

Country: Malaysia

Background:

Official name: Trade Facilitation Cluster Working Group (TFCWG)

Year of establishment: 2015

Motivation for its establishment:

Established under the National Logistics Task Force (NLTF), derived from the Logistics and Trade Facilitation Masterplan (2015-2020) which was launched by the Honorable Prime Minister on 16 March 2015 with the aim to:

- i. increase the efficiency of trade facilitation mechanisms particularly through improvements in cargo clearance system, paperless trading and security of trade documents; and
- ii. enhance the capabilities of service providers by strengthening internal capabilities and external readiness to enable them to compete at global level.

Other national bodies dealing with WTO issues and/or with Trade Facilitation:

Yes. Particularly in addressing World Bank Doing Business indicators on Trading Across Borders. A willingness to improve it's ranking in business and international trade, encouraging direct foreign investment and facilitating business. World Bank Trading Across Borders publication was an inspiration to achieve better places in this domain.

Former multi-agency group/committee: Yes. Based on existing committee.

Current status of the working group (running, pilot phase, not functioning, etc): Running

Institutional Framework:

Degree of institutionalisation: Mandated under the Logistics and Trade Facilitation Masterplan (2015-2020) by the Honourable Prime Minister

Type of organisation (ad hoc group, legal entity/organisation, etc): Legal entity

Coordinating agency: Ministry of Transport

Scope/mandate:

- i. increase the efficiency of trade facilitation mechanisms particularly through improvements in cargo clearance system, paperless trading and security of trade documents; and
- ii. enhance the capabilities of service providers by strengthening internal capabilities and external readiness to enable them to compete at global level.

Terms of reference: Yes.

- i. To improve cargo clearance system, paperless trading and security of trade documents, so as to boost trading activities and reduce cost of doing business;
- ii. To promote cross-border movement of logistic service providers by leveraging on on-going trade facilitation and liberalisation initiatives in international and sub-regional fora (WTO, ASEAN, APEC,

IMT-GT, BIMP-EAGA, etc)

iii. To identify for review unnecessary regulatory burden on industry including procedures, licence, permit and certification to enhance business processes, and improve service delivery

Working structure of the group: Co-Chaired by Ministry of International Trade & Industry (MITI) and Royal Malaysian Customs Department (RMCD)

Permanent technical secretariat: Ministry of International Trade & Industry

Funding:

Budget: TFCWG don't have proper funding but the overall implementation of the Logistics and Trade Facilitation Masterplan is funded by the Economic Planning Unit, Prime Minister's Department.

Sources of funding: Usual salaries from government officials that work in the Ministries. For the Private sector is the same. Working in the NTFB forms part of their responsibilities.

Items covered by the budget: Roll out of respective action plans / initiatives

Objectives / Focus:

Objectives: The objectives of TFCWG :

i. To improve cargo clearance system, paperless trading and security of trade documents, so as to boost trading activities and reduce cost of doing business;

ii. To promote cross-border movement of logistic service providers by leveraging on on-going trade facilitation and liberalisation initiatives in international and sub-regional fora (WTO, ASEAN, APEC, IMT-GT, BIMP-EAGA, etc)

iii. To identify for review unnecessary regulatory burden on industry including procedures, licence, permit and certification to enhance business processes, and improve service delivery

Working plan: Yes. Quarterly work plan.

Monitoring and evaluation: • Proactive monitoring and tracking

- Ensure cross-coordination
- Monthly working level meetings to ensure implementation progress
- Accountable for roll-out of respective action plans

Reporting form and supervisory authority: The TFCWG reports to the National Logistics Task Force chaired by 3 Ministers: Ministry of Transport, Ministry of Finance and Minister at the Prime Ministers Department

Membership / Composition:

Public or quasi-public agencies:

Ministry of International Trade and Industry

Ministry of Transport

Ministry of Economic Affairs
Royal Malaysia Customs Department
Ministry of Agriculture Malaysia
Ministry of Health
Department of Quarantine
Malaysia External Trade Development Corporation
Malaysia Investment Development Authority
SME Corporation Malaysia

Private associations or entities:

Federation of Malaysia Manufacturing
Port Operators
Freight Forwarders Associations
Association of Malaysian Hauliers
Shipping Association Malaysia
Malaysia International Chamber of Commerce and Industry

Level of seniority of participants: 50% Senior level, 40% Mid-level and 10% Junior level.

Participation:

Frequency of meetings: Meets regularly (three times a year)

Level of participation: Very active

Meetings format: Does not use different meetings format

Gender:

Percentage of female in the committee: Equal representation

Chairman / President / Vice-president is female: Yes

Committee did decide on gender mainstreaming TF in the past: No

If no, why not. (Example: It not considered a priority, not considered relevant at this stage, lack of awareness, etc): It was not considered relevant at this stage

Promotion / Communication:

Communication channels to keep stakeholders informed of TF meetings: The permanent secretariat issues invitations with agendas included, minutes of meetings are kept and also validated by stakeholders afterwards. This is done through: Email; Administrative letters; Meetings; Website; Telephone

Interface with other working groups/committees on similar issues: Email / Mobile WhatsApp Group and video conferencing

Undertake information sessions to stakeholders or general public: Yes. Through Workshops/ Dialogues and Seminars and also via Publication of articles in the Press; Meetings; Website of the Committee; Website of the organisations that are members of the NTFC; Social media

Benefits:

Impact: Boost trading activities and reduce the cost of doing business.

Benefits for the country's responsiveness to the WTO negotiation process: The institutionalized meetings are successful because every member knows that there is a structure and a meeting place where they can debate about issues that concern them.

Concrete operational outcomes: Negotiation of trade or trade facilitation agreements; Implementation of concrete trade facilitation measures; Improve transparency / dialogue; Developed an implementation plan for the WTO Trade Facilitation Agreement; Improved coordination; Improve business environment for traders; Reduction of time and / or improvement of procedures at the border; Reduction of costs of import, export and / or transit; Raise awareness on the importance of trade facilitation; Mainstreaming trade facilitation into other national policies

Lessons learned:

Success factors:

Malaysia has always been business friendly and willing to improve its ranking in business and international trade, encouraging direct foreign investment and facilitating business.

Efficient and high-performing logistics and trade facilitation are important determinants of a country's competitiveness, as well as an important source of employment. Malaysia has a high aspiration to become the preferred logistics gateway to Asia, and improve its ranking in the World Bank Logistics Performance Index.

Other key factors: Cooperation among members; Common understanding and goals; Regularity of meetings / communications to NTFC members; Clear responsibility of participants; Political commitment / high level support; Awareness raising on trade facilitation

Greatest obstacles: Coordination among various agencies; Breaking silos; Lack of funding / resources; Lack of awareness of importance of NTFC / understanding of trade facilitation; High level support / political buy-in; Resistance to change; Legal issues

Lessons learned from your experience: Public and private sectors both play a significant role in enhancing trade facilitation mechanism

Future plans:

Plans for further development: Review of the National Logistics and Trade Facilitation Master Plan

Contact information:

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