

EXECUTIVE SUMMARY

TITLE	:	Forging a Robust Ecosystem
OBJECTIVES	:	<ol style="list-style-type: none"> 1. To identify areas where regulation imposes unnecessary burdens on businesses. 2. To identify regulatory and non-regulatory options that will reduce regulatory burdens without compromising the achievement of the underlying policy objectives; and 3. To provide a recommendation reports for regulators for improvement regulatory delivery process to businesses.
EXPECTED OUTCOMES	:	<ol style="list-style-type: none"> 1. Potential compliance cost savings from the proposed recommended changes; 2. Well-informed regulator and business on matters relating to regulatory burdens on business; and 3. Modernise business regulations to support economic growth and improve business.
DURATION	:	January – March 2021
TOTAL COST	:	RM 654,000.00
BUDGET	:	RMK12 – Forging a Robust Ecosystem (2021)
RECOMMENDED BY	:	Productivity and Competitiveness Development (PCD) / National Competitiveness (NC)
COMMENT/ SIGNATURE BY PCT	:	

MALAYSIA PRODUCTIVITY CORPORATION (MPC)
PROPOSAL FOR BOARD OF MANAGEMENT
TITLE: FORGING A ROBUST ECOSYSTEM

1.0 Purpose

The purpose of this paper is to inform Board of Management (BOM) on the Forging a Robust Ecosystem programme and to request for approval on the estimated budget of **RM 654,000.00** to undertake the programme.

2.0 Background

- 2.1 Regulations are requirements imposed by governments that influence the decisions and conduct of businesses, other organisations and consumers. It is inconceivable to think of a modern economy functioning without regulation. Good regulation minimises compliance costs and distortions to investment (efficiency), while still achieving its objectives (effectiveness) and delivering benefits which exceed the costs it imposes (appropriateness).
- 2.2 However, regulations also impose costs on businesses. When regulation is poorly designed, excessive, needlessly complex, duplicative, or formulated without adequate transparency or consultation, these costs are unnecessarily burdensome.
- 2.3 The Government has recognised that the costs of existing regulation may be unnecessarily high and is exploring ways in which the regulatory burden placed on businesses can be reduced. Not only will such reforms lead to ease of doing business, they will also improve the efficiency and productivity of the Malaysian economy, leading to improved living standards.
- 2.4 Through initiatives such as MalaysiaMudah (#MyMudah), the Forging a Robust Ecosystem programme will undergo the process of identifying unnecessary regulatory issues that give burdens to the businesses, analyzing according to the real cases and data, and produce recommendations to the related regulators to fasten the process of doing business and economy recovery of Malaysia.

3.0 Objectives

Immediate objectives in undertaking this programme are as follows:

- i. To identify areas where regulation imposes unnecessary burdens on businesses.
- ii. To identify regulatory and non-regulatory options that will reduce regulatory burdens without compromising the achievement of the underlying policy objectives; and
- iii. To provide a platform for comprehensive assessment of individual regulators performance regarding their interaction and engagement with businesses.

4.0 Outputs

The expected outputs of the programme will comprise of as follows:

- i. Reports containing materials such as presentations, work plan, minutes etc.
- ii. Recommendations for the improvement or elimination of regulations/ procedures/ practices.

5.0 Outcomes

At the end of this programme, the expected outcomes may include:

- i. Potential compliance cost savings from the proposed recommended changes;
- ii. Well-informed regulator and business on matters relating to regulatory burdens on business; and
- iii. Modernise business regulations to support economic growth and improve business efficiency by improving the quality of existing stock of regulations under review.

6.0 Estimated Budget

No.	Item	Estimated Cost	Total
1.	Policy/ Regulatory Review & Design <ul style="list-style-type: none">Hire Subject Matter Experts (SME) to develop recommendations.Process: analysis, verification, recommendation.	1,680 manhours x RM300*	RM 504,000
2.	Advisory <ul style="list-style-type: none">Develop advisory toolsHire SME to share knowledge and experience	-	RM 100,000
3.	Advocacy <ul style="list-style-type: none">Hire SME to develop content for advocacy	-	RM 50,000
	TOTAL		RM 654,000

* Subject to rate-setting under PCT's Guideline

7.0 Approval

The approval of the Board of Management (BOM) is sought for the implementation of Forging a Robust Ecosystem programme with an estimated cost of **RM654,000** utilising the budget of RMK12 Forging a Robust Ecosystem.

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