|  |
| --- |
| **Malaysia’s Bogor Goals Progress Report (as at 30 September 2016)**[[1]](#footnote-1)\* |
|   | **Highlights of Achievements and Areas for Improvement** |

* Average MFN tariffs remain low, even though tariffs for some products such as transport equipment and selected agricultural products remain high.
* Some import/export licenses, as well as export prohibitions and export taxes remain.
* The liberalization of services sectors continues. However, some foreign ownership restrictions still apply.
* The Service Sector Blueprint was also launched in 2015 to optimize the sector’s contribution to the economy.
* Malaysia launched the 11th Malaysia Plan, which aims to strengthen investments in the manufacturing and service sectors. It also aims to promote domestic and foreign direct investments.
* More companies have gained Authorized Economic Operator (AEO) status, as well as attained Certified Exporter status.
* Several initiatives to strengthen IPR are being implemented at the domestic and international level.
* Among the reforms implemented in recent years, tax reforms including the introduction of a Goods and Services Tax (GST) were implemented to generate more stable source of revenue.

|  |  |
| --- | --- |
|   | **Summary of Topics** |

**Tariffs**

In 2015, 453 tariff lines were reduced or eliminated. As of 2014, Malaysia’s average applied MFN tariff stands at 6.1%, with tariffs on agricultural goods higher than those on non-agricultural goods. Nonetheless, MFN tariff rates continue to be relatively high for transport equipment and some agricultural products. Alcohol and tobacco products are also subjected to high specific duties. Tariff-rate quotas for 17 tariff lines including live swine and poultry, poultry and pork meat, liquid milk and cream, and eggs continue to be maintained by Malaysia.

**Non-Tariff Measures**

Import licensing applies for some products in order to meet international commitments, national security, safety, health and monitoring purposes. No import requirements have been removed since 2012.

The National Automotive Policy (NAP) was reviewed in 2014 to develop the economy as a regional automotive hub. The policy has been in place since 2009, and includes nontariff measures imposed on imported vehicles. In January 2014, the Malaysian government announced that energy efficient vehicles (EEV) assembled in the economy will be exempted from import taxes and excise duties.

Export prohibitions apply for turtle eggs and rattan from the Peninsula of Malaysia. Export licenses are required for 15 product categories, most of them being agricultural products. Export duties are charged to a number of products such as some live animals and plants, rattan, palm oil, slag and ash, crude oil, and wood, among others.

**Services**

The service sector in Malaysia continues to be liberalized. In 2009, the government announced its aim to remove foreign equity restrictions on 45 sub-sectors such as medical services, education, legal services, amongst others. Restrictions on quantity surveying services were lifted in January 2016, marking the liberalization all 45 sub-sectors. Many services sectors allow for full foreign ownership, but restrictions in some sectors still apply (e.g. hypermarkets must maintain 30% of bumiputera equity)

Malaysia also launched the ‘Services Sector Blueprint’ in March 2015, which will be implemented from 2015-2020. The blueprint aims to optimize the service sector’s contribution to the economy by moving towards a knowledge-intensive and innovation-led sector. 29 action plans will be implemented, which includes accelerating sectoral regulatory reforms through active industry and regulator engagements, and expanding the roll-out of National Policy on the Development and Implementation of Regulations (NPDIR) to state and local governments.

**Investment**

The 11th Malaysia Plan (11MP) launched on 21 May 2015 as the final part of the economy’s long term objective (Vision 2020) to develop Malaysia into an industrialized high-income economy by 2020. The main aim of 11MP is to rebrand Malaysia as a center for high technology and global activities. The new strategies in the next five years include strengthening investments in the manufacturing and services sectors that have high GNI impact and have strong linkages with domestic industries. The 11MP also follows previous efforts to promote both domestic direct investments (DDI) and foreign direct investments (FDI).

Restrictions on foreign investment in strategic sectors such as telecommunications, finance and energy still remain.

**Standards and Conformance**

Malaysia continues its active participation in the International Standardization Organization, the International Electrotechnical Commission and the Pacific Accreditation Cooperation. As at February 2016, 6057 Malaysian Standards (MS) have been developed, and 59.86% of these standards are aligned with international standards.

Malaysia has had four specific trade concerns raised against it at the WTO SPS Committee, with no reported resolution. The latest concern was raised in 2015 regarding the import of poultry meat export plants. There have also been three specific trade concerns against Malaysia raised at the WTO TBT Committee had not reported a resolution. The most recent concern was raised in 2011 and involved protocols for halal meat and poultry production.

