
NEWS RELEASE

**MyCC Welcomes Public Feedback In Relation To Two Market
Reviews On Pharmaceutical And Building Materials In The
Construction Industry Under The Competition Act 2010**

KUALA LUMPUR, 17 NOV 2017 – The Malaysia Competition Commission (MyCC) is in the midst of finalizing two market reviews namely pharmaceutical and building materials in the construction industry under the Competition Act 2010 (hereinafter “CA 2010”). The objectives of the market reviews are to identify the market structure, supply chain and competition level within the respective sectors.

The softcopy of the said market reviews are made available on the MyCC website at www.mycc.gov.my starting from 17 Nov 2017 until 7 Dec 2017 and public can submit their comments directly through the MyCC website. The MyCC shall give due consideration to any written submission made by the stakeholders and public.

The MyCC in exercise of the powers conferred by Section 11(1) of the CA 2010 may on its own initiative or upon the request of the Minister to conduct a review into any market in order to determine whether any feature or combination of the features of the market prevents, restricts or distorts competition in the market to identify the market structure, supply chain and competition level within the sector.

Pursuant to section 12 of the CA 2010, the MyCC shall publish a report of its findings and recommendations on its website at www.mycc.gov.my upon the conclusion of the market review.

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Corporate Affairs Division

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

ANNEXE A

Notes to Editor:

Information on Section 4, 10, 11 and 12 of the Competition Act 2010. Further information on the two market reviews as per below.

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 10: Abuse of dominant position

10. (1) An enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services.

- (2) Without prejudice to the generality of subsection (1), an abuse of a dominant position may include—
- (a) directly or indirectly imposing unfair purchase or selling price or other unfair trading condition on any supplier or customer;
 - (b) limiting or controlling—
 - (i) production;
 - (ii) market outlets or market access;
 - (iii) technical or technological development; or
 - (iv) investment, to the prejudice of consumers;
 - (c) refusing to supply to a particular enterprise or group or category of enterprises;
 - (d) applying different conditions to equivalent transactions with other trading parties to an extent that may—
 - (i) discourage new market entry or expansion or investment by an existing competitor;
 - (ii) force from the market or otherwise seriously damage an existing competitor which is no less efficient than the enterprise in a dominant position; or
 - (iii) harm competition in any market in which the dominant enterprise is participating or in any upstream or downstream market;
 - (e) making the conclusion of contract subject to acceptance by other parties of supplementary conditions which by their nature or according to commercial usage have no connection with the subject matter of the contract;
 - (f) any predatory behaviour towards competitors; or
 - (g) buying up a scarce supply of intermediate goods or resources required by a competitor, in circumstances where the enterprise in a dominant position does not have a reasonable commercial justification for buying up the intermediate goods or resources to meet its own needs.
- (3) This section does not prohibit an enterprise in a dominant position from taking any step which has reasonable commercial justification or represents a reasonable commercial response to the market entry or market conduct of a competitor.

- (4) The fact that the market share of any enterprise is above or below any particular level shall not in itself be regarded as conclusive as to whether that enterprise occupies, or does not occupy, a dominant position in that market.

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 study into –
- (a) the structure of the market concerned;
 - (b) the conduct of the enterprises in the market;
 - (c) the conduct of suppliers and consumers to the enterprises in the market; or
 - (d) any other relevant matters.

Section 12: Determination of market review

12. (1) Upon conclusion of the market review, the Commission shall publish a report of its findings and recommendations.
- (2) The report of the Commission shall be made available to the public.

Additional information on the two Market Reviews

1. The scope of study for pharmaceutical market review is as follow:
- i. Overview of the pharmaceutical sector
 - 1. Overall growth of the sector
 - 2. Import, export and trade balance
 - 3. Market structure and supply chain
 - 4. Existing legislation and regulations
 - ii. Profile of the industry players and generic drug manufacturers in Malaysia
 - iii. Competition level in the pharmaceutical sector
 - 1. Market share and market concentration

2. Top industry players in Malaysia
 3. Market dominance and its impact to the economy

 - iv. Competition concerns in the pharmaceutical sector
 1. Anti-competitive conducts (e.g. cartel or abuse of dominant position) among the industry players
 2. Accessibility to drugs in Malaysia
 3. Any existing policy or law that impedes competition in the sector

 - v. Conclusion and Recommendations
2. The scope of study for market review on building materials in the construction industry is as follow:
- i. Overview of the existing legislation and regulations in relation to import, export, manufacturing and distribution levels.
 - ii. Overview of the market structure and supply chain.
 - iii. Profile of industry players that are involved in manufacturing and distribution levels.
 - iv. Identify the prices across local manufacturing and distribution levels.
 - v. Competition in the manufacturing, distribution and retail levels on the following aspects:
 - (a) Market share and market concentration
 - (b) Market dominance and its impact on the sector
 - vi. Competition concerns in the manufacturing, distribution and retail levels in relation to:
 - (a) Anti-competitive conducts (e.g. cartel or abuse of dominant position) among the industry players
 - (b) Any existing policy or law that impedes competition in the industry
 - vii. Recommendations and conclusion