



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

ASEAN-CER INTEGRATION PARTNERSHIP FORUM 2018

THE ASEAN-OECD GOOD REGULATORY PRACTICE NETWORK (GRPN)

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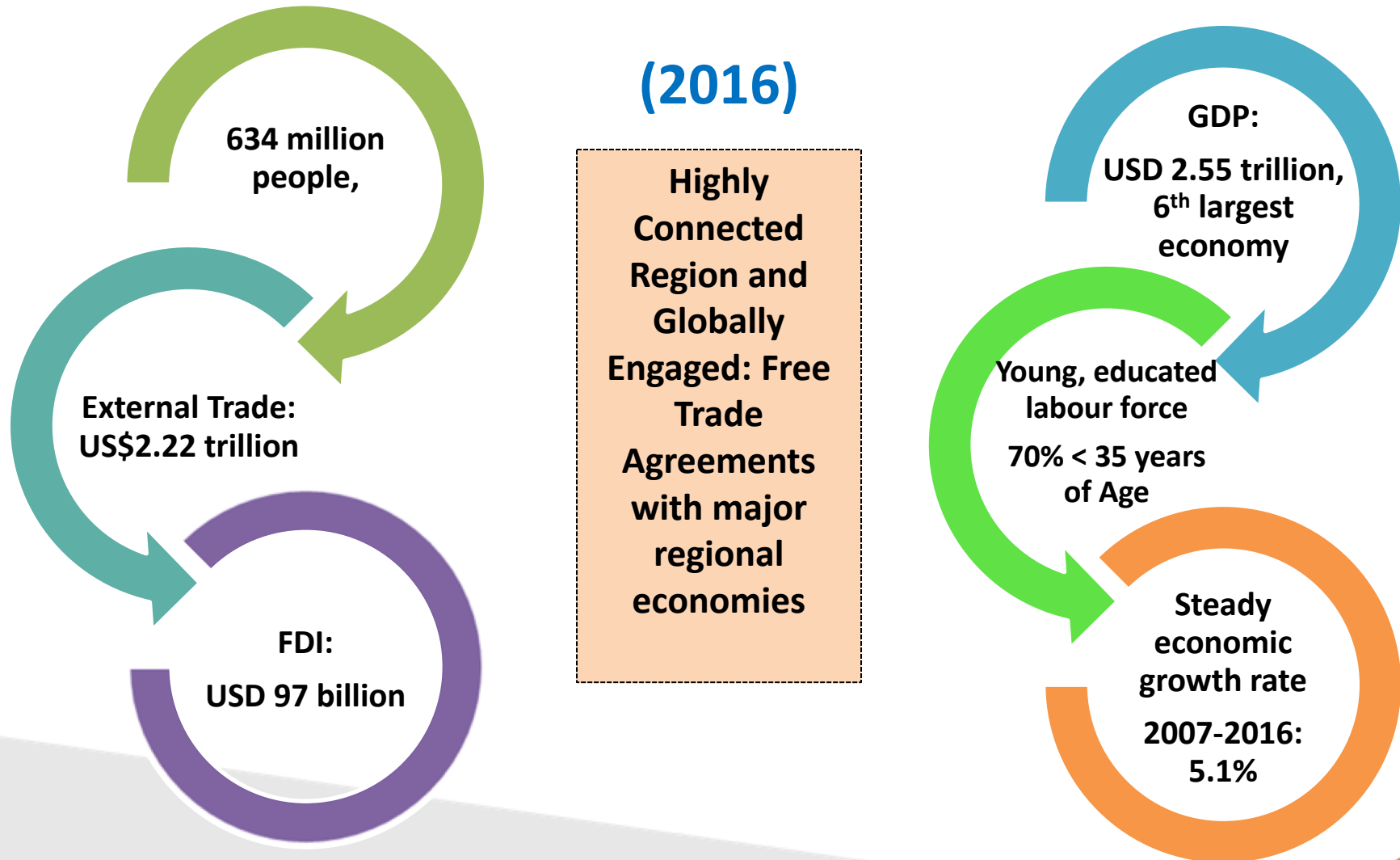
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ASEAN – OVERVIEW



