

NON-TARIFF MEASURES WEEK
TRADE REGULATIONS AND VOLUNTARY SUSTAINABILITY STANDARDS

9-11 October 2018

From Data to Policy: National NTM Initiatives to Pursue Good Regulatory Practices

by

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD



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21 May
2015



.....a **National Productivity Blueprint** will be formulated to outline the direction and draw up comprehensive and specific actions to drive productivity.

8 May
2017

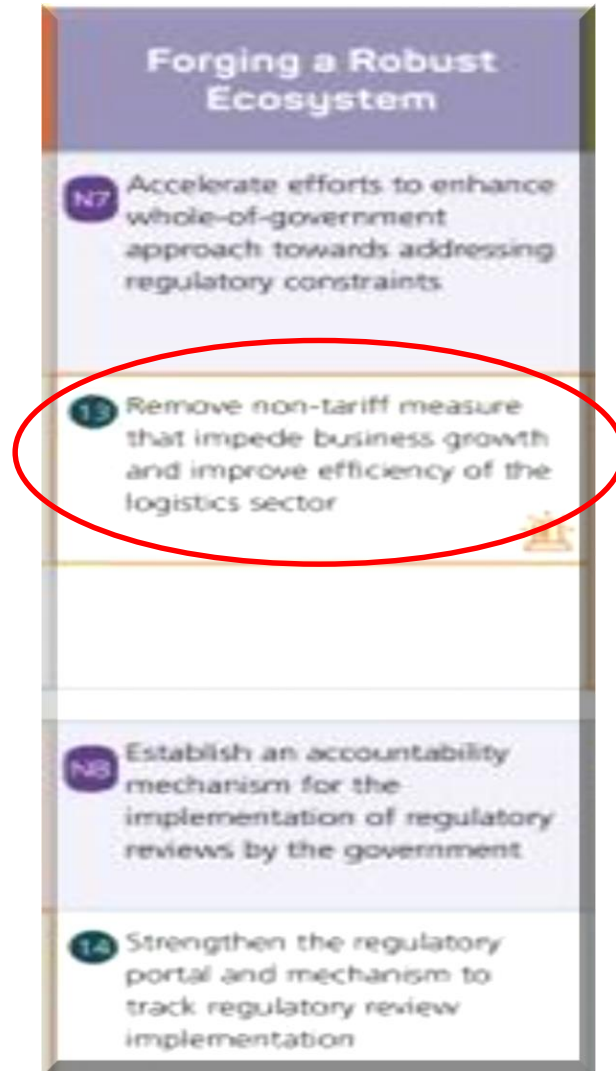


YAB PM launches MPB to achieve 2020 vision

National – Level In Key Activities

	THRUST	NATIONAL-LEVEL INITIATIVE	STAKEHOLDER
1	Building Workforce of the Future	N1 Enforce structural changes to the workforce by formulating a comprehensive labour market policy, including reducing reliance on low-wage and low-skilled workers	MOHA MITI Industry
		N2 Conduct national strategic workforce planning in anticipation of changing needs across the sectors	
2	Driving Digitalisation and Innovation	N3 Strengthen readiness, knowledge and adoption of technology by enterprises across sectors	MITI SME Corp MCOMM Industry
		N4 Strengthen digitalisation among SMEs through e-commerce and adoption of innovative technology	
3	Making Industry Accountable for Productivity	N5 Gradually reduce the reliance on non-critical subsidies, and ensure liberalisation efforts are linked to productivity outcomes	MOF MITI MOA
		N6 Realign key grants, incentives, soft loans and other funding mechanisms to productivity metrics and outcomes	
4	Forging a Robust Ecosystem	N7 Accelerate efforts to enhance whole-of-government approach towards addressing regulatory constraints	MPC
		N8 Establish an accountability mechanism for the implementation of regulatory reviews by the government	
5	Securing a Strong Implementation Mechanism	N9 Institutionalise a strong coordination and governance model to secure implementation certainty across government, sector, and enterprise levels	MITI
		N10 Launch nationwide productivity movement to inculcate a stronger culture of productivity across all segments of society	

Key Activities and Immediate Priority



Key Activity 13:

