

Preliminary Assessment Summary

Prakas on procedure revising of product registration

This Prakas require the producer to have its product code that produced in Cambodia. Now a day difficult to find the product in the market retail are which producer's product this case have problems when which product abuse the Prakas (no encourage foreign investment) or when found that which product cause danger to the public and don't know the source.

Voluntary product registration (Manufacture in Cambodia) that assist the works by ministry of industry, mine and energy are consider as other options that can be implement. More costs in order to implement the Prakas are low but the Prakas get some more benefit on the benefit of founding the source of the product as information statistic related to good producing and strengthening better tax collection. So this Prakas will be get net benefit. Adding costs for implement the option (voluntary product registration) difficult to estimate because general the voluntary implementation are low. On the other hand advantages of the Prakas demand for all respect. So that's why option (voluntary product registration) seem provide less benefit and not much reduce the costs (if compare with the Prakas).

However the Prakas provide the net benefit and better than other options it can more revise via consultation and control again too. Adding costs for implement can be more reduce by a little changing that not impact to the benefit. If can't control again, should be start on the implementation program and more monitoring.

Preliminary Assessment statement

Regulation : Draft Prakas on procedure revising of product registration
 Ministry : Industry, Mine and Energy
 Reference no : MIME/00006
 Date started : 07 March 2012
 Date finished : 28 September 2012

A brief description of the proposal

This Prakas aim revise the process of product registration that produced in Cambodia. this Prakas instead of the old Prakas 621(2005) that require all owner factory and handicraft registration its product when start the production that related to process of proposal and inspection and pay for each production chain. This registration renew once 3 years. Due to this Prakas have the overlap condition for creating factory enterprise so it consider as no need regulation.

New Prakas easy for product registration and no payment. Business have to request the new code for its product in 3 years that this duration equal the factory process certificate duration too. About this Prakas companies will have product code for each goods that produced in Cambodia. Product code can be get with production registration and factory. This product code have to put in the package. The companies product registration have to show that:

- Product have to follow the condition of Prakas that is to say can be implement factory owner enterprise have to allow from brand name owner.
- The product not cause the risk with public or environmental. The product that case danger (if not true produce) it will make laboratory test on preliminary quality before allow for product registration.

Types of proposal

Law	Royal Decree	Sub Decree	Prakas	Decision	Circular	Other (describe)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This proposal regulation has impact on:

Economic
 Social
 Environmental
 Other

1. Problem Identification

1.1. Main problems to be addressed by this proposal

Main problems		Evidence/Actualty
Public health and safety	Yes	Some product if not good produce or incorrect it can be have risk for public. registration can help the government to find factory and enterprise owner.
Environmental protection and conservation	Yes	Because this Prakas require to have monitoring the factory and handicraft production chain it cause more easy with monitoring and controlling follow the related regulatory and environment form fatory and handicraft owner.
social, gender equity and cultural conservation	No	
Promote competition	No	
collection of Informantion	Yes	The government will be able to collect the information wide of product produced in Cambodia (now a day haven't enough these information.
Comply with WTO and other agreement	Yes	To make easy for monitoring on brand name and writter right.

1.2. Other related problems to be also addressed by this proposal

International brand name fraud are the important problem of Cambodia. International brand name need the believable in order to confirm their write right was protected if their make

the business in Cambodia. Not enough information about what produced in Cambodia and who get allow for producing process it make government of Cambodia difficult to strengthening implementation on intellectual property right law.

This information are important for Cambodia in order to collect tax and other action.

Able to monitor found product produced in Cambodia are the main problem that this Prakas aim to address. Example if which product found that fake or danger it difficult to monitor find the product owner if not registration as system. On the other hand the government can collect the information about product that have benefit for other objective using. (Example attach with tax collection statistic).

To confirm that how this regulatory will make better situation ?

This Prakas require the companies to have the code for each production chain of product that this code are show on the product package it provide the productivity to government can monitor to found product owner. The product that no code it will be extract from the market and product seller will be surveyed. Registration will make the government found the fake or not allow product and attach with statistic.

2. Objective

The objective of government to intervene are:

- collect the information about the product that produce in Cambodia that will provide some benefit
- easy to identify the identity of fake product.
- evaluate the increase of production in Cambodia.
- reduce the costs on this Prakas management.

3. Options

3.1 List any (existing) regulations that are related or similar?

Prakas 607 on procedure and form proposal for create factory and handicraft. This Prakas registration factory and confirm on require condition for product produced in Cambodia. When the product sell in the market have the code if easy to found that product produce factory and monitor on Prakas 607.

Present Prakas 621 require registration at Cambodia standard institution entry in this Prakas.

