

**MALAYSIA COMPETITION COMMISSION**  
**“SIX YEARS OF CHAMPIONING COMPETITION”**

The Competition Act 2010 was enforced on 1 January 2012 after being gazetted on 10 June 2010 by the Government. The Malaysia Competition Commission (“Commission”) was given the mandate to administer and enforce the Competition Act 2010 (“CA 2010”) under the Competition Commission Act 2010 (“CCA 2010”). Since its establishment, the Commission vigorously embarked in engaging targeted stakeholders across all levels with its advocacy and outreach activities. In 2013, the Commission had conducted a “Baseline Study to Gauge the Level of Awareness of the Competition Act 2010 Among Businesses” and in 2016, a similar study on “Awareness and Perception of the CA2010 and Role of the Commission in Malaysia” was conducted again to look at the level of improvements that have been achieved since the 2013 study.

In the 2013 baseline study, 600 respondents of small and medium enterprises (SMEs) from services (75.4%), manufacturing (14.2%), building and construction (6.4%), agriculture (3.1%) and mining and quarry (0.8%) industries participated in the study. The baseline study used only SMEs as a sample of study whereas the latest study in 2016 used samples from respondents of varied backgrounds. Despite Commission’s efforts in conducting 97 advocacy programmes nationwide between 2011 and 2013, the baseline study indicated a low level of awareness and knowledge of the CA 2010 among the respondents in the 14 states in Malaysia. Perlis, Melaka and Sabah projected zero level of awareness and knowledge of the CA 2010. The study also showed that highest percentage scores for awareness level of CA 2010 were only around 11%. This applied for three states namely Pahang (10.7%); Johor (10.6%) and Penang (10.3%). Knowledge level of the CA 2010 was also low for all states to which almost all states indicated below 10%. The only exception was Perak where 11.8% of responding businesses recorded that they had a fair amount of knowledge of the CA 2010.

In 2016, as a follow up to the aforementioned baseline study, Commission conducted a study to examine the current level of awareness and knowledge of the Commission’s main stakeholders of the CA 2010. This time, the targeted stakeholders involved were business communities, government agencies, competition practitioners (lawyers and economists), consumers (students), and Consumers/Trade Associations. The purpose of this study is to gauge the performance of the advocacy and outreach activities from the perspectives of the stakeholders and it will serve as the guidance in

assisting the Commission in its efforts to enhance the effectiveness and quality of the advocacy and outreach programmes to be carried out in the future.

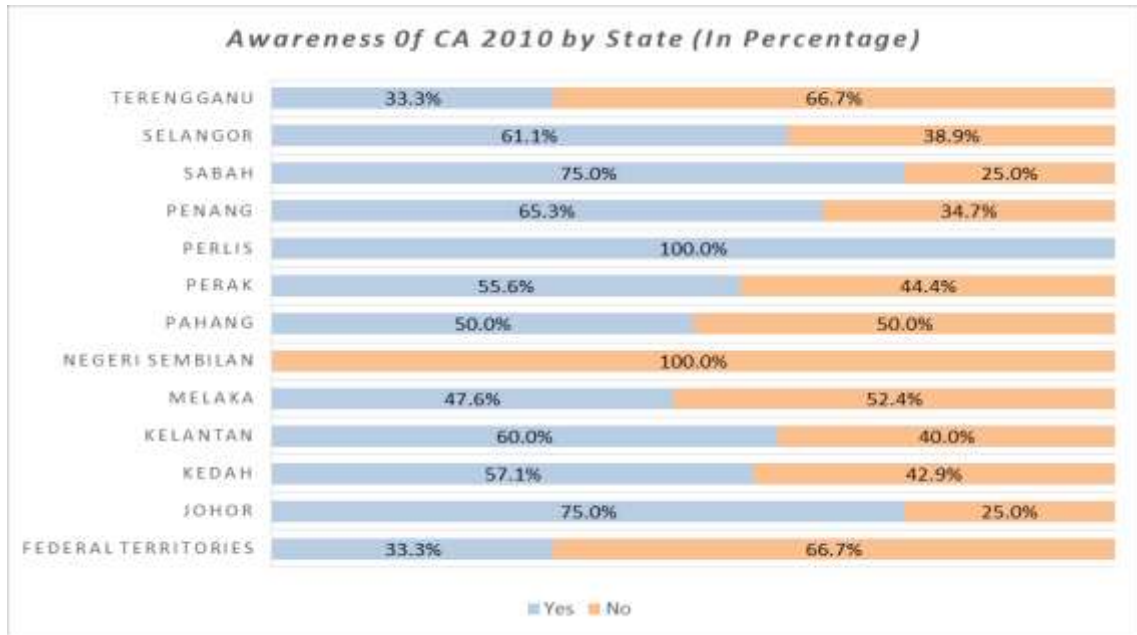
A total of 463 respondents participated in the study. It comprised of 27 respondents from Government Link Company (GLCs), 44 respondents from Multinational Corporations (MNCs), 154 respondents from Small and Medium Enterprises (SMEs), 144 respondents from Government Agencies, 31 respondents from Practitioners (Lawyers & Economists) and 63 from Consumers (Students and Consumers/Trade Associations). **Table 1** shows the level of awareness of the CA 2010 and knowledge of the CA 2010 by stakeholders in more detail.