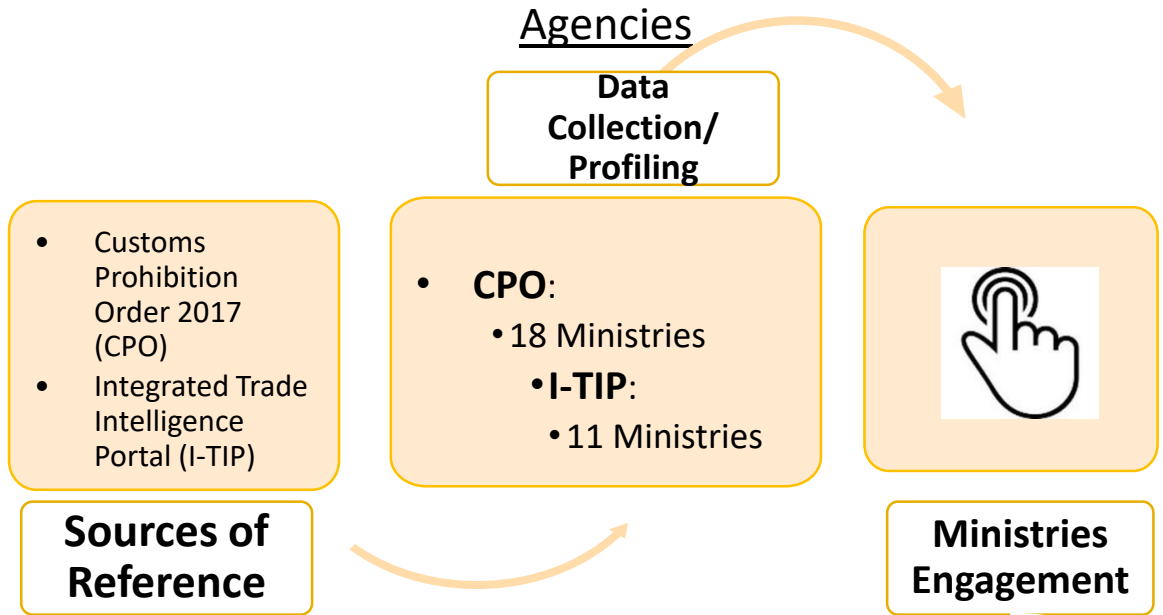
Remove non-tariff measures that impede business growth and improve efficiency of the logistics sector

- Accelerate implementation of uCustoms
- **Introduce Guillotine approach to reduce regulatory burden**
- Establish and institutionalize an innovative policy development engagement mechanism to embrace disruptive technology
- Accelerate implementation of the Logistics Masterplan

