

**ASEAN International Conference and SEA
Government at a Glance Steering Committee
meeting and workshops ,**

**14-16 September,
Bangkok , Thailand**

Evidence Based Decision Making in Malaysia

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Malaysia Productivity Corporation
Malaysia**

Presentation outline

1

Understanding Productivity

- **Competitiveness Indicators and Reports for Evidence Based Decision Making**

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2

Evidence Based Decision Making- Role of MPC

- **Coordinate as Partners**
- **Analyse, Monitor and Solutioning**

3

Way Forward

Understanding Productivity

Outcome

- *Labour Productivity*
- *Total Factor Productivity*

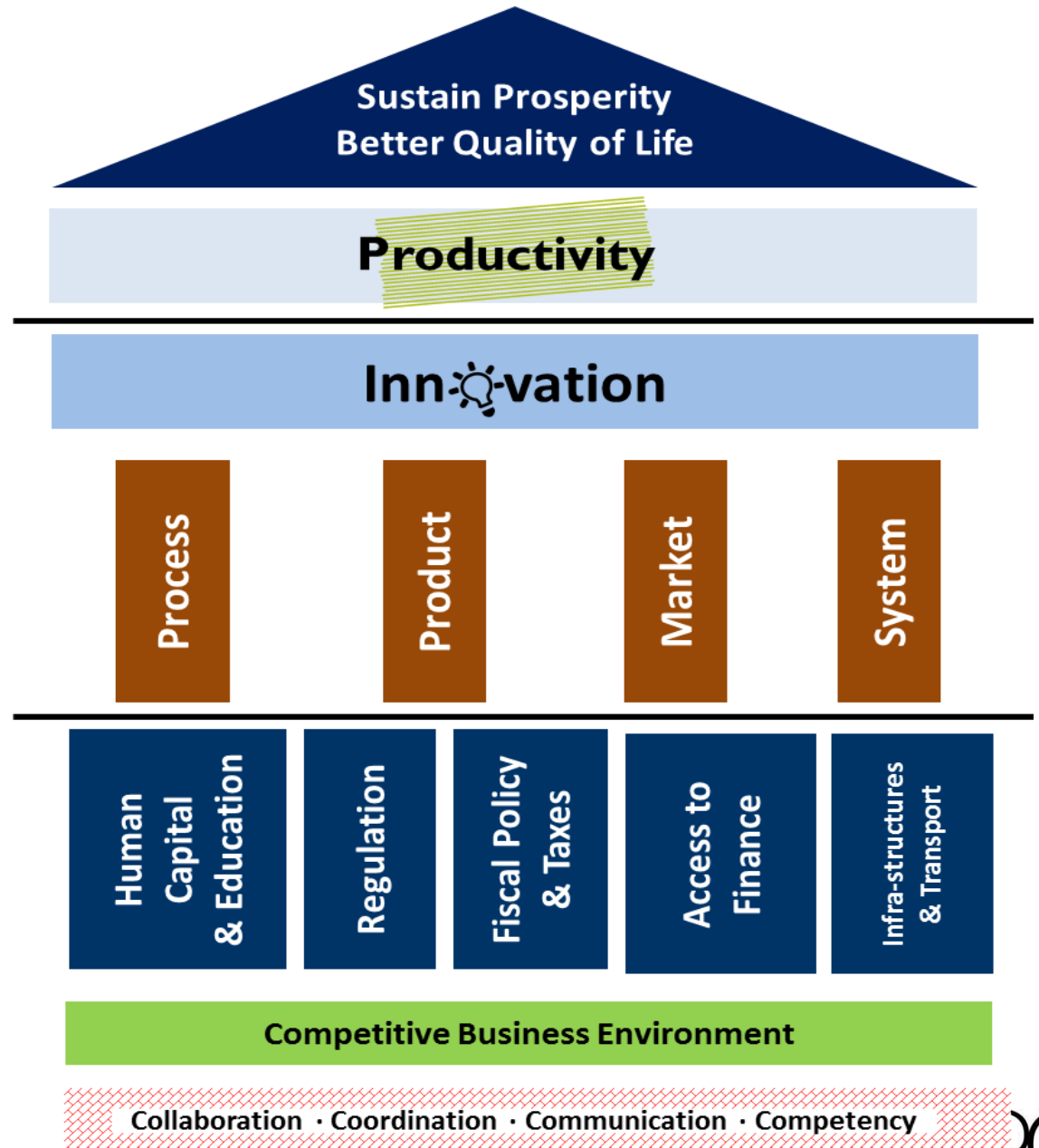
Industry

- Management Competencies and Talent
- Innovation and Technological Change
- Intangible Investments in Education and skills, R&D, patents, licenses, Organizational change, Product marketing

Government

- *Institutions and Regulation*
- *Good Regulatory Practices*
Coherent Policies

*Shared
Values*



MAJOR COMPETITIVENESS REPORTS

PROFILE OF 3

- **Evaluates** the competitive position of countries in the global economy and factors that help to sustain growth and long-term prosperity.



IMD World Competitiveness Yearbook 2014

- ✓Published by Institute for Management Development since 1989
- ✓60 Countries
- ✓4 Input Factors
 - Economic Performance
 - Government Efficiency
 - Business Efficiency
 - Infrastructure
- ✓338 Indicators
 - 30% Perception Data
 - 70% Statistical Data