**Table 1: Level of awareness and knowledge of the CA 2010 by Stakeholders ( Table title should be before table)**

N= 463	Level of awareness		Level of knowledge (N= 217)			
	Yes	No	A lot	A fair amount	Not very much	Have heard, but know nothing
	(N= 217)	(N= 246)	(N= 11)	(N= 34)	(N= 86)	(N= 86)
Government Link Company (GLCs) (27)	25.9%	74.1%	14.3%	14.3%	57.1%	14.3%
Multinational Corporations (MNCs) (44)	38.6%	61.4%	5.9%	11.8%	29.4%	52.9%
Small and Medium Enterprises (SMEs) (154)	56.5%	43.5%	10.3%	14.9%	40.2%	34.5%
Government Agencies (144)	41.0%	59.0%	0.0%	15.3%	44.1%	40.7%
Practitioners (Lawyers & Economists) (31)	87.1%	12.9%	0.0%	22.2%	33.3%	44.4%
Students (57)	26.3%	73.7%	0.0%	20.0%	40.0%	40.0%
Consumers / Trade Associations (6)	83.3%	16.7%	0.0%	0.0%	20.0%	80.0%

Practitioners (lawyers and economists) have the highest awareness about the CA 2010 among the respondent groups with 87.1% of them said they know about the CA 2010. The lowest awareness group of respondents are the GLCs with only 25.9% from 27 respondents have heard about the CA 2010 before. It can also be seen that level of awareness amongst the SMEs is moderate at 56%.