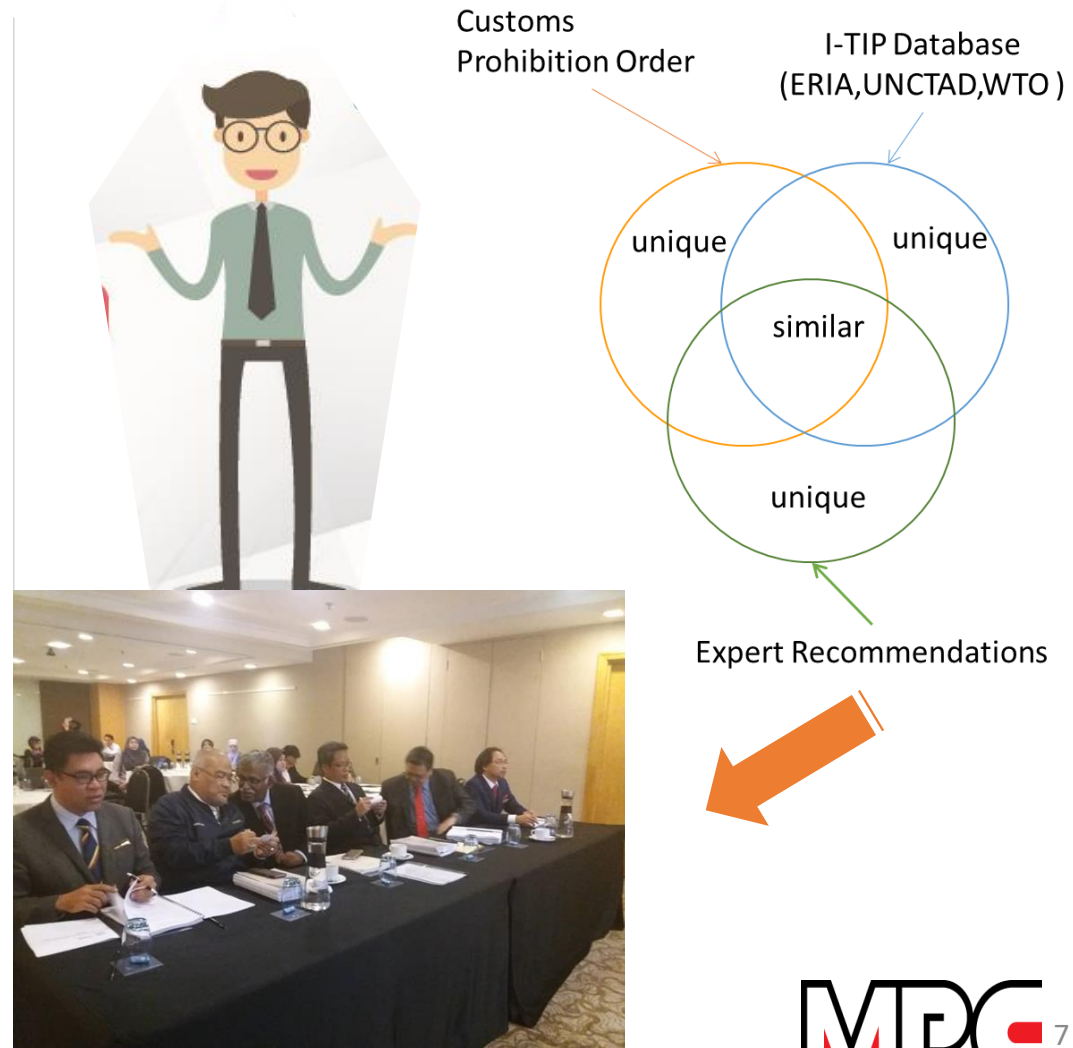


NTMs in Malaysia, by Issuing Institution