Global Competitiveness Report 2014-2015

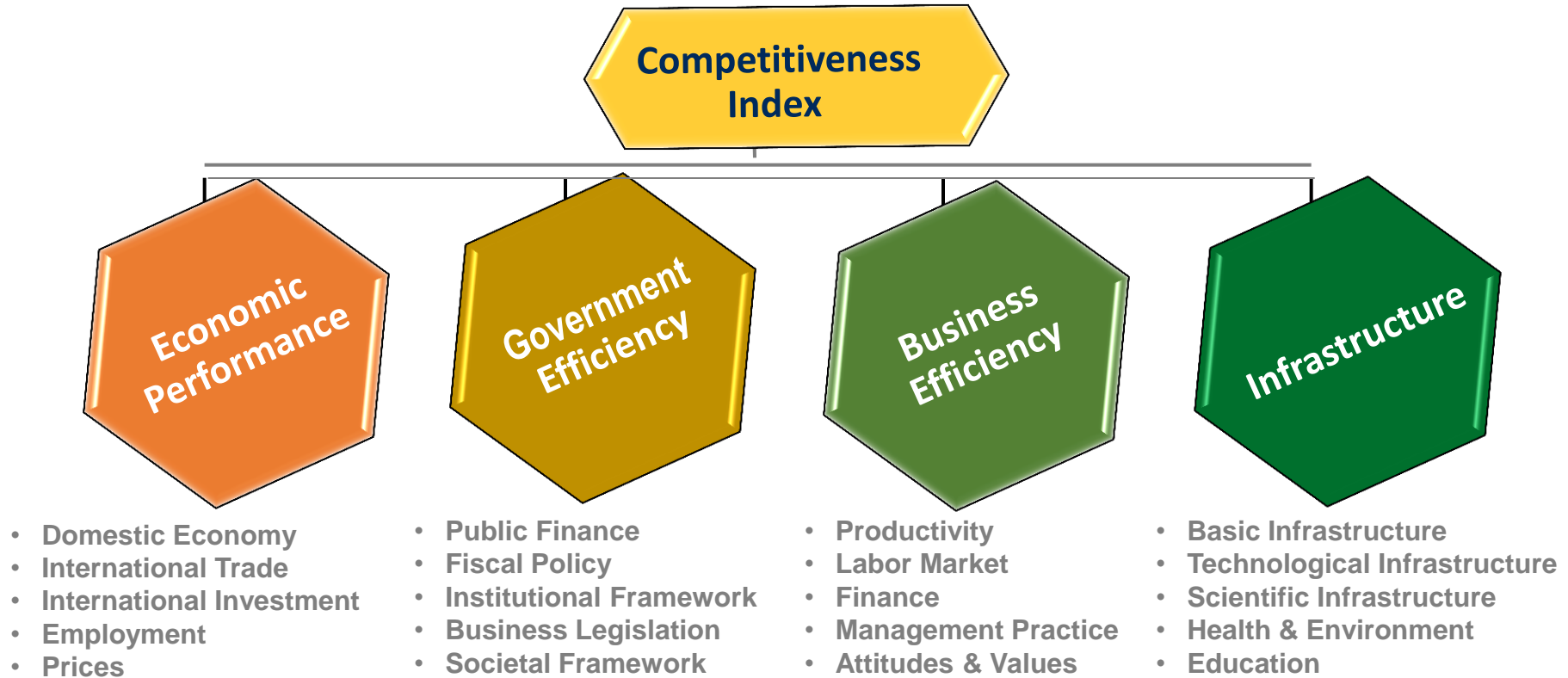
- ✓Published by World Economic Forum since 1979
- ✓144 Countries
- ✓12 Pillars
 - Institutions
 - Infrastructure
 - Macroeconomic Environment
 - Health & Primary Education
 - Higher Education & Training
 - Goods Market Efficiency
 - Labor Market Efficiency
 - Financial Market Development
 - Technological Readiness
 - Market Size
 - Business Sophistication
 - Innovation
- ✓114 Indicators
 - 70% Perception Data
 - 30% Statistical Data



Doing Business 2015

- ✓Published by World Bank & International Financial Corporation since 2003
- ✓189 Countries
- ✓10 Areas of Doing Business
 - Starting a Business
 - Dealing with Construction Permits
 - Getting Electricity
 - Registering Property
 - Getting Credit
 - Protecting Investors
 - Paying Taxes
 - Trading Across Borders
 - Enforcing Contracts
 - Resolving Insolvency
- ✓100% perception

Measures of Competitiveness.



Macro-economic evaluation of the domestic economy.



Extent to which government policies are conducive to competitiveness.

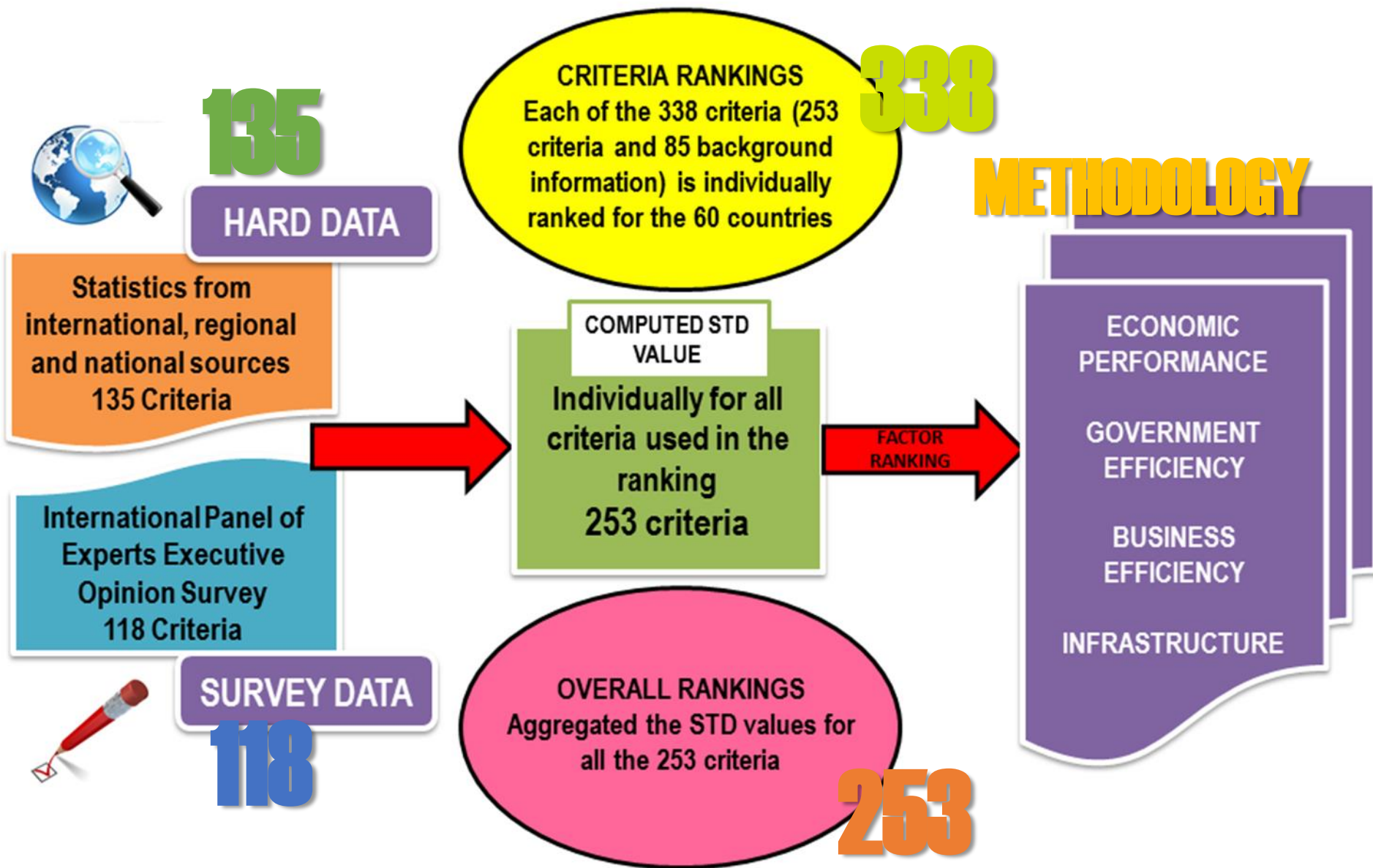


Extent to which enterprises are performing in an innovative, profitable and responsible manner.



