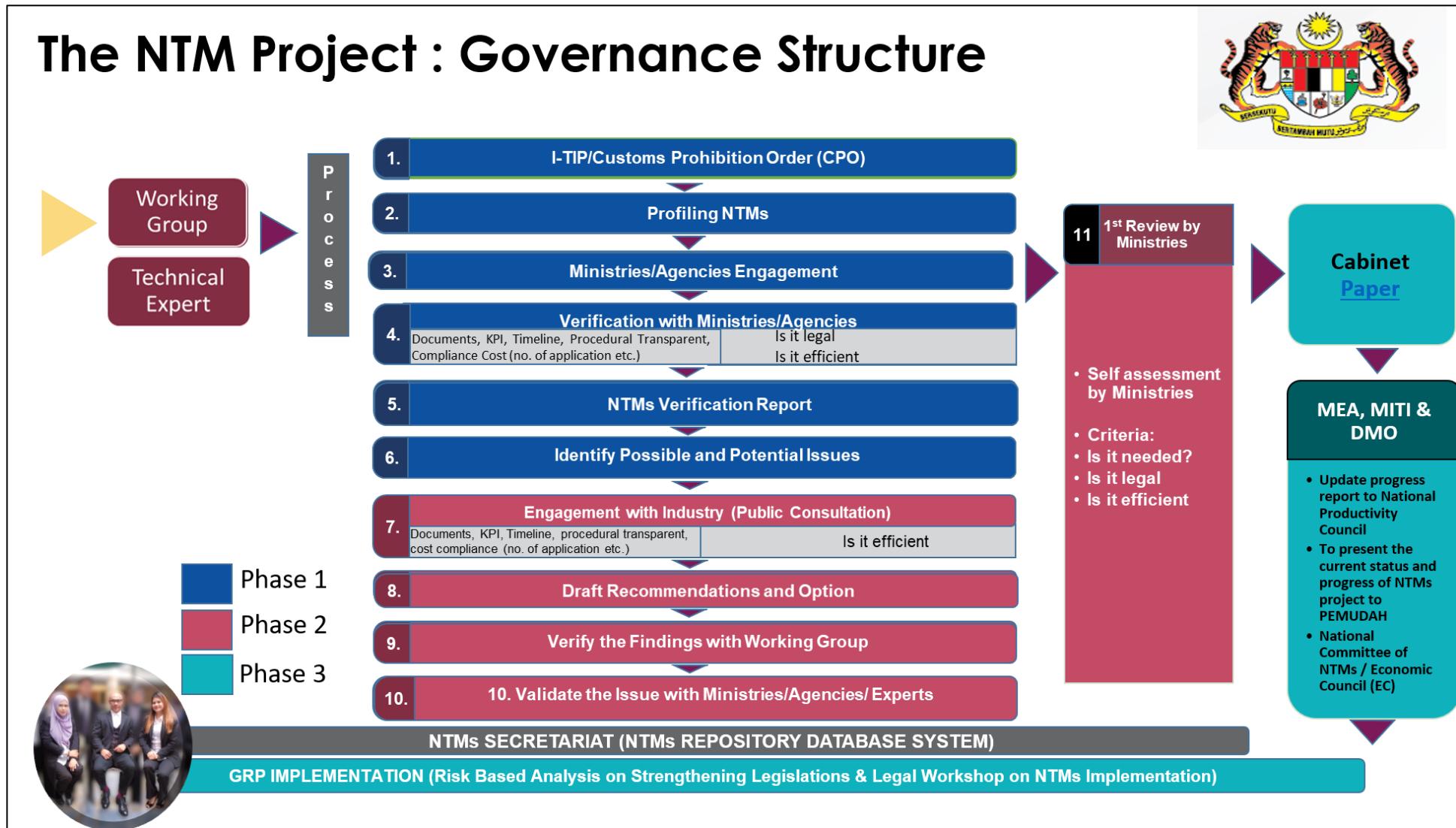
7.1 The Review of unnecessary NTMs will be executed at the ministry as listed below:

No.	Ministry/Agency/Commission	No. of NTMs	Status
M1	Ministry of Agriculture and Agro-based Industry (MOA)	86	Completed Phase 1 & 2
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	Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC)	39	
M8	Ministry of Domestic Trade and Consumer Affairs (MDTCA)	8	Completed Phase 1 & 2
M9	Ministry of Foreign Affairs (MOFA)	9	
M10	Ministry of International Trade and Industry – MITI	38	
M11	Ministry of Tourism, Arts and Culture (MOTAC)	1	
M12	Ministry of Finance (MOF)	6	Completed Phase 1
M13	Ministry of Communications and Multimedia Malaysia (MCMM)	5	
M14	Ministry of Home Affairs (MOHA)	15	
M15	Ministry of Transport (MOT)	1	New
M16	Ministry of Defence Malaysia (MOD)	1	

