



30<sup>th</sup> Oct 2012

## SPEED UP DOING BUSINESS: DEALING WITH CONSTRUCTION PERMITS IN 16 CITIES IN MALAYSIA



# Outline

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**1. Purpose**

**2. Background**

**3. Key Findings**

**4. Recommendations**

# 1. Purpose

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**a**

To inform the findings of the DCP baseline study for 16 capital cities; and

**b**

To make recommendations on the improvement initiatives to ease dealing with construction permits in capital cities

# 2. Background

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- Focus Group Dealing with Construction Permits (FGDCP) was requested by PEMUDAH to conduct a baseline study on DCP in 16 locations;
- The study aims to identify bottleneck and good practices;
- It was conducted from September – October 2012;
- The methodology is based on the World Bank Doing Business Report with modification to suit Malaysia's context;
- Data collected with the help of more than 500 private sector contributors and public sector officials (KPKT, KWPKB, JKT, DBKL, PBTs, JBPM, SPAN, SKMM, IWK, TM, TNB, Engineers, Architects and Planners); and
- Key performance indicators in measuring quality of regulations in DCP are:

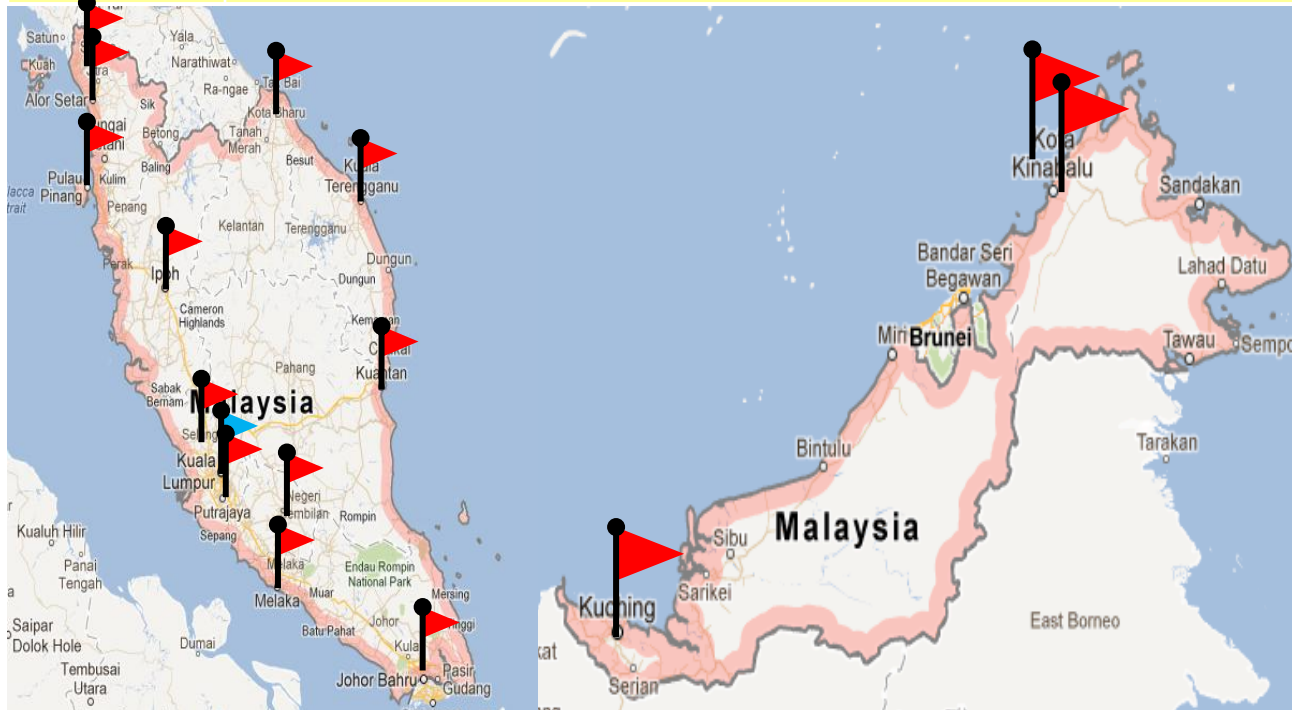
○ **Procedure**

○ **Time**

○ **Cost**

# 2. Background (cont'd)

MONTH	Location
Sep 2012	Putrajaya, Labuan, Kangar, Alor Setar, Georgetown, Ipoh, Johor Bahru, Melaka, Kuantan, Kuala Terengganu, Kota Bharu.
Oct 2012	Kucing Utara, Kota Kinabalu, Shah Alam and Seremban.



### 3. Key Findings: What it takes to comply with formalities to build a Petrol Station in 16 Capital Cities

	LOCATION	PROC.	TIME (DAYS)	COST (RM)	COST (%GNI PER CAPITA)
1	KANGAR	20	80	6,691	27.4
2	KUALA TERENGGANU	41	89	8,988	36.7
3	KOTA BHARU	48	89	14,122	57.7
4	KUCHING UTARA	34	218	3,739	15.3
5	LABUAN	57	111	8,356	34.2
6	KUALA LUMPUR	37	161	5,031	22.0
7	KUANTAN	59	135	12,335	50.4
8	MELAKA	57	135	30,065	122.9
9	ALOR SETAR	51	262	22,169	90.6
10	KOTA KINABALU	40	278	46,241	189.1
11	JOHOR BAHRU	66	192	18,161	74.3
12	SHAH ALAM	48	290	28,287	114.6
13	SEREMBAN	53	300	62,866	254.8
14	PUTRAJAYA	80	129	8,001	32.7
15	IPOH	58	306	10,914	44.6
16	GEORGETOWN	41	196	407,814	1667.4

Note GNI = USD7.900

## 3. Key Findings (cont'd)

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- High number of procedures continues to be a challenge for business;
- Wide variation in quality of regulation across the cities points to ample opportunities for further regulatory improvement;
- Cities can learn from the existing good practices of Kuala Lumpur; and
- Existing OSC and Inspection methodology can be further streamlined.

# 5. Recommendations