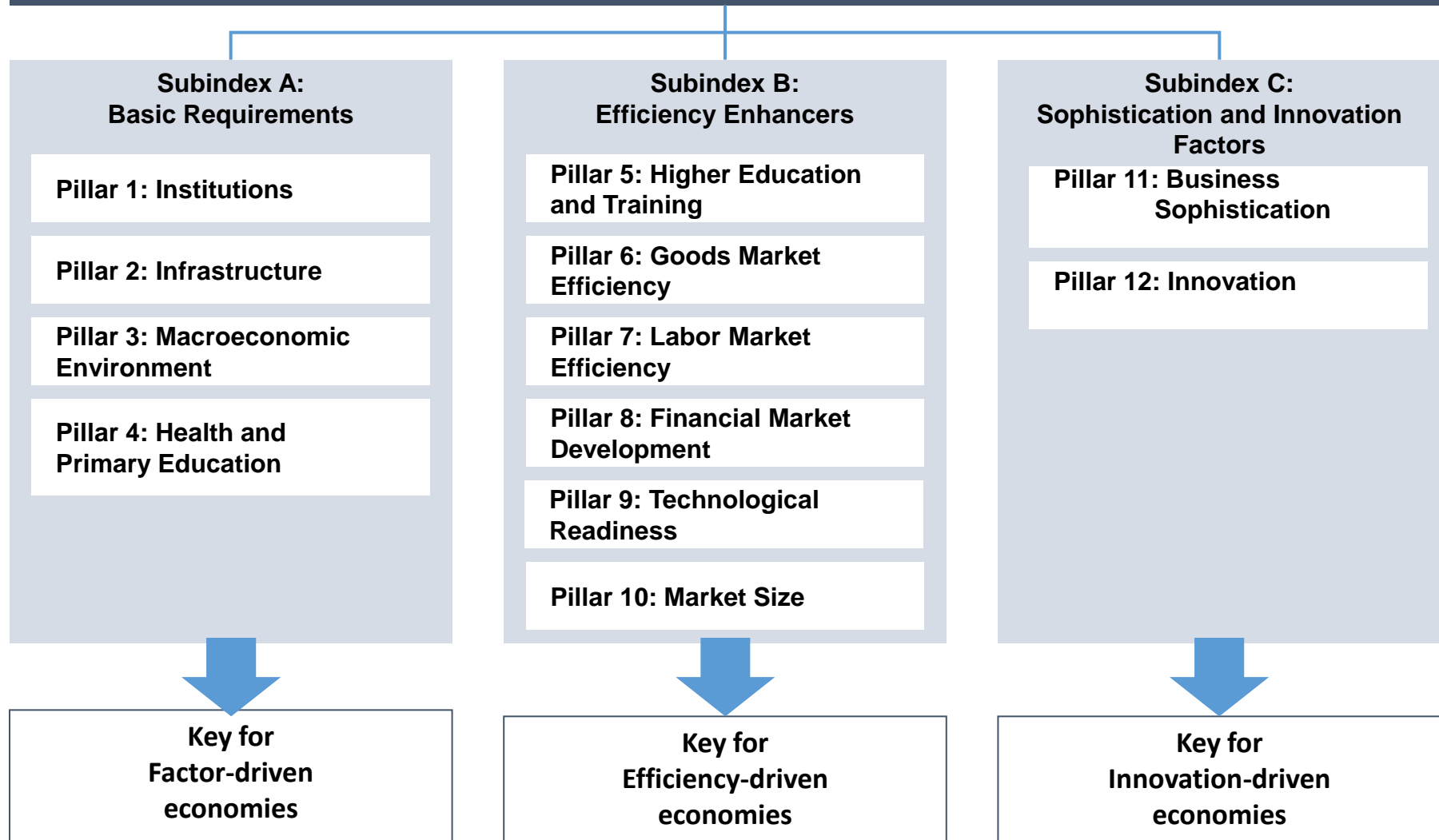
Extent to which basic, technological, scientific and human resources meet the needs of business.

WCY: Measurement Indicators

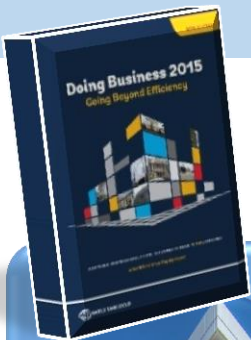


Global Competitiveness Report : Indicators

Global Competitiveness Index identify nation's economic position



DOING BUSINESS REPORT : INDICATORS



Starting a Business

1. Procedures (number)
2. Time (days)
3. Cost (% of income per capita)
4. Minimum Capital (% of income per capita)



Dealing with Construction Permits

1. Procedures (number)
2. Time (days)
3. Cost (% of warehouse value)



Getting Electricity

1. Procedures (number)
2. Time (days)
3. Cost (% of income per capita)

C



Registering Property

1. Procedures (number)
2. Time (days)
3. Cost (% of property value)



Getting Credit

1. Strength of legal rights index(0-12)
2. Depth of credit information index(0-8)
3. Credit bureau coverage(% of adults)
4. Credit registry coverage(% of adults)

DOING BUSINESS REPORT : INDICATORS



Protecting Minority Investors

1. Extent of conflict of interest regulation Index (0-10)
2. Extent of shareholder governance index (0-10)
3. Strength of minority investor protection index (0-10)



Paying Taxes

1. Payments (number per year)
2. Time (hours per year)
3. Total tax rate (% of profit)



Trading Across Borders

1. Documents to export (number)
2. Time to export (days)
3. Cost to export (US\$ per container)
4. Documents to import (number)
5. Time to import (days)
6. Cost to import (US\$ per container)



Enforcing Contracts

1. Procedures (number)
2. Time (days)
3. Cost (% of claim)



Resolving Insolvency

1. Time (years)
2. Cost (% of estate)
3. Recovery rate (cents on the dollar)
4. Strength of insolvency framework index (0-16)

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Way Forward

MPC is a Partner Institute for...