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

Note: Phase 1 – Identify NTMs and Diagnosis

Phase 2 – Agree to Improve



## 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 (Engagement with Ministries/Agencies)	i. MESTECC ii. MDTCA iii. MOFA iv. MITI v. MOTAC vi. MOF vii. MCMM viii. MOHA ix. MOT x. MOD	RM500 x 10 ministries x 30 pax x 2 days	300,000.00
2.	Facilitator Fees (RM1,500 per man-day)	i. MESTECC ii. MDTCA iii. MOFA iv. MITI v. MOTAC vi. MOF vii. MCMM viii. MOHA ix. MOT x. MOD	RM1,500 x 20 persons x 10 days	300,000.00
3.	Seminar on Risk-Based Analysis (Consultant's Fee and Workshop)	i. MOT ii. MOD	RM500 x 40 persons x 2 days = RM40,000.00 Consultant Fee: RM2,000.00 x 2 man-days x 1 = RM4,000.00	44,000.00
4.	Workshop on Reviewing Process, Revoke and Repeal of Legislation (Consultant's Fee and Workshop)	i. MOT ii. MOD	RM500 x 40 persons x 2 days = RM40,000.00 Consultant Fee: RM2,000.00 x 2 man-days x 1 = RM4,000.00	44,000.00
<b>TOTAL (RM)</b>				<b>688,000.00</b>

## 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)	
M12	Principle Consultant: RM1,500 x 12 mandays x 1 = RM18,000.00  Consultant: RM1,500 x 7 mandays x 1 = RM10,500.00	RM500 x 20 pax x 2 sessions = RM20,000.00	RM500 x 1 night x 4 pax x 2 sessions = RM4,000.00	RM1,500 x 4 pax x 2 sessions = RM12,000.00	64,500.00
M13	Principle Consultant: RM1,500 x 12 mandays x 1 = RM18,000.00  Consultant: RM1,500 x 7 mandays x 1 = RM10,500.00	RM500 x 20 pax x 2 sessions = RM20,000.00	RM500 x 1 night x 4 pax x 2 sessions = RM4,000.00	RM1,500 x 4 pax x 2 sessions = RM12,000.00	64,500.00
M14	Principle Consultant: RM1,500 x 12 mandays x 1 = RM18,000.00  Consultant: RM1,500 x 7 mandays x 1 = RM10,500.00	RM500 x 20 pax x 2 sessions = RM20,000.00	RM500 x 1 night x 4 pax x 2 sessions = RM4,000.00	RM1,500 x 4 pax x 2 sessions = RM12,000.00	64,500.00
M15	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
M16	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
<b>TOTAL (RM)</b>					<b>451,500.00</b>

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

### 9.3 Secretariat Costing

Activities	Price per unit (RM)	Total (RM)
Technical expert meeting honorarium (RM500/expert/meeting)	RM500 x 2 meetings x 15 experts	15,000.00
Buy-in Services (salary, allowances, and equipment rental)	RM4,500 x 12 months x 5 officers	270,000.00
Promotional items	-	100,000.00
NTMs Repository Database	-	150,000.00
Publication (writer, proof reader, printing, and layout design)	-	78,000.00
Forming National Committee of NTMs	-	50,000.00
<b>TOTAL (RM)</b>		<b>663,000.00</b>

## 10.0 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 (2020) using amount of RM 1,802,500.00 from NTM allocation of RM2,000,000.00. Estimated applied budget by quarter for NTMs project in 2020 are as follows:

Quarter 1	Quarter 2	Quarter 3	Quarter 4	TOTAL (RM)
RM500,000.00	RM650,000.00	RM550,000.00	RM300,000.00	<b>2,000,000.00</b>

Prepared by:



Lee Wan Swanee

Assistant Manager

PCD

Date: 17/12/2019

Checked by:



Mokhzani Aris Mohd Yusof

Senior Manager

PCD

Date: 19/12/2019

Approved by:



Zahid Ismail

Deputy Director General

MPC

Date: 26/12/2019

Zahid Ismail  
Timbalan Ketua Pengarah  
Perbadanan Produk hil Malaysia (MPC)