

**Remarks
by
Lim Hong Hin
Deputy Secretary-General of ASEAN
for the ASEAN Economic Community
at
ASEAN-OECD Good Regulatory Practices Conference
Kuala Lumpur, Malaysia, 10 March 2015**

Your Excellencies

Datuk Rebecca Santa Maria, Secretary-General, Ministry of International Trade and Industry, Malaysia

Victoria Treadell, British High Commissioner to Malaysia

Rolf Alter, Director of Public Governance and Territorial Development Directorate, Organization for Economic Cooperation and Development

Distinguished Guests

Ladies and Gentlemen

Good Morning!

On the outset, I would like to congratulate the Ministry of International Trade and Industry, Malaysia and the Organization for Economic Cooperation and Development, for organizing this conference, which I believe will provide a good opportunity for key stakeholders to exchange views on how regional integration process could be further broadened and deepened, through the adoption of good regulatory practices.

This conference has also come at the most opportune time as Malaysia assumes ASEAN Chairmanship to oversee the timely realisation of ASEAN Economic Community 2015 and the preparation of a new vision to guide the integration process post-2015.

Regulatory reform has been the cornerstone of ASEAN's on-going integration efforts towards establishing a single market and production base where there will be free flows of goods, services, investment and skilled labor, and freer flow of capital.

Several domestic legislations has been revised to enable ASEAN Member States to implement its obligations as stipulated in key economic agreements, amongst others, including ASEAN Trade in Goods Agreement, ASEAN Framework Agreement on Services, ASEAN Comprehensive Investment Agreement and ASEAN Mutual Recognition Arrangement for skilled professional. This has resulted in the simplification of rules, streamlining of customs procedures, harmonizing of standards regime, improving investment environment and enhancing market access for locally produced goods and services.

ASEAN has also been working to create a competitive economic environment by putting in place legal frameworks on competition, intellectual property and consumer protection, with the view to regulate monopolistic conduct and create a level playing field, protect intellectual assets and encourage innovation, and ensure consumer rights and safeguard their interests.

ASEAN is also in the process of operationalizing several transport facilitation agreements to establish an effective, efficient, integrated and harmonized transit transport system in the region.

ASEAN has further put in place a structure to engage leading institutions to look into the drafting of guidelines on regulatory reform and, dialogue partners for best practices and capacity building to undertake the reform. Such structure has placed ASEAN in a firm footing to undertake the much needed reforms in some of its key economic sectors such as utilities, transport and telecommunication.

ASEAN has also drawn many lessons from its own Member States regulatory reform initiatives as well as through its engagement with dialogue partners. These include:

- (a) While governments acknowledged that it derived benefits from regulatory improvements, they find it difficult to control the quality and quantity of regulations, given the conflicting interests between short and long term objectives. It was suggested that both systemic (e.g., regulatory policies, practices and institutions) and strategic reform (e.g., review/reform of regulated sectors and reduction in regulatory costs) be jointly undertaken;
- (b) It is imperative that a holistic approach be adopted in identifying challenges and proposing solutions for undertaking regulatory

reform in sector where several key agencies are involved, such as the establishment of national single window;

- (c) It is also essential to determine the priorities prior to undertaking regulatory reform for a given sector. For example, in the logistics sector, it is beneficial to establish a connectivity strategy group to prioritise regulations for revisions and these will then be further simplified through the adoption of a set of indicators which serve as benchmarks in structuring logistics policies;
- (d) It is also useful to hold informed regulatory conversations between government agencies and stakeholders to address implementation issues and regulatory inconsistencies, be it redundancy, overreach or lack of coherence;
- (e) It is also important to anticipate future challenges as governments continue to be confronted with higher expectations against diminished resources to address cross-cutting issues arising from policies governing key economic sectors; and
- (f) While it is important to have an explicit regulatory reform policy with clear set of objectives, it is equally critical to secure endorsement at the highest political level for a successful regulatory reform.

In summing up, the assessment from the outcomes of past initiatives is that good regulatory practice would need to be sustained and carried forward for the long-term. There is already awareness on regulatory reform and stakeholders are beginning to understand the challenges, strategies and steps involved. Informed regulatory conversations could also be useful to address inconsistencies in policy-making and coordination, which may arise from the continuous evolution of businesses and emergence of new practices.

Being a multi-disciplinary issue, regulatory reform will need closer collaboration among stakeholders from both public and private sectors. I am certain that the interaction between the experts and participants for the next two days would provide valuable knowledge and pragmatic understanding of good regulatory practices in the context of regional economic integration.

I wish you well in your deliberations and look forward to hearing your recommendations which will provide inputs to our on-going efforts to draft the vision for our regional integration process beyond 2015.

Thank you.