- **Lausanne, Switzerland since 1999**



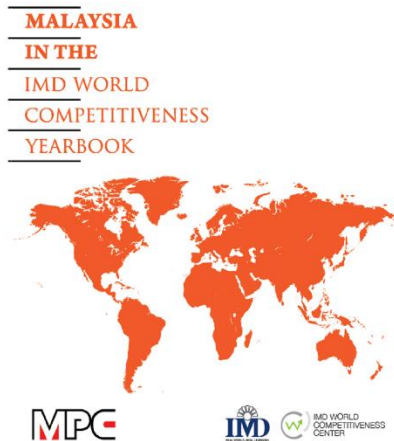
- **Geneva, Switzerland since 2006**
(joint Partner Institute with ISIS)

Our roles:

- **The contact institution for Malaysia;**
- **Secretariat for:**
 - **Taskforce on Enhancing Malaysia's Competitiveness;**
 - **Working Group on Enhancing Malaysia's Competitiveness**
- **Lead the Inter Agency Planning Group (IAPG)**
- **Manage stakeholders (Cabinet, Economic Council, PEMUDAH, Media)**
- **Collaborate to Compete**
 - **Local**
 - **International**

Role of MPC

MPC publish summary report to Communicate Malaysia competitiveness performance together with the announcement of the report by Institute of Management development (IMD) and World Bank to create awareness and understanding to policy makers of Malaysia's competitiveness performance



Global Index

2014

2015



Ease of Doing Business (189 Countries)

20

18



Global Competitiveness Report (140 Countries)

20

18

INSEAD

The Business School
for the World®

Global Innovation Index (141 Countries)

33

32



ICT in Sustainable Development Award

Received on
26 Sept. 2015



Key Initiatives under Trading Across Border

REDUCING UNNECESSARY REGULATORY BURDEN (RURB) projects

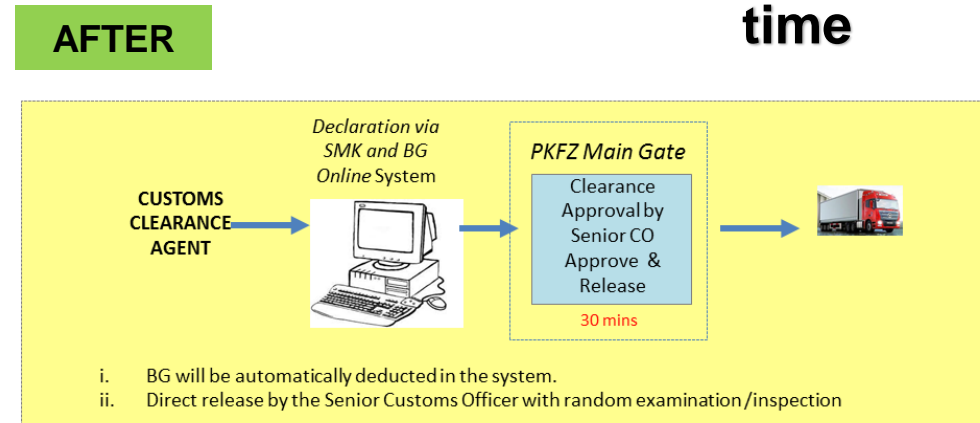
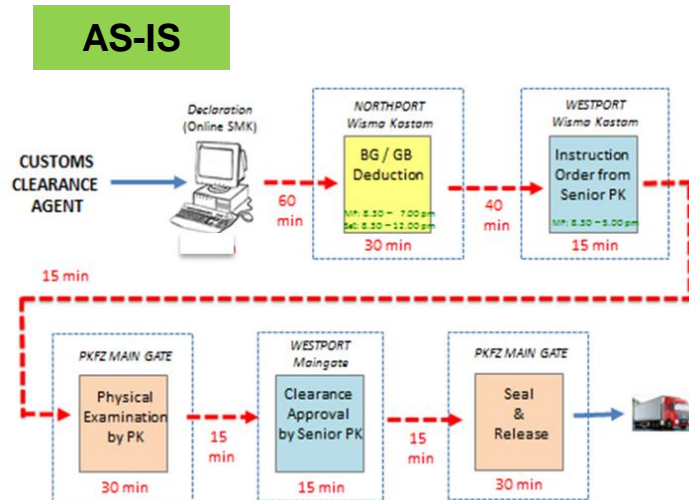
Industry : Oil & Gas

Subject : Free Zone Customs Cargo Clearance

Compliance cost saving : RM150million

RURB : Streamline processes

Reduce
89%
Processing time



		Time Saving	Procedure
Before	:	265 minutes	6
After	:	30 minutes	3



*Modernizing Business Regulations
Programme: Improving quality of
existing regulations
Gradual improvement in Ease of
Doing Business rankings since
establishment of PEMUDAH in 2007*

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PEMUDAH

Your Business,
Our Priority

Pasukan Peluasan Khidmat Perolehan Perlesenan | The Special Task Force To Facilitate Business

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Highlights

[List of Locally Manufactured Products by FMM](#)

