

KEYNOTE ADDRESS
“15 years journey: Success story of PEMUDAH”

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PEMUDAH FORUM
in conjunction with 15th Anniversary of PEMUDAH

Theme:
“Past lessons, future excellence, and productivity breakthrough”

7 FEBRUARY 2022
8.30 AM – 11.00 AM

Yang Berhormat Dato' Sri Mustapa bin Mohamed
Minister in the Prime Minister's Department (Economy)

Yang Berbahagia Tan Sri Dato' Seri Mohd Zuki bin Ali
Chief Secretary to the Government

Yang Berbahagia Dato' Abdul Latif bin Haji Abu Seman
Director General
Malaysia Productivity Corporation (MPC)

Eminent speakers and moderator

Senior government officials and captains of the industry

Members of the media

Distinguished guests

Ladies and gentlemen

Salam sejahtera and good morning

1. I am delighted to speak to everyone today, on PEMUDAH 15th Anniversary. For PEMUDAH, since its establishment on 7 February 2007, these 15 years have been a series of recurrent learning-unlearning-relearning process, a compendium of invaluable lessons, and progressions through breakthroughs. It gives me great pleasure to share PEMUDAH's journey, and 15 of its success stories.
2. To start, may I record my utmost appreciation on behalf of the industry for the Government's support throughout the years in enabling a conducive business environment through regulatory reform initiatives.
3. Thank you Yang Berhormat Dato' Sri Mustapa bin Mohamed, Minister in the Prime Minister's Department (Economy) and Yang Berbahagia Tan Sri Dato' Seri Mohd Zuki bin Ali, Chief Secretary to the Government, Co-chairs of PEMUDAH, who have rallied alongside the industry to boost its growth in terms of productivity and competitiveness, especially in these few recent years when businesses have been affected by the COVID-19 pandemic. We cannot deny the symbiotic relationship of both public and private sectors, for we have the same common goal – the best for our country.
4. I extend my profound appreciation to Yang Berbahagia Dato' Abdul Latif bin Haji Abu Seman, Director General of Malaysia Productivity Corporation (MPC) and the whole team at MPC. They have been very committed and hardworking in assisting PEMUDAH as the Secretariat. Without them, PEMUDAH's productivity breakthroughs would have been impossible to achieve and materialise. The industry is thankful for having a dedicated focal team looking into facilitating solutions to business issues faced by the players.

5. These are not merely words of appreciation. They represent the very foundation of PEMUDAH – a solid public-private partnership in building a more conducive regulatory ecosystem to improve the ease of doing business, boost productivity growth, and bolster Malaysia's global competitiveness. This is a consistent essence in PEMUDAH, past and present, and it will stay in the future.
6. Quality policies and regulations are the enablers for a sustainable economy. They are even more crucial for business revival and recovery in the current situation. Fast-track regulatory reform by PEMUDAH is timely to accelerate the process.
7. We benchmark the top performers in global competitiveness such as Switzerland, Netherlands, and Hong Kong. They share three common characteristics. The most competitive economies drive regulatory reform agenda through strong public-private sectors collaboration, adopt regulatory experimentation approach, and build their initiatives based on outcomes and data. These are the practices that PEMUDAH emulates to boost productivity and competitiveness.
8. It has not always been an easy journey. Recent years have seen PEMUDAH respond and innovate faster and swifter to match the changing landscape of the domestic and global economy, requiring intense engagements and consultations to design solutions to problems. But, this is how PEMUDAH remain relevant to the country, having responsive actions and innovative interventions to specific business issues and challenges.
9. Throughout the years, PEMUDAH has witnessed that all parties, public and private sectors, individuals and organisations, businesses and non-profit organisations, understand and agree that the common goal is prosperity for all. We are in the same boat, co-driving productivity and competitiveness towards shared prosperity.
10. The industry takes up the challenge as envisioned in the Twelfth Malaysia Plan, that the private sector returns to drive Malaysia's

economic growth. Yet, private sector needs Government's support to registered fast growth.

Ladies and gentlemen,

11. On the 15th anniversary of PEMUDAH establishment, I would like to share with everyone 15 PEMUDAH's success stories in orchestrating solutions and interventions to enable a more conducive business environment via strong public-private partnership.
 - 11.1. To enhance the efficiency in dealing with construction permits, the One Stop Centre (OSC) was launched on 13 April 2007 to streamline and expedite the development of approvals process. An improvement was made in 2009 to introduce a common technical checklist to standardise the procedures in dealing with permits at all local authorities and technical agencies.
 - 11.2. 2008 marked the year when Malaysia embarked on bigger-scale implementation of e-payment. The infrastructure was ready by 1 July 2008, and by 31 December 2008, 89 government agencies began accepting online payments for a total of 168 services. Payment through e-services was also accepted at 111 approved sites for theory tests, issuance and renewal of learner driving license, and renewal of competent driving licenses.
 - 11.3. In 2010, PEMUDAH facilitated improvements on immigration matters. The improvement included the reduced time taken for post Employment Pass Application Approval, removal of age limit for expatriates, removal of cooling off period of six months for expatriates and skilled workers for all sectors, and the introduction of Point System for Permanent Resident Status and the application can be made after five years from 10 years.