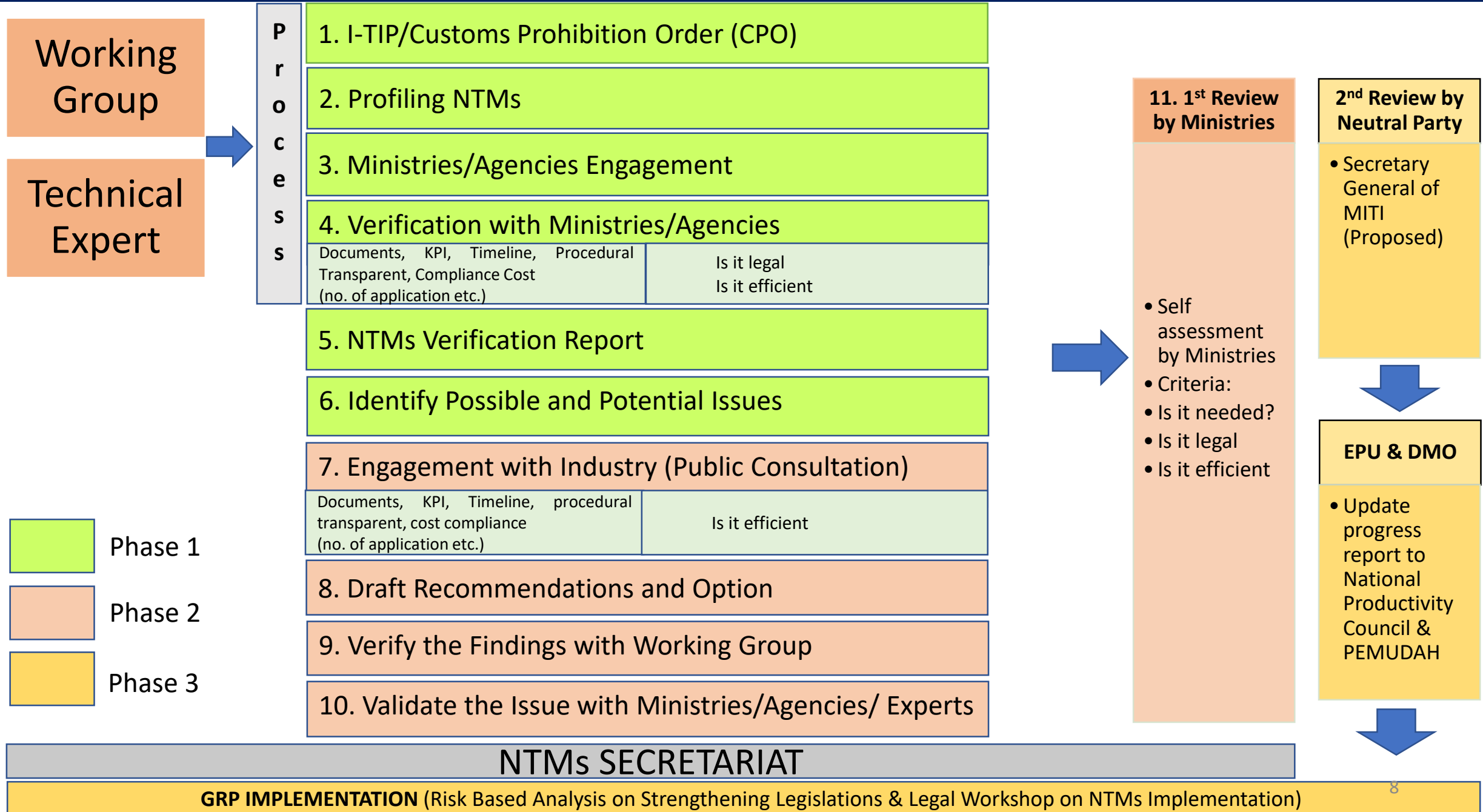
NTMs Data Analysis and Profiling for Ministries and Agencies