Inter ministries Prakas 370 (ministry of industry, mine and energy, ministry of commerce and ministry of finance and economic) require to pay license USD 150 to ministry of finance and economic for a product registration so it pressure to business.

Other options

3.2 Other option able to implement (for impact assessment)

Increase voluntary registration by ministry of industry, mine and energy regular inspection and provide free registration on that time and increase the registration when business use the one window service.

3.3 Other option that have with the theory but can't implement

Dissemination voluntary registration with the ministry's circular (present situation can't achieve the effectiveness if not reinforce the implementation.)

Regular inspection in order to control the factory and product in the market. Monitoring the product in the market are the competency of ministry of commerce and it so much costs.

4. Preliminary estimate of compliance Costs and Benefit

4.1. Identification of tasks and cost categories

The detail of identification of cost and calculation there are link in the back. The cost for implement in a year for option 1 as USD:

Government costs USD 82,000

Government cost USD 192,000

Total cost USD 274,000

Total adding cost USD 274,000 are not significant

Calculation the cost of option 2 is difficult because we not the way to estimate the rate of implementation. The high implement the cost are high too but it get the high benefit too.

The benefit of Prakas option 1 according to the adding information that the ministry of industry, mine and energy got. these are difficult to estimate too.

5. Consultation

Group	Enterprise	Method	Concept summary
Business	FASMEC*	Survey and workshops	The aim of survey are estimate the adding cost in order to follow the implementation. The old Prakas (Prakas 621) stakeholder supported.
	GMAC Perheap 70 companies in PNP,BTB,KD L,KPC		New Prakas because it reduce the cost for implement (the product code free). some business feel that recognizing form ministry of industry, mine and energy and help their product to get believe from customer.
Customer	customer group	informal consultation with customer at workshop	the product code issuing by innistry of industry can be recognize the quality by customer.
Government	MoC department province	meeting and workshop	Supported
NGO	JICA, USAID	Attended the about meeting	Supported
Gender	women group	NA	

6. Conclusion

6.1 Summary of cost and benefit

Options	Adding cost for industry sector	Adding cost for public sector	Benefit
Option 1: Prakas	Not significant	Not significant	significant
Option 2: voluntary product registration (produce in Cambodia) that coordinate the job by ministry of industry, mine and energy.	Not significant	significant	Not significant

6.2 DO we need to do (RIS)?

- Need
- No Need

No need to do RIS due to this regulatory do not have the negative impact to competition. The cost of regulation (Perhaps USD 247,000) not significant.

6.3 Chosen option

Described in the page 1.

Condition to judge		Reason
Do option that have minimum cost are for industry and community ?	not clear	despite the option 2 have cost less than option 1 (Prakas) if the number of registration are little the government have to take other measures that make the option 2 more cost.
Do this option provide the maximum benefit ?	Yes	more benefit get from the Prakas not know if the rate of follow obey near 100%. rate of follow obey more low the cause the low benefit significant.
Does it the option have	Yes	high obey have low risk.

minimum risk for public ?		
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If the above answers are "not" why choose this option. Despite the judgement condition about one or two negative but combination of all are reasonable.

The benefit of registration can be considered: low risk for community and environment more foreign investment due to brand name protection more income tax and better economic statistic. However monitoring on follow respect can be effectiveness when the rate of registration only increase 100% (in this rate which product that not code it make worry case survey). high rate of follow respect can't become for voluntary registration(option 2). so the benefit of option 2 seem low than Prakas.

Little cost however cost of option 2 lower than (not clear) net benefit of option 1 can be higher than option 2.

7. Implement and monitoring

7.1. What measures were adopted to enhance transparency and good governance during the implementation stage?

workshop to glorify knowledge prepared for government officer at department in the 24 province and for SMEs.

business will be provide duration 3 months to get ready for implementation.

7.2. Should this regulation be reviewed/monitored after implementation? If so when and how should it be reviewed/ monitored?

Plan to monitoring and control again in 3 years.

Other Description

Despite the Prakas can provide the net benefit it make more better via more consultation and monitoring again because it can be confused related to the objective. On the other hand doing more better this prakas the obligation cost can be reduced. Example it not clear why the product need to register every 3 years despite the product not change.

At least careful measure assessment and monitoring are necessary in order to insure that the benefit can be achieved.

Process	Name	Position	Contact
Prepared by MME-RIA Team			
Commented by ECOSOCC/ORIA	H.E Pech Sokha	RIA Manager	012 698 999
	Her.E Seang Sophalla	Chief Training and coordination Team 2	012 665 201
	Mr. Kong Virak	Member T 2	089 899 584
Assistant	Mr. Rom Phallis	Admin Staff	078 235 078
Entered the database			