- 11.4. In 2011, PEMUDAH mitigated the issues on abandoned housing projects. As a result, 94 from 116 abandoned housing projects were completed and issues were resolved. Build-Then-Sell (BTS) Concept was introduced, and the Ministry of Housing and Local Government started displaying list of developers that blacklisted and housing projects which were facing problems on its website.
- 11.5. On halal matters, several improvements were made in 2012. These included the revision of the client charter for Halal Certification and Malaysian Halal Certification Procedure Manual 2011 (Second Revision), and enforcement of Trade Descriptions (Definition of Halal) Order and Trade Description (Certification and Marking of Halal) Order 2011 under the Trade Description Act 2011 (TDA 2011)
- 11.6. The same year, with DBKL, PEMUDAH facilitated a few improvements, which included empowering DBKL enforcement personnel to act on moving vehicles that violated traffic rules, implementing multi-skilled enforcement functions in DBKL, introducing better traffic management in Kuala Lumpur, introducing a new regulatory model for dealing with construction permits in Kuala Lumpur called OSC 1Submission, and amplifying efforts to remove illegal posters in Kuala Lumpur.
- 11.7. In 2013, GRP or Good Regulatory Practice was introduced with the endorsement of National Policy on Development and Implementation of Regulations (NPDIR). GRP Portal was developed to be used as a repository and reference for all regulators and stakeholders. A total of 180 Regulatory Coordinators from 94 ministries and agencies registered with MPC and received training on Regulatory Impact Analysis or RIA from the OECD. NPDIR has been amended and known as National Policy on Good Regulatory Practice (NPGRP) in June 2021, staying true to GRP method which requires revision of policy after five years of implementation.

- 11.8. Starting a business has been a focus by PEMUDAH since its inception. Over the years, improvements were made to enable swifter entry by new companies into the market. In 2014, mandatory online incorporation of business was in place which marked the closure of over-the-counter services nationwide effective December 2014. With mandatory online procedure, name search and the application for registration process could be done instantaneously.
- 11.9. Continuous improvements have been done in boosting the Country's trade. In 2015, 150 million ringgit in compliance cost savings were recorded for value-added activities by all free zone companies in the Movement of Free Zone Dutiable Goods. A new customs procedure was introduced to facilitate the movements for value-added activities of goods and raw materials. Work by PEMUDAH and the Ministry of Transport reduced the time and costs for inland transportation. This complemented the Logistics and Trade Facilitation Masterplan 2015 – 2020.
- 11.10. By 2015, the persistent work on e-payment continued with 422 agencies, local authorities, and institutions implemented a total of 742 e-payment services. 91 mobile payment services were made available for public use.
- 11.11. In 2017, traffic congestion in Kuala Lumpur reduced by 50% through 140 improvements and upgrades at several critical lanes. The improvement involved creating additional lanes, allocating the motorcycle zone, and establishing single vehicle lanes. The traffic flow and management was more systematic and efficient.
- 11.12. In private healthcare, regulatory experimentation was successfully conducted to reduce the duration of time for private hospitals to obtain the operating license, significantly from 800 to 300 days. PEMUDAH and MPC, in collaboration with various stakeholders, are currently in the process of

further reducing the duration to 100 days by leveraging digital technology and ready-to-build drawing. The initiative started in 2017 through multi-platform collaboration among CKAPS, DBKL, and BOMBA. Based on the evidence collected, to date, three primary references, namely Handbook on Setting up Private Hospitals in Malaysia, Technical Design Reference on Disaster Preparedness in Setting up New High Rise, and Handbook on Setting up and Operating Private Medical Clinic in Malaysia, have been published to guide future constructions of private hospitals.

- 11.13. 2020 marked a significant milestone in PEMUDAH's establishment when all the efforts throughout the years were translated into the increased ranking to 12th spot among 190 economies in Ease of Doing Business Report 2020 by the World Bank, an improvement from 15th position from the year before. We were closing in to become among the top 10 countries. This is the evidence that, for regulatory reform to be successful, public-private partnership is a must.
- 11.14. PEMUDAH's recent success stories were related to mitigating the negative impact of the pandemic on businesses. During the pandemic, many construction projects halted due to Movement Control Orders (MCOs). Working with several technical agencies, the Government has introduced the "Silent Implies Consent" approach in issuing the Certificate of Completion and Compliance (CCC). The method clears the regulatory backlog and enables businesses to restart operations faster. The intervention yielded 1.75 billion ringgit compliance cost savings per year.
- 11.15. In 2020 and 2021, the Ministry of Tourism, Arts and Culture (MOTAC) relaxed several requirements for new applications and renewal of Tour Operating Business and Travel Agency Business (TOBTAB) license to ease the financial burdens on the tourism industry players, when the industry was at a standstill due to the pandemic. The revised requirements

helped the tourism industry players to manage operating costs and minimise compliance costs.

Ladies and gentlemen,

12. PEMUDAH starts with an experiment to collect data and evidence to verify a reform initiative's feasibility. Evidence points to the effectiveness of regulatory reform experimentations through public-private sectors collaborative innovation to boost competitiveness. Then, the model is improved, replicated, and proliferated for high impact and bigger-scale implementation.
13. During the Economic Action Council (EAC) Meeting in November 2021, chaired by the Yang Amat Berhormat Prime Minister, PEMUDAH presented our wish list for regulatory experimentations to boost competitiveness. The meeting has agreed that all ministries, government agencies, state governments, and local authorities shall participate in regulatory experimentations to improve Malaysia's business environment and regulatory delivery.
14. 2022 reinforces PEMUDAH's role as the public-private sector collaborative platform to improve the country's business environment. Recently, the membership in PEMUDAH has gone through a change with the appointments of new members from the Government and industry to align with the dynamic shift in economy. We are gearing for future excellence.
15. I strongly urge my fellow friends from the industry to leverage PEMUDAH as the platform to voice your business concerns and regulatory barriers that hindering growth.
16. On that call, I conclude my keynote address. Thank you.