Cross Reference



PROCESS FLOW FOR REVIEWING UNNECESSARY NTMs



- Phase 1
- Phase 2
- Phase 3

NTMs Data from I-TIP System

Number	Issuing Institutions	Number of NTMs	%
1	Ministry of Health	502	70.4
2	Ministry of Agriculture and Agro-Based Industry	86	12.1
3	Ministry of Natural Resources and Environment	39	5.5
4	Ministry of Plantation Industries and Commodities	27	3.8
5	Ministry of Human Resources Malaysia	14	2.0
6	Ministry of Finance	13	1.8
7	Ministry of Foreign Affairs	9	1.3
8	Ministry of Home Affairs	8	1.1
9	Energy Commission	5	0.7
10	Malaysian Communications and Multimedia Commission	4	0.6
11	Other Institutions	6	0.8
	Total	713	100

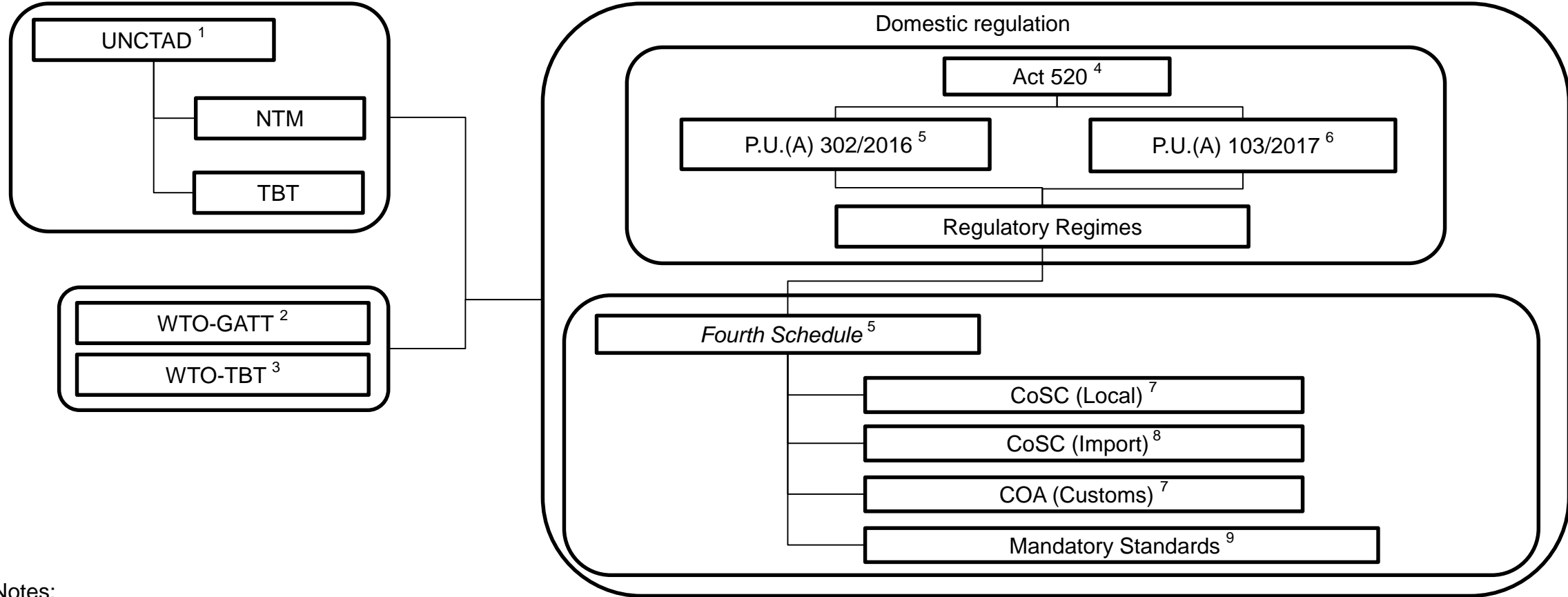
Source: ERIA 2016, pp.87-101. http://www.eria.org/RPR_FY2015_No.1_Chapter_7.pdf

NTMs Data After Verification

NO.	ISSUING INSTITUTIONS	NUMBER OF NTMS – AFTER VERIFICATION
1	Ministry of Health (MOH)	98
2	Ministry of Agriculture and Agro-Based Industry (MOA)	63
3	Ministry of Water, Land and Natural Resources (KATS) (Previously Known as Ministry of Natural Resources and Environment)	27
4	Ministry of Primary Industries (MPI) (Previously Known as Ministry of Plantation Industries and Commodities)	30
5	Ministry of Human Resources Malaysia (MOHR)	14
6	Ministry of Works (MOW)	2
7	Ministry of Finance (MOF)	2
8	Ministry of Energy, Science, Technology, Environment and Climate Change (MESTECC) – Energy Commission (EC)	17
TOTAL		253
9	Ministry of Home Affairs (MOHA)	Yet To Confirm
10	Ministry of Domestic Trade and Consumer Affairs (KPDNHEP)	Yet To Confirm
11	Ministry of Foreign Affairs (MOFA)	Yet To Confirm
12	Ministry of Communications and Multimedia (KKMM)	Yet To Confirm
13	Ministry of Science, Technology and Innovation (MOSTI)	Yet To Confirm
14	Ministry of Transport (MOT)	Yet To Confirm
15	Ministry of International Trade and Industry (MITI)	Yet To Confirm
16	Ministry of Tourism, Arts and Culture (MoTAC)	Yet To Confirm
17	Ministry of Housing and Local Government (KPKT)	Yet To Confirm
18	Ministry of Defence (MOD)	Yet To Confirm

Reference
From
Customs
Prohibition
Order

NTMs Data Profiling



Notes:

¹ *International Classification of Nontariff Measures 2012*

² *General Agreement on Tariffs and Trade 1986, GATT*

³ *Agreement on Technical Barriers to Trade, WTO*

⁴ *CIDB Act 1994, Act 520*

⁵ *CIDB (Amendment of Fourth Schedule) Order 2016, P.U.A. 302/2016*

⁶ *Customs (Prohibition of Imports) Order 2017, P.U.(A) 103/2017*

⁷ *Procedure on Standard Compliance Certification (Imported Construction Products)*

