

# ANSSR: Economy Priorities and Progress Assessment Measures



# Malaysia

Malaysia has charted a new direction in its development path towards Vision 2020, which envisages Malaysia becoming a high-income economy that is sustainable and inclusive as well as attaining developed economy status by 2020. The Vision encompasses economic, social and government transformation. The Economic Transformation Programme (ETP) constitutes a key pillar which will propel Malaysia to being an advanced economy, which is inclusive and sustainable in-line with the goals set forth in Vision 2020.

Fundamental change is being initiated in the economic and social fields as well as in the delivery of public goods and services. Some of the key priorities that have been incorporated in the APEC New Strategy for Structural Reform (ANSSR) are:

- *Four indicators in World Bank Doing Business Report (Ease of Doing Business - EoDB)*

The Special Task Force to Facilitate Business (PEMUDAH) was established as a public-private partnership to ensure Malaysia remains competitive by further enhancing the ease of doing business. Its central aim is to inject a sense of urgency into the way government works with businesses, to ensure businesses are facilitated and not bogged down in red tape.

- *Modernising Business Regulations*

In line with Malaysia's economic transformation agenda, the government is undertaking regulatory review of business regulations. This involves:

- Analysing international best practices on regulatory review which are suitable to be adapted;
- Promoting best practice on methods, techniques and processes on regulatory review, to promote better regulation development;
- Organising programmes to address issues that require smart regulation to increase productivity and enhance the economy's competitiveness; and
- Networking with local and international agencies involved in regulatory review activities, for effective review process.

- *Promoting Labour Market Opportunities, Training and Education*

Upgrading skills and capabilities of existing workforce to address the need of industries, in particular to increase the share of skilled workers in Malaysia.

- *Promoting Sustained SME Development and Enhanced Opportunities for Women*

Promoting the development of competitive, innovative, resilient SMEs through effective coordination and provision of business support to ensure prosperity and sustainability.

Retaining and increasing women participation in the workforce, especially to enhance the potential of women in leadership and managerial skills.

## ANSSR Priorities

Promoting More Open, Well-functioning, Transparent, and Competitive Markets	
Priority:	<p>Reducing the cost of doing business in particular the four indicators in World Bank Doing Business Report (Ease of Doing Business - EoDB):</p> <ul style="list-style-type: none"> <li>- Starting a Business;</li> <li>- Enforcing Contracts;</li> <li>- Trading Across Borders; and</li> <li>- Dealing with Construction Permits.</li> </ul>
Progress assessed based on:	<ul style="list-style-type: none"> <li>• Introduction of Malaysia Corporate Identity Number (MyCoID). MyCoID is a standard identification number of business entity for use in its interaction with Government agencies. MyCoID will reduce the time to start-up business to one-day and one-procedure. Assessment is based on utilisation rate of application via MyCoID against number of application received over-the-counter.</li> <li>• The number of backlog cases solved in New Commercial Courts with improvements of e-courts tools such as Queue Management System, Case Management System and Court Recording and Transcription System (CRT). Assessment based on the cases filed via e-filing system.</li> <li>• Overall improvement including standardisation of import and export process flow for better, cheaper and faster clearance and approval at ports.</li> <li>• Introduction of One Stop Centre (OSC) for applications of building plan approval. OSC streamline and expedite the process of development approvals. This enables all applications to concurrently be submitted for processing and significantly reduce the time taken. Assessment made based on the number of applications submitted via OSC. In addition, online OSC to be introduced to reduce time taken for such application.</li> </ul>
Priority:	<p>Enhancing the economic performance, cost-effectiveness, and the quality of regulations and related government formalities. Undertaking the necessary structural reforms to sustain economy attractiveness, encouraging healthy competition, reducing transaction costs, and sustaining investment and growth.</p>
Progress assessed based on:	<ul style="list-style-type: none"> <li>• Developing Regulatory Review Framework and system for on-going reform initiatives: <ul style="list-style-type: none"> <li>- Percentage of regulations reviewed over the total number of regulations.</li> </ul> </li> <li>• Undertaking the regulatory review of business regulations, especially those related to Malaysia's Key Economic Areas: <ul style="list-style-type: none"> <li>- Number of Regulatory Impact Statement recommendations.</li> </ul> </li> <li>• Providing platform to stakeholders to provide useful feedback and comments; and demonstrate transparency of process and openness: <ul style="list-style-type: none"> <li>- Number of consultations.</li> </ul> </li> <li>• Re-engineering business licensing regulatory system through license rationalization programme: <ul style="list-style-type: none"> <li>- Percentage of business licenses eliminated; and</li> <li>- Business compliance cost-saving.</li> </ul> </li> </ul>

