
NEWS RELEASE

FURTHER RESEARCH NEEDED ON DOMESTIC BROILER MARKET

KUALA LUMPUR, 08th February 2013 – After conducting a market review and taking into consideration the views and feedback received, including those derived from its public consultation exercise, the Malaysia Competition Commission (MyCC) has concluded that there is no conclusive evidence of any forms of anti-competitive conduct in the Domestic Broiler Market (for Peninsula Malaysia).

“This may be due to the lack of data and information needed in order to comprehensively review and assess the Domestic Broiler Market,” said MyCC Chief Executive Officer (CEO), Pn Shila Dorai Raj. “The MyCC is currently in the process of conducting further data analysis in order to get a more thorough assessment of the sector’s practices, especially where vertical agreements are concerned.”

In accordance to section 11(1) of the Competition Act 2010, the MyCC had conducted a market review on the Domestic Broiler Market (for Peninsula Malaysia) with the publication of its Issues Paper on the 16th of July 2012. The Issues Paper underwent a public consultation process from the 16th of July 2012 to the 29th of August 2012.

Following the public consultation, the MyCC has issued an Interim Report presenting the findings based on MyCC’s research and analysis, as well as on the matters that were raised in the submissions received.

During the course of the review, the MyCC had looked into the respective ex-farm, wholesale and retail segments of the broiler supply chain. The vast difference of the numbers of registered farming establishments and the data collected by the Department of Veterinary Service (DVS) has led to MyCC’s view that a common database on broiler

farming activities is needed in order to clarify the currently obscure form of market structure at the ex farm level.

The Interim Report, which further lists the MyCC's recommendations, can be found at the following URL: <http://www.mycc.gov.my/news.asp?page=MarketReview>.

---end---

For media enquiries, please contact:

Rowena Wong

Email : rowena@mycc.gov.my

Telephone : +603 2273 2277 ext 111

Corporate Communication Unit

Malaysia Competition Commission

About Malaysia Competition Commission (MyCC)

Established in June 2011, MyCC is an independent body responsible for enforcing the Competition Act 2010, which was implemented to create healthy competition which would in turn stimulate productivity and innovation, thus creating wider choices of products for consumers with better quality and reasonable prices.

The Act applies to all commercial activities undertaken within and outside Malaysia that affects competition in the Malaysian market. It provides a regulatory framework including powers to investigate, adjudicate and impose penalties on the perpetrators of the competition laws.

For more information on the Act and MyCC activities, log on to www.mycc.gov.my.

Notes to Editor:

Information on Section 4 and 11 of the Competition Act 2010

Section 4: Prohibited horizontal and vertical agreement

4. (1) A horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services.

- (2) Without prejudice to the generality of subsection (1), a horizontal agreement between enterprises which has the object to—
- (a) fix, directly or indirectly, a purchase or selling price or any other trading conditions;
 - (b) share market or sources of supply;
 - (c) limit or control—
 - (i) production;
 - (ii) market outlets or market access;
 - (iii) technical or technological development; or
 - (iv) investment; or
 - (d) perform an act of bid rigging, is deemed to have the object of significantly preventing, restricting, or distorting competition in any market for goods or services.
- (3) Any enterprise which is a party to an agreement which is prohibited under this section shall be liable for infringement of the prohibition.

Section 11: Power to conduct market review

11. (1) The Commission may, on its own initiative or upon the request of the Minister, conduct a review into any market in order to determine whether any feature or combination of features of the market prevents, restricts or distorts competition in the market.
- (2) The market review includes a study into—
- (a) the structure of the market concerned;
 - (b) the conduct of enterprises in the market;
 - (c) the conduct of suppliers and consumers to the enterprises in the market; or
 - (d) any other relevant matters.