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IDEA



COMPLAINT



COMPLAINT



PHOTO





Figure 2.5: Productive Countries – Attracting High-Skilled People, 2013

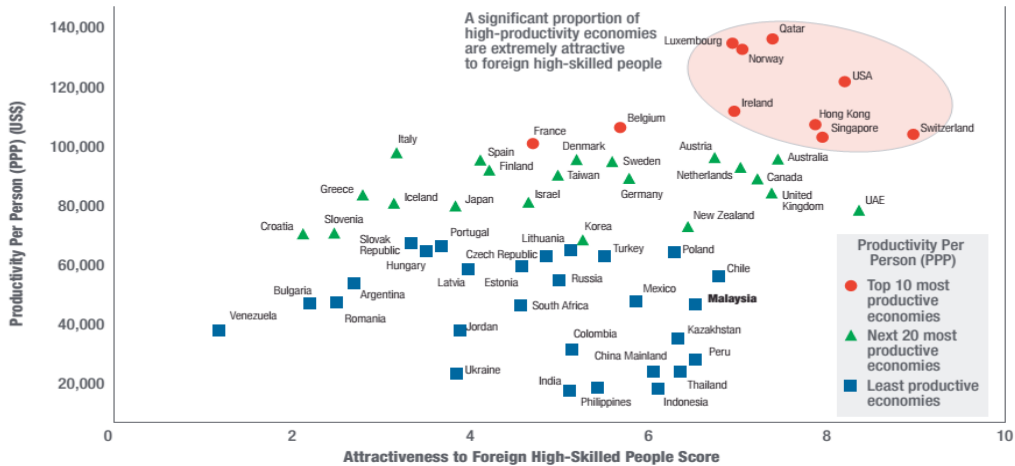
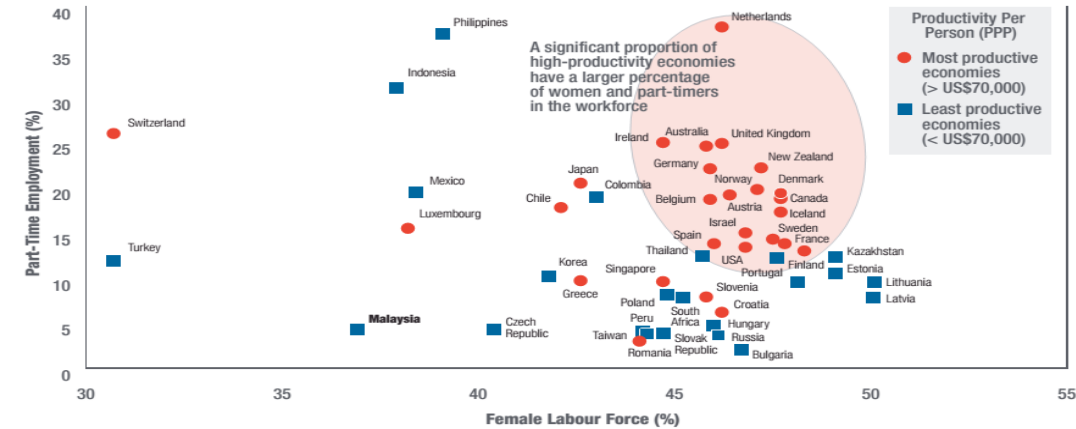
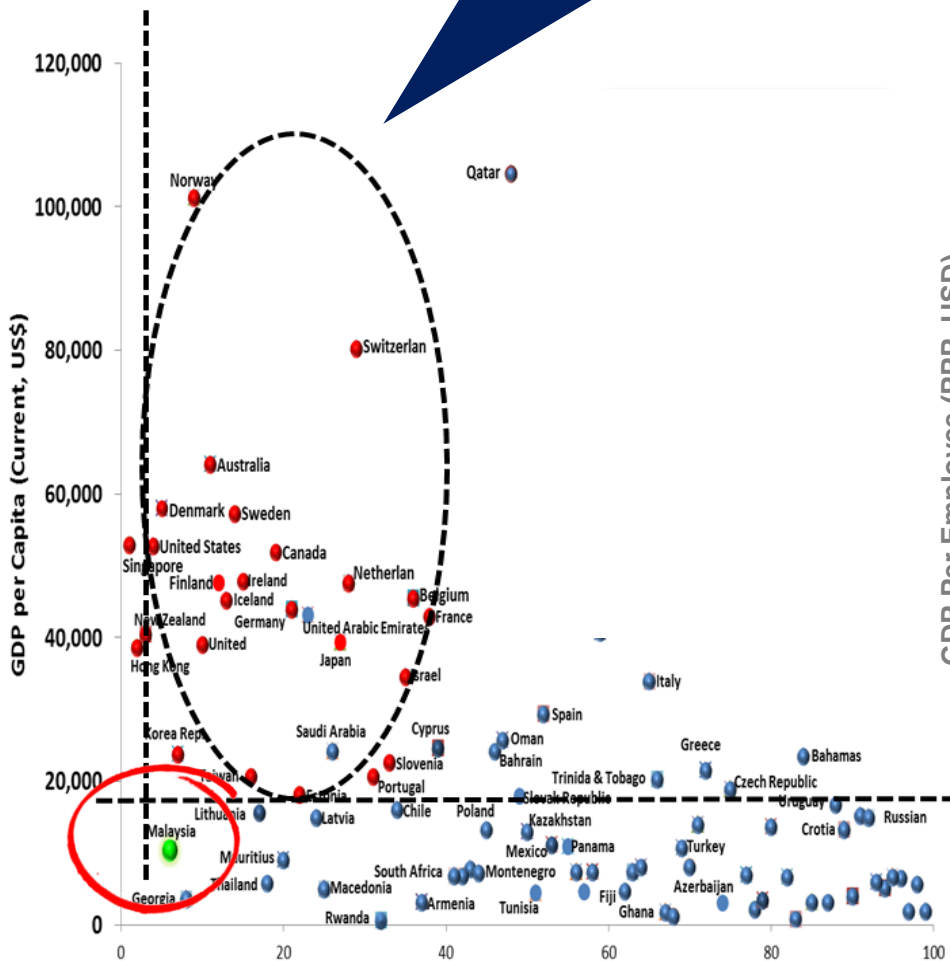


Figure 2.3: Participation of Part-Time Labour and Female Labour, 2013



Source: IMD World Competitiveness Yearbook 2014

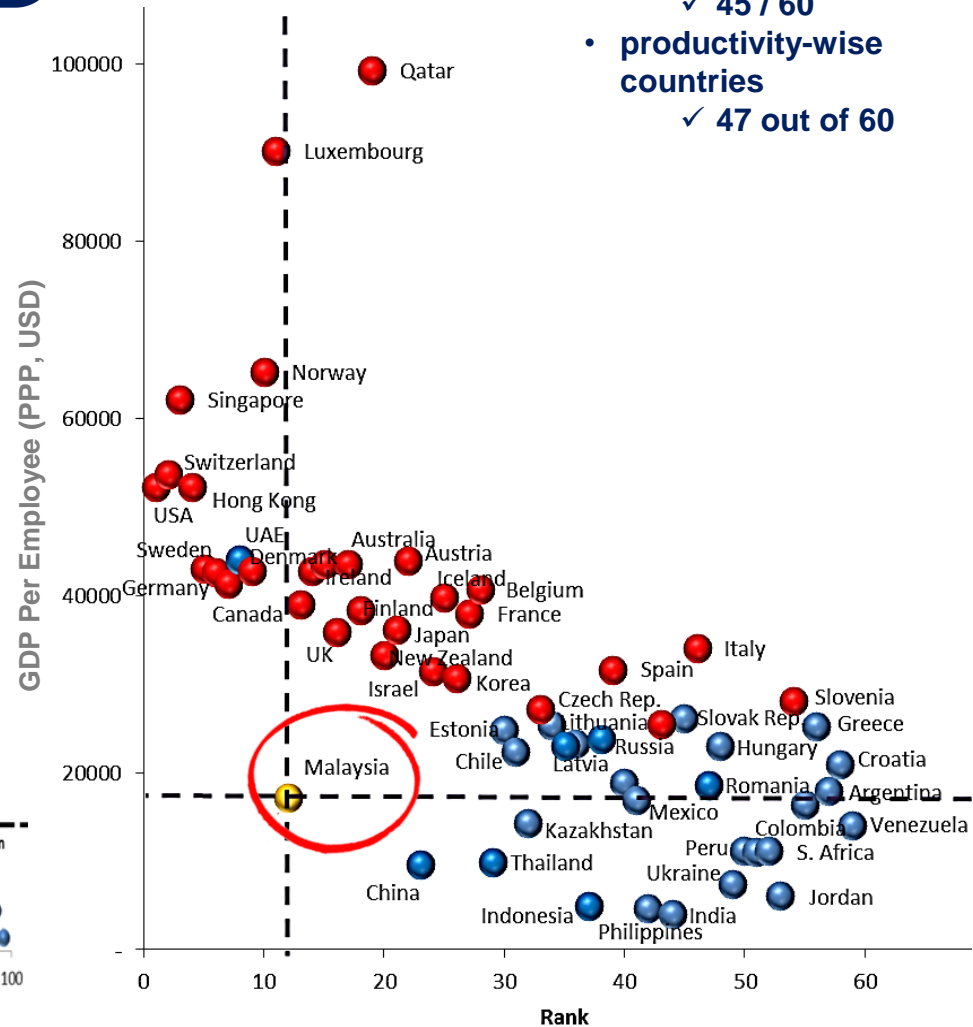
How do we retrieve the 'outcomes' of being top rank in competitiveness?