**Customs Procedures**

Malaysia continues to streamline its customs procedures. As of December 2015, 52 companies have been granted Authorized Economic Operator (AEO) status. The number of Certified Exporters for Malaysia has also risen to 156 companies as of 31 December 2015. Under the National Single Window initiative, 100% of customs offices have adopted the eDeclare for import and export declarations and 100% of ports have incorporated the eManifest for cargo and vessel manifests. 6 states (42.8% of total) have implemented the ePayment for online payments and 96.3% of the government offices have put into practice the ePermit to apply for import and export permits.

**Intellectual Property Rights**

In 2014, the Intellectual Property Corporation of Malaysia (MyIPO) introduced the IP Renewal One-Stop Centre, the “Renewal Lounge”, to provide information on procedures and fees of IP renewal. The IPR Marketplace Portal also was launched on 27 June 2014 to enable IP owners to put patents, industrial design, copyright and trademarks up for sale or out-licensing. Additionally, MyIPO collaborated with Universiti Malaysia Sarawak (UNIMAS) to introduce intellectual property course as an elective subject for undergraduate students. In June 2015, Malaysia launched the IP Monetization Roadmap, which aims to create financial value and returns to intellectual property.

To strengthen Malaysia’s IPR system, reviews to the Patents Act 1983 and Copyright (Licensing Body) Regulations 2012 are planned, as well as the accession to the Madrid Protocol concerning international registration of marks and Budapest Treaty regarding the international recognition of deposit of microorganisms for patent procedures. Malaysia ratified the Protocol Amending the TRIPS Agreement on Public Health on 10 December 2015. Also, MyIPO and WIPO also signed the Service Level Agreement in 2015. This aims to strengthen strategic cooperation to establish Technology and Innovation Support Centre (TISC), including a Patent Library in Malaysian universities and research centers.

**Competition Policy**

The Malaysia Competition Commission (MyCC) has undertaken various initiatives to enforce the Competition Act, which came into force in 2012. The commission has solved a total of 241 cases since 2012. In September 2014, it published a Malay translation of the OECD Guidelines on Fighting Bid Rigging in Public Procurement. The Commission has also conducted advocacy programs and signed various Memorandum of Understanding (MOU) with public and private entities since 2014.

**Government Procurement**

The Malaysian government introduced a new ePerolehan system set to go live in 2017. This new system allows users to submit annual planned procurement online and has a more user-friendly interface.

Malaysia still uses preferences in government procurement processes to benefit locally owned businesses. Generally, international tenders are invited only when local providers of goods and services are not available.

**Deregulation/Regulatory Reform**

The Malaysian government is moving towards taking a more regulatory and facilitative role in boosting investment. One of the major reforms implemented in recent years is the streamlining of the tax system. The Sales and Services Tax (SST), which only charged a tax at the manufacturer’s level only and not to the rest of the supply-chain, was abolished and replaced with a single tax known as the Goods and Services Tax (GST), which is applicable at all levels of the supply-chain (e,g. transactions from wholesaler to retailer and from retailer to consumer). Additionally, the Malaysian government is also working to reduce time and costs of procedures by establishing online portals and simplifying processes in areas such as starting a business, registering properties, paying taxes, amongst others.

The Ministry of Human Resources have implemented task forces to reduce the number of foreign workers in car washing and petrol stations, replacing them instead with automation.

**Mobility of Business People**

Malaysia has implemented initiatives to improve border security. In 2015, the Facial Recognition System (FRS) was implemented to enhance security at the entry and exit points. Malaysia is also working with Australia to develop the Regional Movement Alert System (RMAS) and Biometric Exchange in order to target transnational crime.

**RTA/FTAs**

Malaysia has reported 13 RTA/FTAs in force[[2]](#footnote-2). Negotiations of the Trans-Pacific Partnership (TPP) was concluded in 2015, and signed in February 2016. Malaysia is also currently participating in four RTA/FTA negotiations, including the Regional Comprehensive Economic Partnership.

1. \* This brief report was prepared with information from Malaysia’s submission of the 2016 APEC Individual Action Plan (IAP) template; the 2016 WTO Trade Policy Review – Report by the Secretariat – Malaysia; the WTO SPS and TBT Information Systems; and information from the Ministry of International Trade and Industry, the Economic Planning Unit, Royal Malaysian Customs Department, Ministry of Finance and Ministry of Domestic Trade Co-Operatives and Consumerism websites. [↑](#footnote-ref-1)
2. Malaysia’s RTA/FTAs are the following ones: ASEAN (1992), ASEAN–China (2005), Malaysia–Japan (2006), ASEAN–Korea (2007), Malaysia–Pakistan (2008), ASEAN–Japan (2009), ASEAN–Australia–New Zealand (2010), ASEAN–India (2010), Malaysia–New Zealand (2010), Malaysia–Chile (2012), Malaysia–India (2011), Malaysia–Australia (2013) and Malaysia– Turkey (2015). [↑](#footnote-ref-2)