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**NEWS RELEASE**

## **MyCC's PAST ACHIEVEMENTS AND WAY FORWARD**

**KUALA LUMPUR, 2<sup>nd</sup> March 2015** – The Malaysia Competition Commission (MyCC) has continued to strengthen competition in the local business landscape since the enforcement of the Competition Act 2010 (CA 2010) in 2012.

According to the Minister of Domestic Trade, Co-operatives and Consumerism (DTCC), Dato' Sri Hasan Bin Malek, amongst the achievements for the MyCC in 2014 is the increase in the number of cases solved along with continuous advocacy efforts. According to the Minister, the MyCC has made significant achievements considering that the CA 2010 had only begun to be enforced in 2012.

Regarding enforcement for example, as of last year, up to 40 active cases were handled by the MyCC that involved the pharmaceutical, associations, logistics, food and transportation sectors. Case decisions including undertakings in 2014 were as follows:

- i. Final Decision on MAS-Air Asia;
- ii. Final Decision on Ice Manufacturers;
- iii. Final Decision for the Sibü Bakery and Confectionary Association (SCBA);
- iv. Proposed Decision for Megasteel Sdn Bhd;
- v. Undertaking by the Pan-Malaysia Lorries Association (PMLOA);
- vi. Undertakings by Giga Sdn Bhd and Nexus Mega Carriers Sdn Bhd;
- vii. Undertaking by the Malaysia Indian Hairdressing Saloon Owners Association (MIHSA)

For the MAS-Air Asia case, a penalty of RM10 million each has been imposed on each of



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the companies and both parties have appealed to the Competition Appeal Tribunal. For the ice manufacturer's case, a penalty of RM252,250 was imposed by the MyCC. As for ice manufacturer case on the other hand, penalty of RM252,250 was imposed by MyCC. MyCC has also issued Final Decision to Sibu Bakery and Confectionary Association, financial penalty as much as RM 247,730 was imposed to 15 bakery product manufacturer and confectioners in Sarawak. Additionally, proposed penalties amounting RM4.5 million have also been imposed by the MyCC to Megasteel Sdn Bhd.

Apart from that, the MyCC has received three undertakings, consisting of the PMLOA, Giga Sdn Bhd and Nexus Mega Carriers Sdn Bhd, and the MIHSOA cases. In the PMLOA case, the initial intention to increase the transportation charges of up to 15% was cancelled by the association members. Regarding the case on logistic providers Giga Sdn Bhd and Nexus Mega Carriers Sdn Bhd, the undertakings are in relation to exclusive agreements between the two enterprises with vehicle manufacturers, distributors and retailers regarding logistic services and shipping activities of motorised vehicles from ports in West Malaysia to ports in Sabah, Sarawak and Labuan. Both parties undertook to stop any exclusive logistics activities and remove exclusive clauses in their agreements. However, if any individual or enterprises find out that both Giga Sdn Bhd and Nexus Mega Carriers Sdn Bhd do not comply with any terms contain in the undertaking, they may lodge a complaint to the MyCC. On the MIHSOA case, MIHSOA undertook to stop any price-fixing activities by its members.

Along with enforcement, the MyCC has also conducted 31 advocacy programmes last year, to Government agencies, trade associations and industries. The Commission has also published two handbooks on bid rigging: Help Us Detect Bid Rigging and Guidelines on Fighting Bid Rigging in Public Procurement, in addition to the Guidelines on Leniency Regime and the Guidelines on Financial Penalties.



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A collaborative effort with the Federation of Malaysian Manufacturers (FMM) has also resulted in the development of a Competition Compliance Checklist that can be used by FMM members.

Apart from that, the MyCC has also given nine policy advice regarding competition issues under the CA 2010, to the following Government agencies:

- i) Malaysia Productivity Corporation (MPC);
- ii) Ministry of Plantation Industries and Commodities (MPIC);
- iii) Ministry of Health (MOH);
- iv) Economic Planning Unit (EPU);
- v) Malaysia Central Bank (*Bank Negara Malaysia - BNM*);
- vi) Ministry of Tourism and Culture Malaysia (MOTAC);
- vii) Ministry of Education (MOE);
- viii) Malaysian Communications and Multimedia Commission (MCMC); and
- ix) Prime Minister's Department.

#### 2015 Direction

“With regards to the MyCC’s directions in 2015, the Commission will focus on Small to Medium Enterprises (SMEs), pharmaceutical, professional bodies and bid rigging issues,” said Dato’ Sri Hasan bin Malek.

The MyCC’s continuous focus on the SMEs especially through advocacy is due to the fact that most businesses in Malaysia are made up of SMEs, which collectively enable the sector to shape the business landscape. Following the SME Survey developed and conducted in collaboration with SME Corp last year, the MyCC plans for more targeted involvement with the SMEs this year.

The focus on pharmaceutical sector on the other hand, is based on the numerous



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complaints received last year regarding competitive issues in the sector.

Meanwhile with regards to professional bodies, the MyCC will continue to solidify its collaboration with the MPC to conduct the Regulatory Impact Assessment (RIA) in the areas of competition. This follows through from the market review and public consultations held by the MyCC before this regarding price fixing by professional bodies.

In addition, the MyCC continues to focus on bid rigging issues, following the advocacy activities conducted on the subject last year.

Additionally for 2015, the MyCC will work towards forging a strategic alliance with the Ministry of Finance (MOF), Malaysia Anti-Corruption Commission (MACC) and National Audit Department (NAD) to gain better understanding and collaboration in combating bid rigging issues on a national level.

As a new Commission that is still developing, the MyCC will also continue its efforts on institutional and capacity building in addition to enforcing the CA 2010.

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**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



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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](http://www.mycc.gov.my).