

## Malaysia's Bogor Goals Progress Report (as at 13 August 2012)\*

### Highlights of Achievements and Areas for Improvement

- Import duties and import licensing have been eliminated or reduced for some goods. However, import licensing is still required for certain products.
- Some agricultural products still face tariff peaks beyond 50 percent. Some of these tariffs are non-ad valorem.
- Reforms in services are ongoing. Further liberalization in terms of foreign participation in 17 services sub-sectors under implementation.
- Malaysia has been implementing initiative to streamline customs procedures and facilitate trade such as the launch of the single window and the Authorized Economic Operators program.
- Amendments to improve the regulation concerning intellectual property rights and competition policy.
- Regulatory reforms are aiming to reduce market distortions and reduce the cost of doing business.

### Summary of Updates

#### Tariffs

Malaysia has been consistently eliminating or reducing import duties in recent years. 449 tariff lines had their tariffs reduced in 2008, 361 in 2009, 473 in 2010 and 265 in 2012. In addition, Malaysia is reducing tariffs to the goods from its FTA partners as agreed in the corresponding tariff liberalization schedules.

Despite a generally liberal trade regime in agriculture, Malaysia still applies high MFN tariffs to some agricultural goods beyond 50 percent. Some of them are non ad-valorem tariffs.

#### Non-Tariff Measures

Malaysia has been eliminating import licensing requirements in recent years. 20 tariff lines had these requirements scrapped in 2008, 20 in 2010 and 19 in 2012. However, import licensing is still required for some products.

#### Services

In October 2011, the Prime Minister announced further liberalization in terms of foreign equity holdings for 17 services sub-sectors, which will be implemented in phases during 2012. The sub-sectors are related to the areas of professional services, communications services, educational services and health-related and social services.

In addition, TalentCorp was established in January 2011 to initiate, facilitate and attract foreign and Malaysian talents working abroad.

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\* This brief report was prepared with information from Malaysia's submission of 2012 APEC Individual Action Plan (IAP) template and the minutes of the meeting of Malaysia's WTO Trade Policy Review from January 2010.

### **Investment**

The Malaysian Industrial Development Authority (MIDA) was converted into the Malaysian Investment Development Authority in August 2011. MIDA's main function is as central investment promotion agency covering manufacturing and services sectors, excluding finance and utilities.

In May 2010, the National Committee on Investment was established in MIDA. This Committee enables "real time" decision making on applications for manufacturing licenses and incentives for investment projects in manufacturing and services sectors.

### **Standards and Conformance**

The percentage of Malaysian Standards aligned with international standards is equal to 62.08 percent.

Malaysia is participating actively in the International Standardization Organization, the International Electrotechnical Commission and the Pacific Accreditation Cooperation. Malaysia has four accreditation schemes, 542 accredited laboratories, 43 accredited certification bodies in several areas, six accredited inspection bodies and four facilities for Good Laboratory Practices Compliance Test.

### **Customs Procedures**

Malaysia is implementing initiatives to streamline customs procedures and facilitate trade. In 2009, the National Single Window was launched. Later, the Authorized Economic Operators (AEO) Program was implemented in January 2010. As at December 2011, 15 companies had AEO status.

In addition, a pilot project with Singapore, Brunei Darussalam and Thailand on self-certification was implemented in November 2010 and extended to the end of October 2012.

### **Intellectual Property Rights**

Amendments to the Copyright Act were approved by the Parliament in December 2011. MyIPO, Malaysia's competent authority, has been working actively to improve efficiency by allowing the expedited examination for registration of patents and trademarks. In addition, the IP Online System was upgraded to provide a secure web-based system to search and file patents, trademarks, industrial designs and geographic indicators applications.

### **Competition Policy**

The Competition Act 2010 was passed in May 2010. This Act seeks to promote and protect competition through the prohibition of anti-competitive agreements and the abuse of dominant position.

### **Government Procurement**

In 2009, the threshold value for tender was increased from 200,000 MYR to 500,000 MYR. Government agencies are required to ensure that at least 70 percent of the annual allocation for the procurement of supplies and services are done online through the electronic procurement

system. Electronic bidding through reverse auction is available since 2008, which allows saving resources through more open and competitive bidding.

### **Deregulation/Regulatory Reform**

Malaysia is undertaking regulatory reviews with the aim of removing market distortions, encouraging healthy competition and reducing the cost of doing business. The current efforts include the elimination or simplification to obtain business licenses, the ease of the steps to start a business, faster procedures to trade across borders and registering property, among others.

### **Dispute Mediation**

Malaysia does not have legislation on mediation. However, court-led mediation is being implemented administratively from 2010 by way of the Practice Direction No. 5 on Mediation. This Practice Direction encourages parties to reach an amicable settlement without having a complete trial or appeal. Parties can choose a judge-led mediation, or a mediator agreeable to and by both parties.

### **Mobility of Business People**

In 2011, Malaysia agreed to extend APEC Business Travel Card facilities to transitional ABTC member economies such as Canada, Russia and the United States. Malaysia also extended its ABTC special lane facilities to seven major checkpoints.

The Residence Pass for Talent was introduced in April 2011 in order to attract and retain top talent. This scheme will be offered to highly qualified expatriates seeking to continue living and working in Malaysia on a long-term basis.

### **Transparency**

All policies, laws and regulations are publicly available in the relevant Ministries and Agencies' websites. Public can also have access to these websites through social media such as Twitter and Facebook.

### **RTA/FTAs**

Between 2010 and February 2012, Malaysia put in force five RTA/FTAs with six partners. Currently, Malaysia is participating in four negotiations towards an RTA/FTA, including the negotiations of the Trans-Pacific Partnership Agreement (TPP).