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ASEAN – OVERVIEW



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- ASEAN Economic Community (AEC) 2015

GOODS	SERVICES	INVESTMENT	GLOBAL
96% of goods traded are duty free Several initiatives to address NTMs/NTBs	9 AFAS Packages Packages for Air Transport and Financial Services 8 MRAs	ACIA Liberalisation Protection Promotion facilitation	5 FTAs RCEP

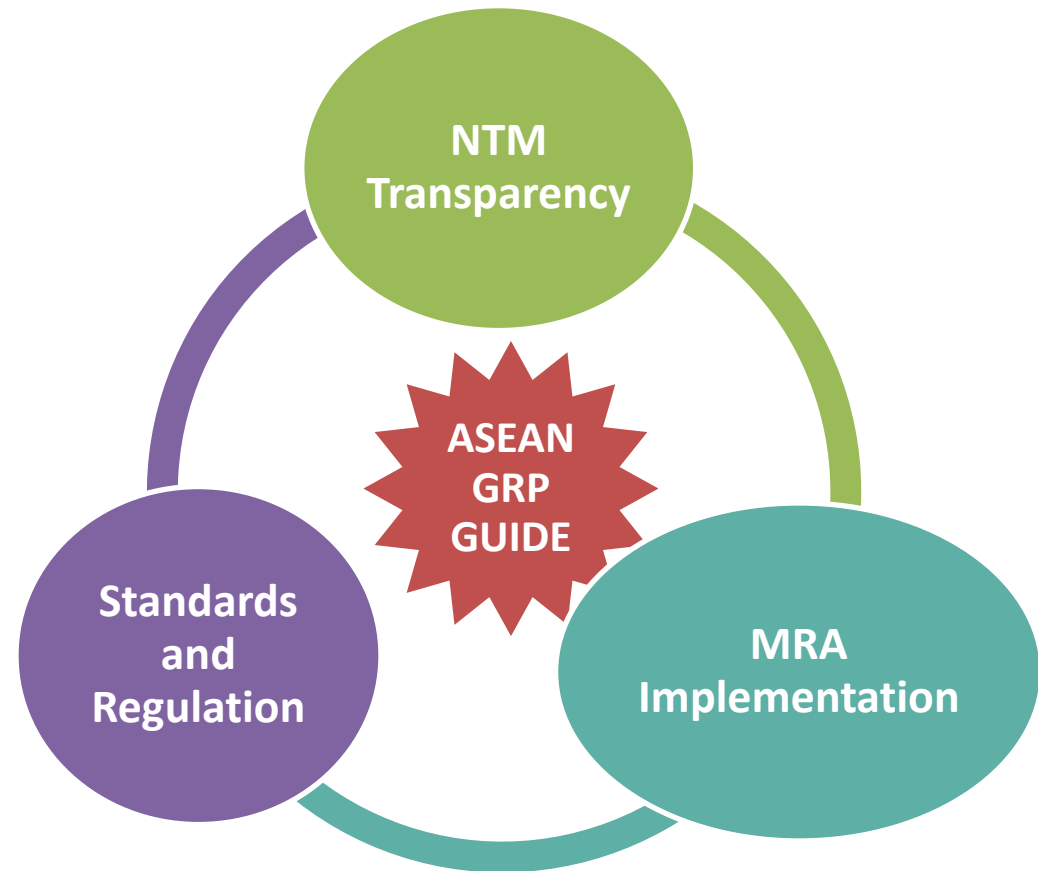
GOOD REGULATORY PRACTICE (GRP) IN ASEAN



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BACKGROUND

- **AEM 2005 - The ASEAN Policy Guideline on Standards and Conformance.**
- **SEOM 2/40 2009 - The ASEAN GRP Guide (2009)**



GOOD REGULATORY PRACTICE (GRP) IN ASEAN



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AEC 2025 New Focus Areas: Good Governance

- ❑ **ASEAN recognizes the need to continue engaging the various stakeholders to build a more dynamic AEC 2025:**
 - i. **Greater transparency** in the **public sector** and in engaging with the private sector; and
 - ii. **Enhance engagement** with the **private sector** as well as other stakeholders.



