

NEWS RELEASE

**THE MyCC HAS CLEARED MEGASTEEL SDN. BHD. FROM ANY INFRINGEMENT UNDER THE
COMPETITION ACT 2010**

KUALA LUMPUR, 18 April 2016 - The Malaysia Competition Commission (“MyCC”) has issued a Finding of Non-Infringement in relation to the conduct of Megasteel Sdn. Bhd. (“Megasteel”). MyCC had initiated an investigation in October 2012 upon receipt of a complaint relating to the alleged abuse of dominant position by Megasteel, an infringement of Section 10(1) of the Competition Act 2010.

The complainant alleged that Megasteel as the sole supplier of Hot Rolled Coil (“HRC”), an essential material to produce Cold Rolled Coil (“CRC”), is charging higher than the international price of HRC. The complainant also alleged that Megasteel is competing in the CRC market and often undercuts its price.

After deliberating on the written and oral representations submitted by Megasteel, the MyCC has conducted further analysis and came to the conclusion that Megasteel neither abuse its dominant position nor practice margin squeeze in the relevant markets. The MyCC therefore finds that there is no infringement of the Competition Act 2010 by Megasteel.

The Notice of the Decision will be uploaded on the MyCC website. For more information on the case or on the MyCC, kindly log on to www.mycc.gov.my.

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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 anti-competitive practices/ conduct under the competition laws. For more information on the Act and MyCC activities, log on to www.mycc.gov.my.

EDITOR'S NOTES:

Section 2 of the Competition Act 2010 defines "dominant position" as follows:

"Dominant position means a situation in which one or more enterprises possess such significant power in a market to adjust prices or outputs or trading terms, without effective constraint from competitors or potential competitors."

Chapter 2: Abuse of dominant position

Abuse of dominant position is prohibited

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;

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- (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.