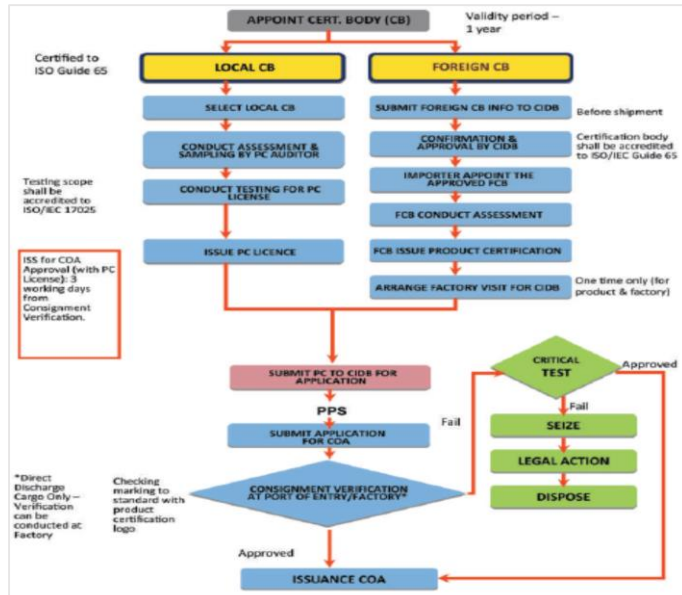
⁸ *Application Guidelines for CoSC (Local)*

⁹ *Guidebook on Compliance of Mandatory Standards for Iron, Steel and Aluminium, CIDB Holdings.*

Summary of NTMs Initiatives for Construction Materials

MINISTRY/AGENCY	LEGISLATION AND REGULATORY REGIMES	INDUSTRY
		COST OF COMPLIANCE (2017)
Ministry of Works/ Construction Industry Development Board	<p>CIDB Act 1994 (Act 520)</p> <ul style="list-style-type: none"> <input type="checkbox"/> Fourth Schedule P.U.(A) 103/2017 <input type="checkbox"/> Customs (Prohibition of Imports) Order P.U.(A) 103/2017 <p>1. Certificate of Standards Conformance (PPS)</p> <p>2. Imports permit (COA), and</p> <ul style="list-style-type: none"> <input type="checkbox"/> Product certification (PC) <input type="checkbox"/> Test certificate (FTTR) 	<p>RM 264,031,392</p>

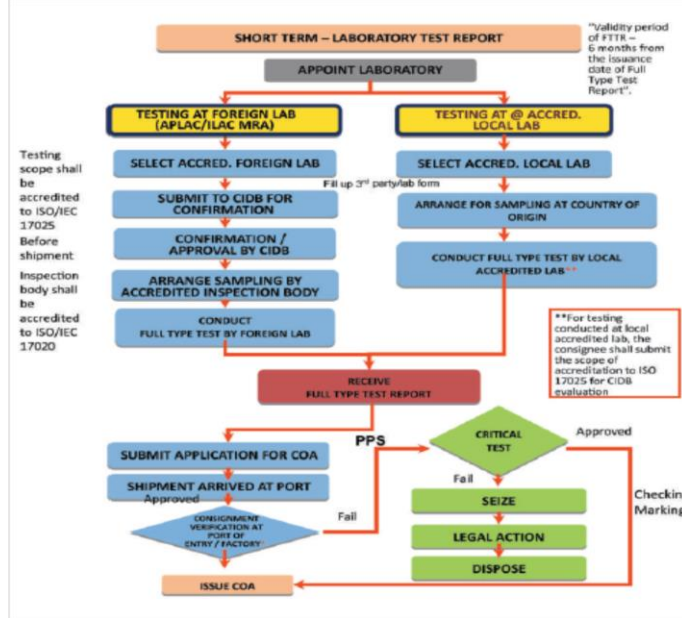
Compliance Cost For Import Scheduled Construction Materials in 2017



Certificate of Approval (Import permit)

Application of COA based on Full Type Test Report

Application of COA based on Product Certification



Standard Cost (include 25% overhead) (RM)

Number of COA (2017)

18,365

8,000

RM 147 million

Standard Cost (RM)

6,828

29,901

18,365

Total Estimated Compliance Cost (RM)

Verification Process on CoC Involved Stakeholder & Regulators

MOVING FORWARD

1. Establish NTMs Centralized Database (Repository);
2. Repeal all Acts and Regulations that are not longer relevant;
3. Review all NTMs which are redundant;
4. Streamlining inter agencies export/import processes and procedures; and
5. Streamlining cross-cutting issues faced by multiple ministries .





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