GOOD REGULATORY PRACTICE (GRP) IN ASEAN



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GRP in the AEC Blueprint 2025

- Characteristic of “A Competitive, Innovative and Dynamic ASEAN”; and
- Element B7 “Effective, Efficient, Coherent and Responsive Regulations and Good Regulatory Practice”.

The element of GRP was also stressed in the Master Plan on ASEAN Connectivity (MPAC) 2025 as one of 5 strategic areas namely Regulatory Excellence.



GOOD REGULATORY PRACTICE (GRP) IN ASEAN



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**ASEAN WORK
PLAN ON GRP
(2016-2025)**
Adopted in 2017

**ASEAN GRP CORE
PRINCIPLES**
Target date for
adoption
2018

**REVIEW OF ASEAN
GRP GUIDE 2009**
Post 2018 and beyond

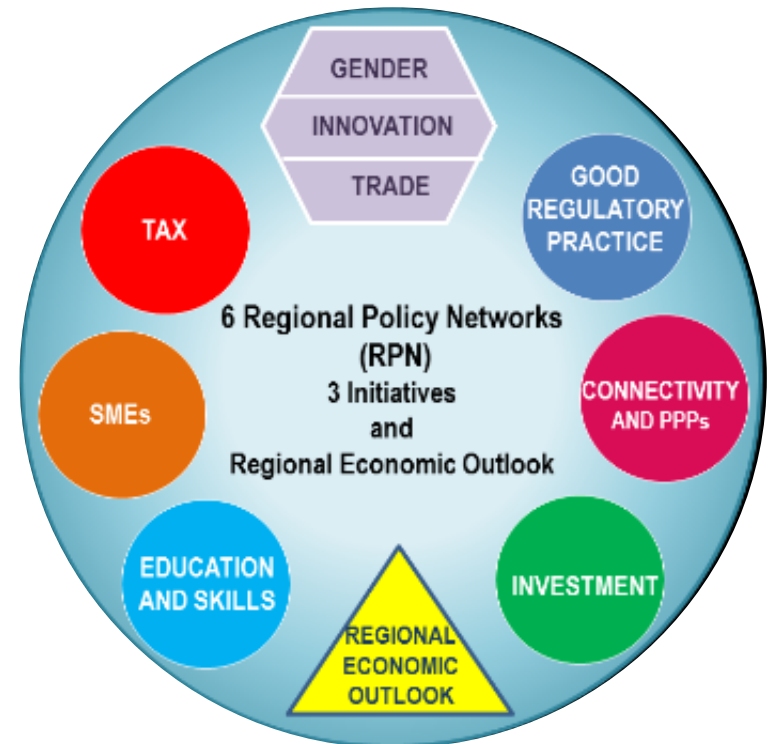
HIGH LEVEL TASK FORCE ON ECONOMIC INTEGRATION

ASEAN-OECD GOOD REGULATORY PRACTICE NETWORK (GRPN)



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- **MISSION:** Assist Member states in building and strengthening capacity for the implementation of GRP to assure high quality regulations and regulatory coherence
- **ASEAN-OECD GRPN BUREAU MEMBERS:** Malaysia (co-chair), New Zealand (co-chair), Indonesia, Korea, The Philippines



1st GRPN Meeting: 12 March 2015 –
Kuala Lumpur, Malaysia

- Attended by 40 senior officials.
- Discussion on the region post-2015 work programme on GRP.
- Approved TOR.



2nd GRPN Meeting: 16 March 2016 – Vientiane, Lao PDR

- Attended by 60 senior officials.
- Endorsed a proposal of a two year project (2016-2018) to investigate linkages between SMEs and GVCs in Southeast Asia.
- Recognised that ASEAN has addressed GRP specifically by addressing tariff barriers amongst AMS.
- Agreed on the importance of engagement with other bodies, such as ERIA, APEC and ADB.