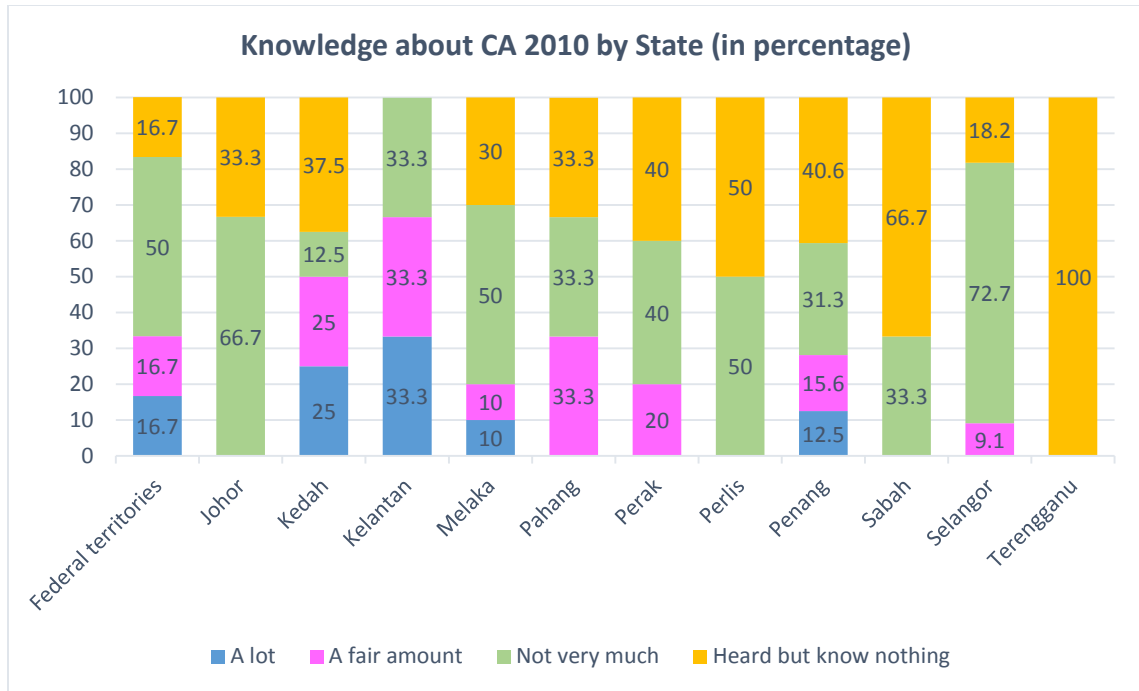
Since baseline study only uses SMEs, a detailed analysis of level of awareness and level of knowledge of 154 SME respondents in 2016 study is undertaken as a comparison. As shown in **Figure 1**, the highest percentage score for awareness of the CA 2010 is from the state of Perlis with 100% score, and followed by three states: Johor (75%), Sabah (75%) and Penang (65.3%).



**Figure 1: Awareness of the CA 2010 by State**

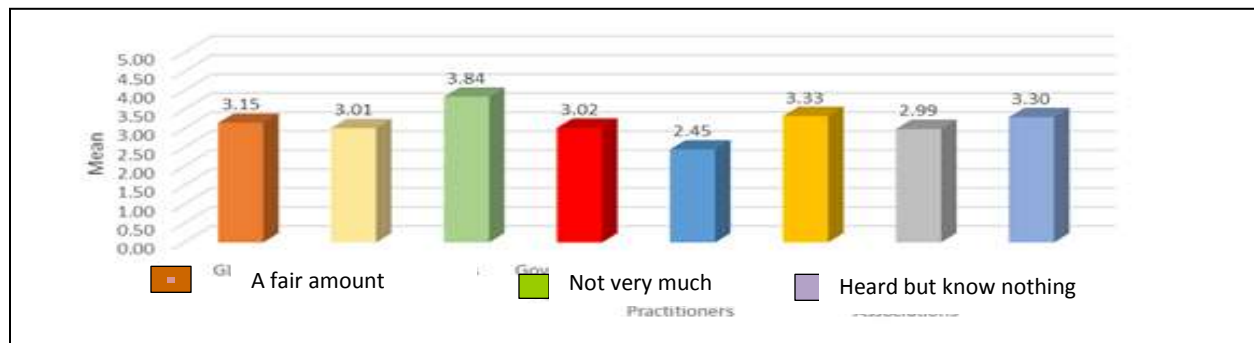
As shown in **Figure 2**, majority of all states showed that they have knowledge about CA 2010 but not very much of it. Meanwhile, the respondents in Kelantan (33.3%), Kedah (25%), Federal Territories (16.7%), Penang (12.5) and Melaka (10%) have a lot of knowledge about CA 2010. Surprisingly, all the respondents from Terengganu have heard of CA 2010 but know nothing about the act. However, the results must be read with caution due to small sample size in some states.

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**Figure 2: Knowledge about CA 2010 by State**

**Figure 3** shows that SMEs are the highest stakeholder group in acknowledging on the quality of advocacy and outreach programs of the Commission. Practitioners (Lawyers & Economists), the least among the stakeholder groups acknowledging on the quality of advocacy and outreach programs of Commission.



