

## MEDIA RELEASE

### MyCC STUDIES LINKS BETWEEN DIGITAL ECONOMY AND COST OF LIVING

**KUALA LUMPUR, 16 AUGUST** – In the era where digital economy is drastically changing how we live our daily lives, the interplay between technology and living expenses has taken centre stage. With the impact of this transformation, the Malaysian Competition Commission (MyCC) has initiated a market review initiative to critically assess the ecosystem and how these changes are affecting the cost of living.

Under Section 11 of the Competition Act 2010 (Act 712) the Commission has the authority to conduct market reviews either on its own initiative or at the request of the Minister. These reviews are designed to determine whether any feature or combination of features of the market prevents, restricts or distorts competition in the market.

The market review includes a study into the structure of the market concerned, the conduct of enterprises in the market; the conduct of suppliers and consumers to the enterprises in the market; or any other relevant matters. To date MyCC has undertaken seven (7) published Market Reviews between 2012 and 2022. The notable one was the Market Review of five (5) essential food, which revealed critical insights and has been an eye opener to many stakeholders with the aim to address longstanding issues which ultimately benefiting both consumers and the market as a whole.

“Now, MyCC turns its focus to the digital economy ecosystem. This new review is not just aiming into the significant impact brought by digital advancements and the shifting of market dynamics, but it is a deep dive into how the evolving digital economy is shaping the everyday lives of Malaysians. This market review is to understand how these changes affect the living standards and the real impact on the rakyat’s wallets,” said Iskandar Ismail, Chief Executive Officer of MyCC.

In the recent study published in 2023 on ‘The Impact of the Digital Economy on the Cost of Living of the Population: Evidence from 160 Cities in China’ it was found that the digital economy’s has the potential to ease the financial burden on residents by significantly

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reducing their cost of living. For many, this digital transformation has become a lifeline, offering a glimmer of hope in a time of rising expenses and economic uncertainty. While some cities are benefiting from these changes, many Malaysians are still struggling to face economic challenges. The promise of a more affordable life through digital advancements remains out of reach for those who need it most.

The review zeroes in on mobile operating with particular attention to integrating Application Programming Interface (API) payment system for smooth in-app purchases. The e-commerce landscape, particularly large B2C marketplace platforms, will also be scrutinized. The review broadens to include online digital advertising, evaluating various methods such as search engine marketing, social media ads, display advertising and video promotions. Data privacy and protection concerns are also central to the study, with a focus on issues like switching costs, data misuse and control of data by players in each subsector as above.

In ensuring the success of the market review, MyCC will first host a series of Focus Group Discussion (FGD) sessions aimed at capturing a diverse range of perspectives and insights of the stakeholders. These sessions are designed to ensure the review process is both comprehensive and inclusive. Topics and settings for the FGD sessions can be referred below:

<b>Topic</b>	<b>Date / Time</b>	<b>Location</b>	<b>Group</b>
All topics	15 August 2024	Putrajaya	Ministries and government agencies
Online Travel Agencies (OTAs)	20 August 2024	Kuala Lumpur	Relevant stakeholders including players, users, experts, academicians, consumers and students
E-commerce (Marketplace)	21 August 2024	Kuala Lumpur	
Online Advertising Services	27 August 2024	Kuala Lumpur	
Mobile Operating and Payment System	29 August 2024	Kuala Lumpur	

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On top of that, issues on data privacy and protection will also be discussed in all the FGD sessions.

Given the importance of this studies, interested parties are encouraged to register promptly to secure their participation at no cost. For more information or to register, please visit the MyCC website at [www.mycc.gov.my](http://www.mycc.gov.my) or contact the secretariat at [digitalmr@mycc.gov.my](mailto:digitalmr@mycc.gov.my).

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**About the 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 of Malaysia that affect 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.

MyCC celebrated its 13<sup>th</sup> anniversary on 1 April 2024 and to date, MyCC has taken decisive action against over 100 companies relating to cartels and abuse of dominant positions resulting in a cumulative penalty of more than RM570 million. MyCC's current priorities include amending the Act to introduce the merger control regime, actively targeting bid rigging cartels and cartels in the food and agriculture sectors as well as focusing on the challenges brought by the digital economy to competition law and policy.

For more information on the Act and MyCC activities, log on to [www.mycc.gov.my](http://www.mycc.gov.my)