EODB 2013 (Top 100)

Malaysia ranks

- **Ease of Doing Business (EODB)**
 - ✓ 6 / 189 countries ,
- **WCY 2014**
 - ✓ 12 / 60 countries (overall).
 - **Income**
 - ✓ 45 / 60
 - **productivity-wise countries**
 - ✓ 47 out of 60



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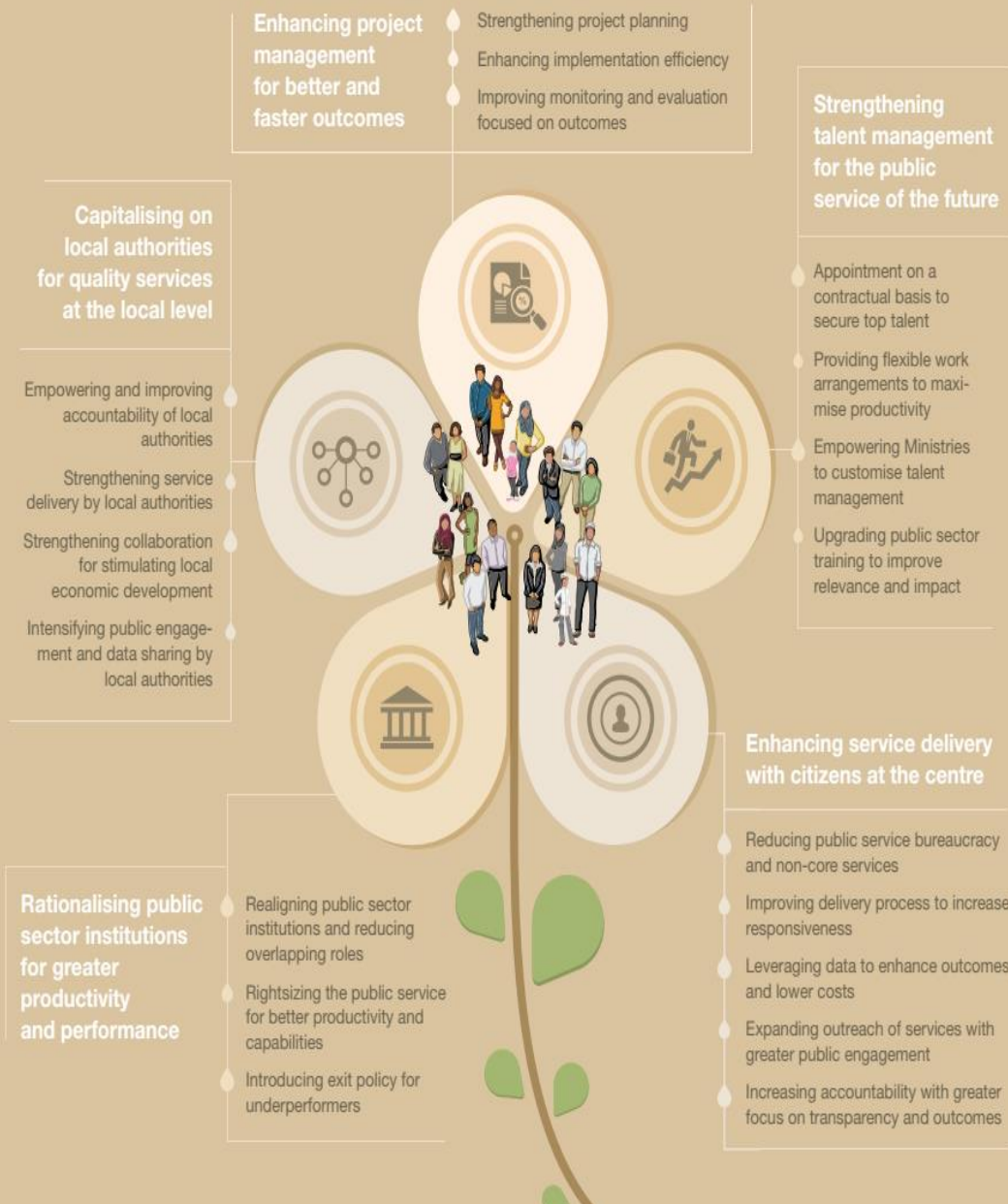
- Coordinate as Partners
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Way Forward