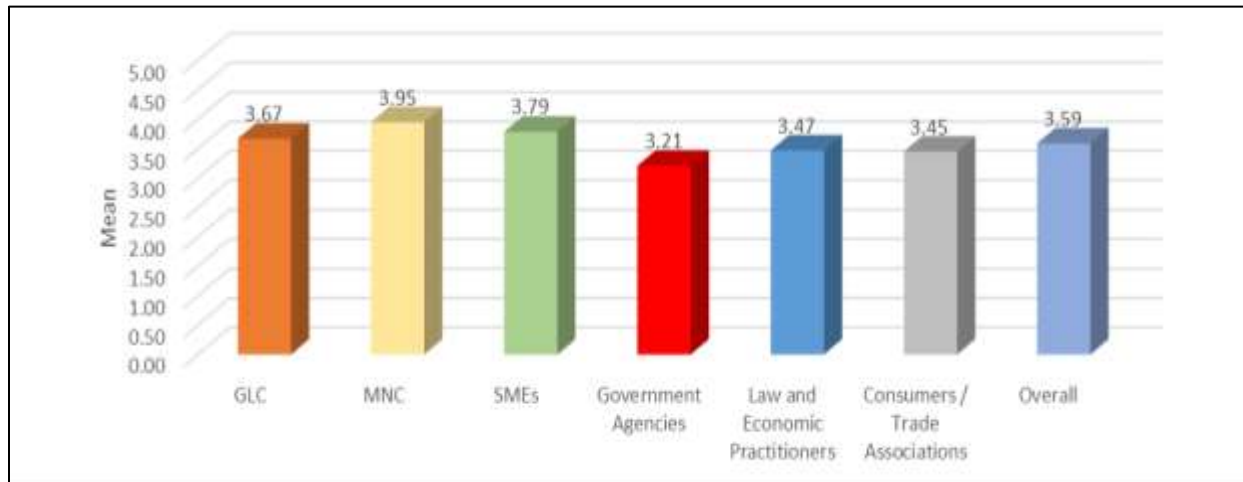
**Figure 3: Quality of Advocacy and Outreach Activities of the Commission**

**Table 2** shows that Practitioners (lawyers & economists), followed by Government Agencies and Consumers/Trade Association acknowledge that Malaysian businesses are run by only a few large players with not enough competition.

**Table 2: Perception of Stakeholders that Business in Malaysia is run by a few large players**

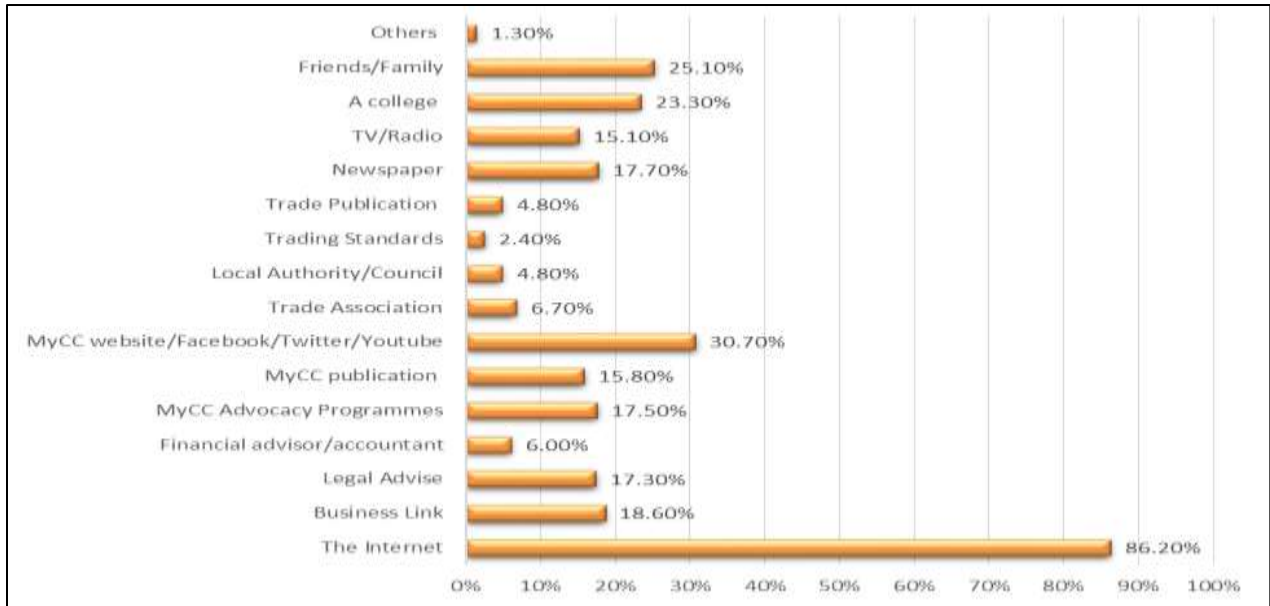
N= 463	GLCs	MNCs	SMEs	Government agencies	Practitioners (Law & Economists)	Students	Consumer / Trade Associations
Businesses in Malaysia is being run by only a few large players	3.40	3.40	3.44	3.75	3.96	3.31	3.66