Promoting Labour Market Opportunities, Training and Education																																
Priority:	Upgrading skills and capabilities of existing workforce to address the need of industries.																															
Progress assessed based on:	Strategies/approaches: <ul style="list-style-type: none"> <li>Strengthening logistical links between industry needs and outputs of training; and</li> <li>Continuous engagement with industry in curriculum development.</li> </ul> Quantitative target: <table border="1"> <thead> <tr> <th>Year</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> <th>2020</th> </tr> </thead> <tbody> <tr> <td>Share of skilled workers (m=millions)</td> <td>29.2% (3.5m.)</td> <td>30.1% (3.7m.)</td> <td>31.1% (3.9m.)</td> <td>32.0% (4.1m.)</td> <td>33.1% (4.3m.)</td> <td>34.3% (4.6m.)</td> <td>35.6% (4.9m.)</td> <td>36.9% (5.2m.)</td> <td>38.4% (5.5m.)</td> <td>40% (5.8m.)</td> </tr> </tbody> </table>										Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Share of skilled workers (m=millions)	29.2% (3.5m.)	30.1% (3.7m.)	31.1% (3.9m.)	32.0% (4.1m.)	33.1% (4.3m.)	34.3% (4.6m.)	35.6% (4.9m.)	36.9% (5.2m.)	38.4% (5.5m.)	40% (5.8m.)
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Promoting Sustained SME Development and Enhanced Opportunities for Women and Vulnerable Populations																												
Priority:	Continuous and effective usage of SME Competitiveness Rating for Enhancement (SCORE) as a diagnostic tool to measure the performance and capabilities of SMEs in seven main parameters namely Business Performance, Financial Capability, Technical Capability, Production Capacity, Innovation, Quality System, and Management Capability. This diagnostic tool is intended to measure companies' capabilities as a basis to understand their areas of strength and weaknesses, and needs to assist companies to move up to higher level of performance.																											
Progress assessed based on:	Projection: <ol style="list-style-type: none"> <li>Increasing the number of SMEs evaluated using SCORE methodology with an increment of 10% yearly (from the previous year).</li> <li>Increasing the number of companies with 3 star rating* with an increment of 10% yearly (from previous year).</li> </ol> Quantitative target: <table border="1"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>10% increment from Year 2010 (Target for 2010 = 2,122 companies)</td> <td>10% increment</td> <td>10% increment</td> <td>10% increment</td> <td>10% increment</td> </tr> <tr> <td>B</td> <td>10% increment from Year 2010 (Target for 2010 = 696 companies)</td> <td>10% increment</td> <td>10% increment</td> <td>10% increment</td> <td>10% increment</td> </tr> </tbody> </table> <p><i>*Note:</i> Using the SCORE rating mechanism, companies are categorised from 'Zero Star' to '5-Star'. The results are then used as indicators of companies' strength and weaknesses to provide insights into the state of the companies' capabilities and potential. Companies rated 0-2 stars will be handheld to enhance their capabilities through SME Corp Development Programmes such as SME Expert Advisory Panel (SEAP), Skills Upgrading Programme, Internship etc, while SMEs rated 3 stars and above will be assisted for market access through linkage to MATRADE for participation in trade missions and business matching sessions with MNCs, government-linked companies (GLCs) and hypermarkets.</p>											2011	2012	2013	2014	2015	A	10% increment from Year 2010 (Target for 2010 = 2,122 companies)	10% increment	10% increment	10% increment	10% increment	B	10% increment from Year 2010 (Target for 2010 = 696 companies)	10% increment	10% increment	10% increment	10% increment
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Priority:	Women to comprise at least 30% of those in decision-making positions in the corporate sector including government link companies (GLCs), statutory bodies, financial corporation and public listed companies by 2015.
Progress assessed based on:	<ul style="list-style-type: none"> <li>• Organising advanced management programmes for women with potential to become members of the board of directors;</li> <li>• Intensifying advocacy activities for greater participation of women in the corporate sector (beginning 2012);</li> <li>• Developing a database of potential women directors;</li> <li>• Ensuring suitable training programmes to encourage female professionals to return to work; and</li> <li>• Evaluation and review of the performance in 2014.</li> </ul>