Summary of focus areas

Eleventh Malaysia Plan, 2016-2020



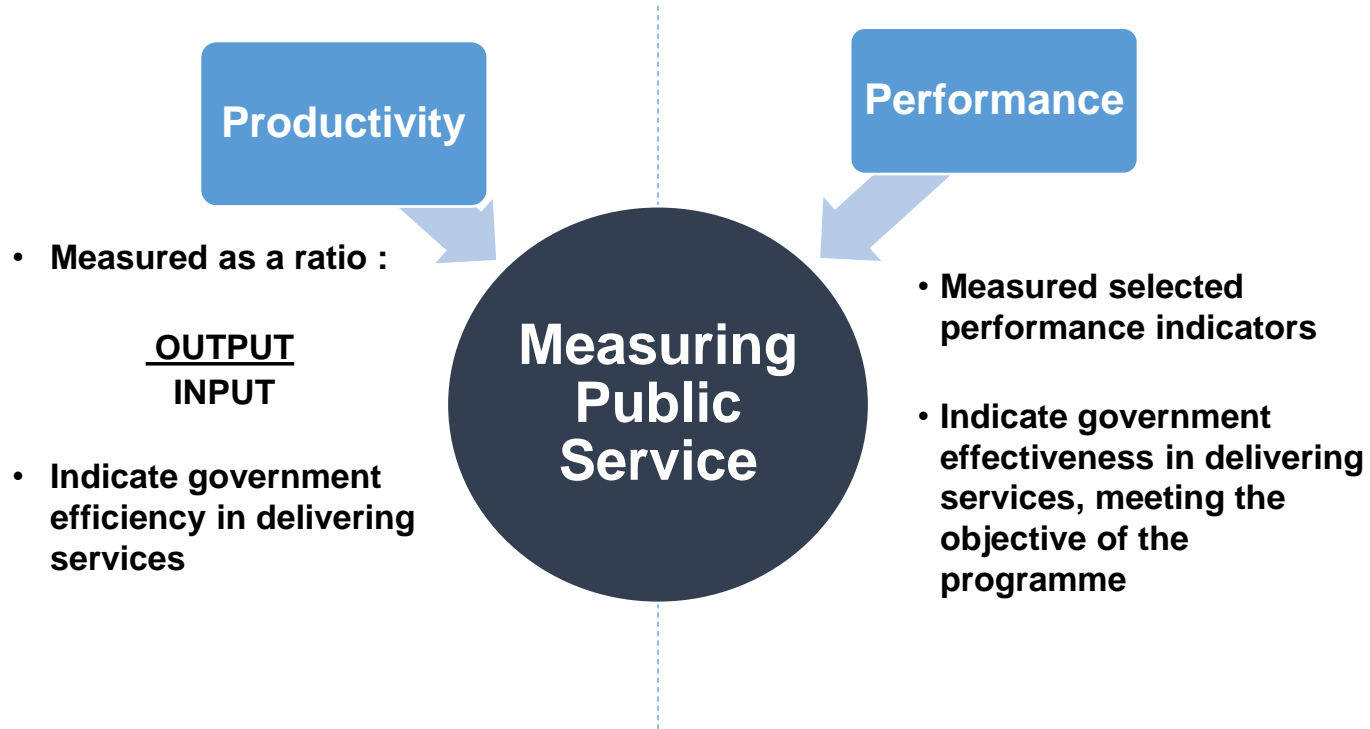
- **Strategy D3: Improving monitoring and evaluation focused on outcomes** through cascading an outcome-based approach (OBA) in results monitoring and resource allocation.

Integrating productivity improvements into public service

The Eleventh Plan emphasises efficiency and productivity improvements in both the public and private sectors. Similar to the private sector, public sector institutions will leverage guidelines and practices from the Malaysia Productivity Corporation (MPC) on productivity enhancements, and yardsticks for productivity measurement will be embedded into the KPIs of ministries and agencies.

Rightsizing the public service for better productivity and capabilities

Initiative to measure public sector productivity

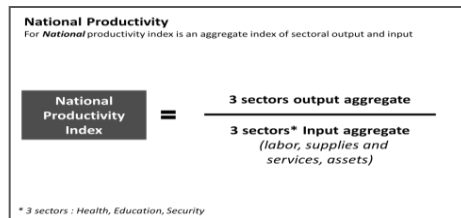


Public Service Productivity Measurement Model Framework and Scope of Measurement

1

National Level

Productivity - UK

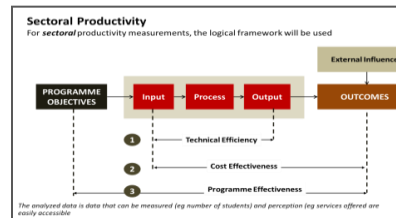


- Ratio of aggregate output and aggregate input of the following sectors
 - Health
 - Education
 - Security

2

Sectoral Level

Australia General Performance Framework



- Health
 - Primary (Clinic)
 - Secondary (Hospital)
- Education
 - School
 - University
- Security
 - PDRM
 - Immigration
 - Prison
 - Fire & Rescue (Bomba)
 - Civil Defence (JPAM)

3

Organisation Level

Perception - Canada



- Dewan Bandaraya
 - Kuala Lumpur
- Majlis Bandaraya
 - Ipoh
 - Alor Setar
 - Johor Bahru
 - Melaka
- Majlis Perbandaran
 - Kuantan
 - Seremban

* Selected sectors are Health, Education, and Security which represents 63.6% and 77.7% of civil servants of the Federal Government expenditure on emoluments 21

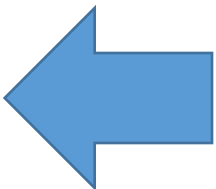
Government Value Added and Consumption are compiled based on the concept and methodology outlined in the System of National Account (SNA)



CLASSIFICATION SYSTEM (USED)

STANDARD MANUAL CLASSIFICATIONS

- Malaysia Standard Industrial Classifications (MSIC) 2008, Ver. 1.0
- Malaysia Classification of Products by Activity (MCPA) 2009
- Classification of Individual Consumption according to Purpose (COICOP)
- **Classification of the Functions of Government (COFOG)**
- Classification of the Purposes of Non-profit Institutions (COPNI)
- Standard International Trade Classification (SITC) rev. 4
- Broad Economic Categories (BEC)



COFOG is based on the UN/OECD Classification of the Functions of Government (COFOG), 2000 (an earlier version was used in GFSM 1986 and 1993 SNA)

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Detailed structure and explanatory notes

COFOG code [09.7.0](#)

[Structure](#) [Notes](#)

Hierarchy

- Division: [09](#) - Education
- Group: [09.7](#) - R&D Education
- **Class: [09.7.0](#) - R&D Education (CS)**