**Figure 4** shows that business entities (MNCs, SMEs and GLCs) indicate having good and positive practices, attitude and culture of Compliance with the CA 2010.



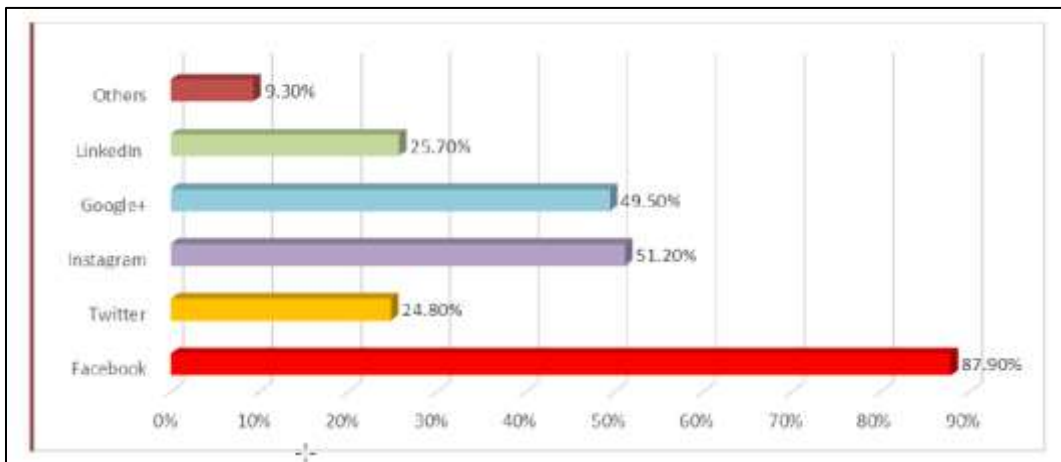
**Figure 4: The Company Practices, Attitudes and Culture of Compliance to the CA 2010**

**Figure 5** show that about 80% of respondents refer to the internet as the main source of reference for awareness and existence of Commission and the CA2010. The Internet is the most preferable source of information on the CA 2010 by respondents. This is followed by the Commission’s Website, Facebook, twitter and YouTube. Newspaper comes in sixth as a source of reference.



**Figure 5: Sources of information on Competition legislation**

**Figure 6** shows that Facebook is the first preference social media site by respondents with 87.9% of respondents referring to it, followed by Instagram (51.20%) and Google+ (49.50%).



**Figure 6: The stakeholders' preferences of the social media sites**

## ***Conclusion***

Overall, the level of knowledge on the CA 2010 in the 2016 study is higher than the Baseline study very high. The two main source of reference about the Competition Legislation is through the Internet and Commission's website/Facebook/Twitter/YouTube.

In conclusion, the 2016 study revealed an overall improvement in the quality of the Commission's advocacy and outreach programmes in relation to awareness and perceptions of the CA 2010. This showed that the hard work put forth by the Commission over the past few years have not gone unnoticed by the public at large. Thus, this study propagated the need of continuous quality communication, training and education to be given to stakeholders and optimum utilisation of the available social media sites with usage of multiple languages. In emphasizing the enforcement activities, it is recommended that the Commission's advocacy and outreach programmes include compliance aspect such as industry specific "Do's and Don'ts" of the marketplace as a guide to stakeholders as well as establish helpdesk facilities to help stakeholders with uncertainties with regards to the CA 2010.

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