ASEAN-OECD GRPN



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3rd GRPN Meeting: 14 March
2017 – Iloilo City, Philippines

- Attended by 80 senior officials.
- Theme: “Fostering Connectivity and Regional Competitiveness through Good Regulatory Practices”.
- Focused on business registration, reducing administrative burdens and cutting red tape, and fostering SME integration in Global Value Chains to further help guide ASEAN member countries in future reforms.



ACHIEVEMENT



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FUTURE WORK



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- GRPN is currently contributing to a 2-year project on identifying the regulatory challenges and opportunities to integrating ASEAN SMEs to GVCs.
- This includes identifying the different good regulatory practice tools in the region as well as providing strategic direction in terms of streamlining regulations and administrative practices in ASEAN.

STRATEGIC OUTLOOK



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Institutionalising GRP

- Technical Assistance, advise and support
- Resource for GRP management tools
- Support the development of background material

Operationalising GRP

- Support the development of handbook/technical material
- Development of baseline indicators

Implementing GRP (Sectoral)

- Review and audit
- Strengthen regulatory policy & governance

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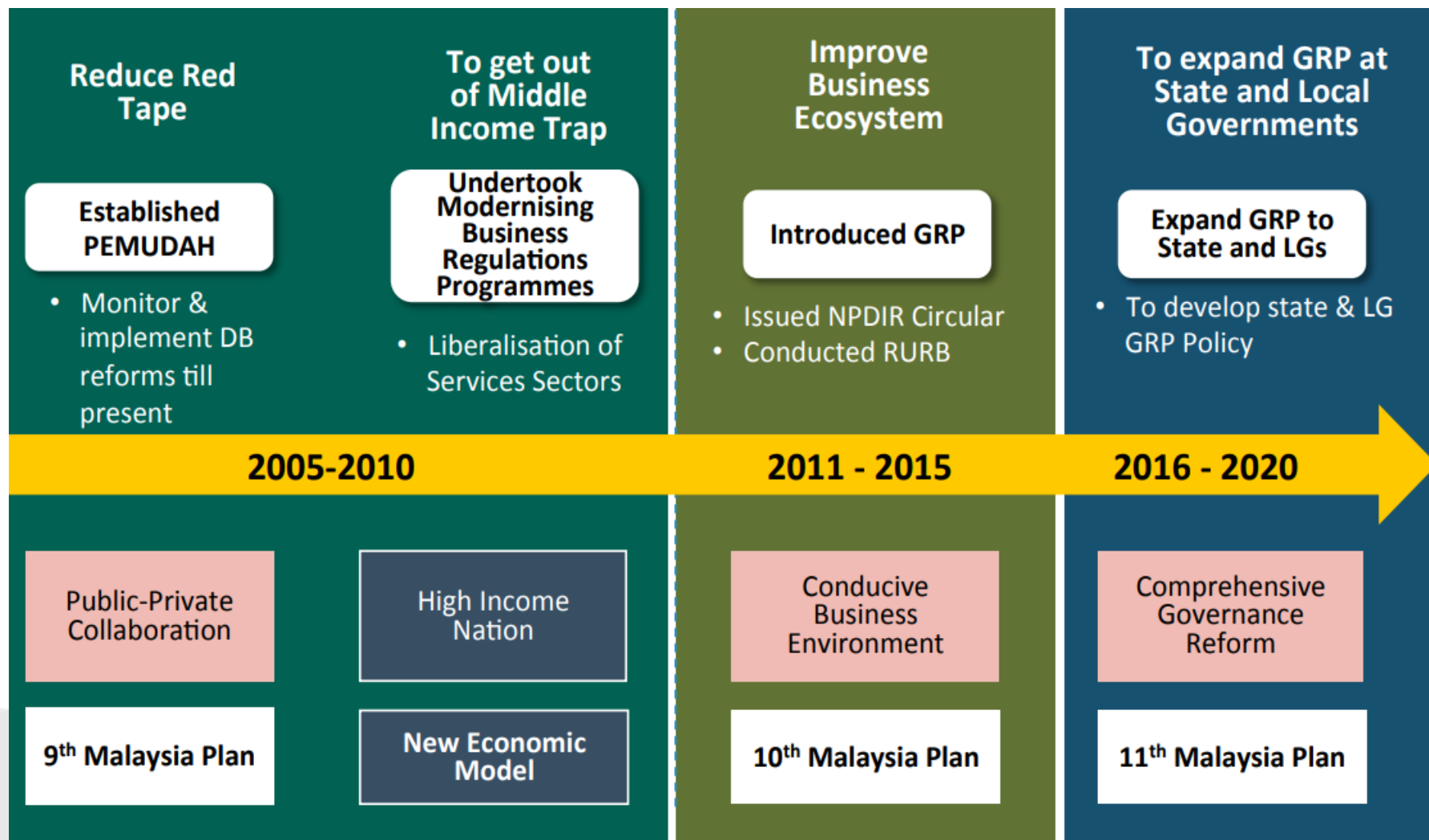
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MALAYSIA'S REGULATORY REFORM JOURNEY