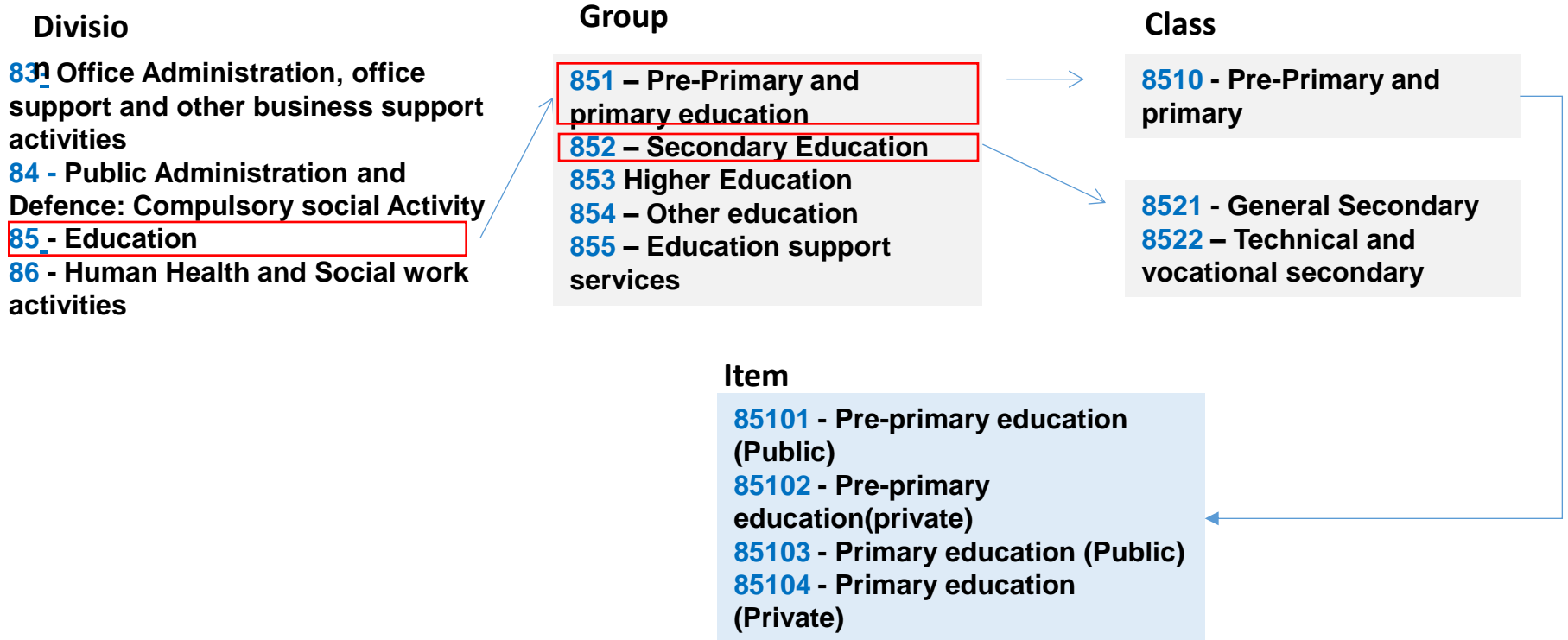
Explanatory note

- Administration and operation of government agencies engaged in applied research and experimental development related to education;
- grants, loans and subsidies to support applied research and experimental development related to education undertaken by non-government bodies such as research institutes and universities.
Excludes: basic research (01.4.0).

Would you like to leave some feedback?
(on this code, this classification, the site in general or any other issue)

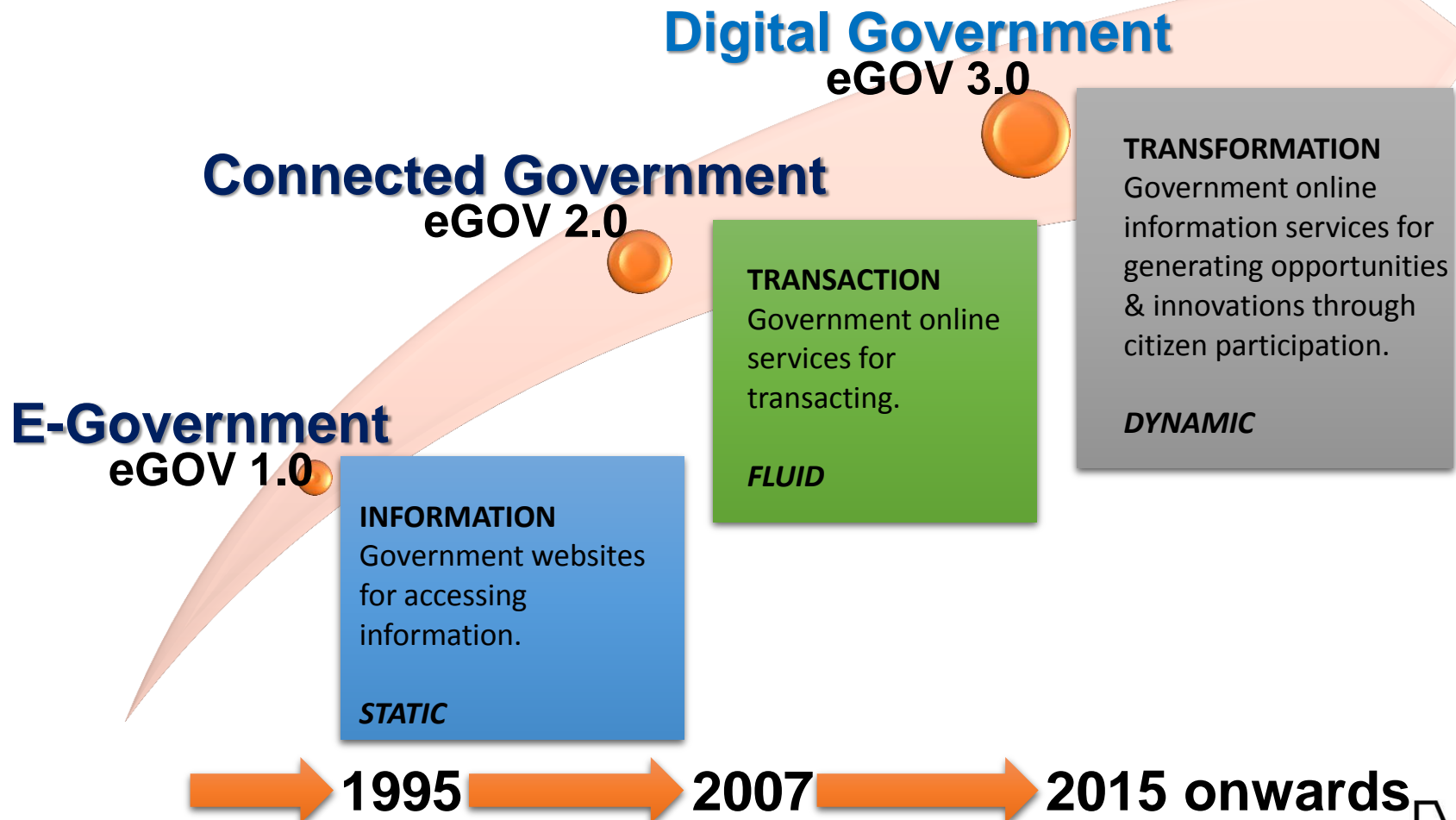
Then drop us a line at CHL@un.org.

Malaysia Standard Industrial Classifications 2008 Ver. 1.0 (MSIC)



Source :DOSM

MALAYSIAN E-GOVERNMENT EVOLUTION





THANK YOU