

NEWS RELEASE

MyCC Launches Two Handbooks on Bid Rigging: "Garis Panduan Menentang Tipuan Bida Dalam Perolehan Awam" and "Help Us Detect Bid Rigging"

KUALA LUMPUR, 23rd June 2014 – Public procurement officials play a crucial role in detecting bid rigging thus empowering them with knowledge in detecting bid rigging is vital, said Dato' Sri Hasan Malek, Minister of Domestic Trade, Co-operatives & Consumerism (MDTCC) regarding the launch of the "Help Us Detect Bid Rigging" and the "Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam" handbooks held by the Malaysia Competition Commission (MyCC) today.

Dato' Sri Hasan Malek, represented by Deputy Minister of Domestic Trade, Co-operatives & Consumerism (MDTCC), YB Senator Dato' Seri Ahmad Bashah Bin Md Hanipah, in his officiating speech, also highlighted public procurement is an essential government activity that affects a country's economy.

Studies by the Organisation of Economic Co-operation and Development (OECD) showed that government procurement accounts for a substantial part of the economy with 10 to 15 percent of the national budgets in developed countries, and up to 20 percent in developing countries.

"For Malaysia, public procurement is an important means for not only meeting day-to-day functional needs, but also for fulfilling socioeconomic objectives and promoting economic growth. Malaysian economic reports have indicated that, for the past ten years, public expenditure amounted to approximately 24 to 33 percent of the country's Gross Domestic Product (GDP), higher than most OECD countries," he said.

Bid rigging is an offence under Section 4(2)(d) of the Competition Act

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2010 and if found guilty, enterprises can be



fined up to a maximum of 10 percent of its **SURUHANJAYA PERSAINGAN MALAYSIA** worldwide turnover. Bid rigging practices by tenderers during public

worldwide turnover. Bid rigging practices by tenderers during public procurement procedures are a great threat for public institutions, especially with regards to cost-intensive and technologically advanced investments and projects. A pro-active approach by procurement bodies to detect and deter bid rigging generates savings, improves budgets and the reputation of public authorities, added the Minister.

According to MyCC Chairman, Tan Sri Dato' Sri Siti Norma Yaakob, the Commission hopes to forge a strategic alliance with the Ministry of Finance (MOF), Malaysian Anti-Corruption Commission (MACC), and the National Audit Department (NAD) to forge a better understanding and further collaboration to combat bid rigging issues on a national level.

Also present at the launch were MyCC Chief Executive Officer, Shila Dorai Raj and MDTCC's Deputy Secretary-General, Dato' Azmi bin Lateh.

Apart from launching the handbooks on bid rigging, the MyCC also held a two-day bid rigging workshop attended by approximately 150 procurement officers from numerous Government agencies. The MyCC first held a similar workshop in June last year.

Invited speakers for the event were Mr. Antonio Capobianco, OECD Senior Competition Law Expert, Mr. Hong-Geun Kim, Deputy Director, Cartel Investigation Division, Korea Fair Trade Commission (KFTC), and Mr. Ahmad Junaidi, Director for Legal Proceeding, Commission for the Supervision of Business Competition (KPPU), Indonesia.

A panel discussion moderated by MyCC CEO, Shila Dorai Raj, was also held consisting of panelists: Tn. Hj. Shahrul Kamal Bin Osman from the MOF, Dato' Han Chee Rull from the MACC, Mr. Raja Sunthara Kannan from the NAD and Ms. Wan Khatina, Director of Research, Khazanah Research Institute (KRI).

The "Garis Panduan Menentang Tipuan Bida dalam Perolehan Awam" was originally an OECD publication, translated by the MyCC into Bahasa Malaysia. The MyCC additionally produced the "Help Us Detect Bid Rigging" handbook and plans to release a Bahasa Malaysia version in the future.

Both publications can be downloaded for free from the MyCC website,

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www.mycc.gov.my. Enquiries regarding advocacy seminars may be directed to MALAYSIA COMPETITION COMMISSION spiad@mycc.gov.my.

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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 <u>www.mycc.gov.my</u>.