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MALAYSIA'S EXPERIENCE



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Impact of GRP

- ✓ **Removing unnecessary rules**
(29 business licenses were abolished)



- ✓ **Reduce compliance cost**
(735 business licenses were re-engineered involving cost savings of RM729 million)



- ✓ **Reduce cumbersome and bureaucratic procedures**
(454 business licenses were simplified and composited)



- ✓ **Increase process efficiency**
(8% increase in process efficiency due to shorter waiting time)

- ✓ **Reduce approval time**
(59% reduction in approval time)

- ✓ **Reduce procedures**
(29% reduction in number of procedures)

- ✓ **Lowering regulatory burden allows companies to operate more efficiently**
(217 business licenses were automated)



KEY DOCUMENTS ON GRP



Reference should be made to the government circular on National Policy on the Development and Implementation of Regulations issued by the Chief Secretary to the Government of Malaysia on 15 July 2013 (*Pekeliling Am Bilangan 1 Tahun 2013*)



National Policy on the Development and Implementation of Regulations

Provides a systematic guideline based on best practices adopted from other countries



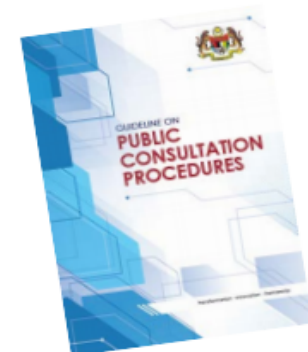
Best Practice Regulation Handbook

Tool to facilitate the implementation of Best Practice Regulation system and provides detailed guidance for the implementation



Quick Reference Best Practice Regulation Handbook

Summarised version of Best Practice Regulation



Guideline on Public Consultation Procedures

Establish guiding principles and requirements for carrying out an adequate public consultation exercise

CONCLUSION



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- Good Governance and GRP are essential to ASEAN:
 - i. Improving ASEAN's competitiveness
 - ii. Deeper ASEAN integration through harmonisation
 - iii. Drive towards a competitive, dynamic, innovative, and robustly growing ASEAN
 - iv. Enhance engagement with the private sector as well as other stakeholders
- GRPN provides valuable platform for ASEAN to enhance knowledge and learn good practices in developing and implementing ASEAN GRP



- World Bank Ease of Doing Business Rankings for AMS

AMS	2018 Ranking	2017 Ranking
Singapore	2	2
Malaysia	24	23
Thailand	26	46
Brunei Darussalam	56	72
Viet Nam	68	82
Indonesia	72	91
Philippines	113	99
Cambodia	135	131
Lao PDR	141	139
Myanmar	171	170

Source: World Bank Doing Business 2018, 2017

