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**NEWS RELEASE**

**MDTCA MINISTER DIRECTED INVESTIGATION ON TYRES AND BEVERAGE COMPANIES**

**KUALA LUMPUR, 7 SEPTEMBER 2018** – The Malaysia Competition Commission (MyCC) had initiated investigations on tyres and beverage companies in Malaysia for possible anti-competitive behaviours.

This was following the direction of the Minister of Domestic Trade and Consumer Affairs, Dato' Saifuddin Nasution Ismail, who was informed of the issuance of price increase notices issued by certain industry players in July and August 2018 prior to the implementation of Sales and Services Tax (SST) on 1 September 2018. The Minister instructed the MyCC together with the Enforcement Division of the Ministry of Domestic Trade and Consumer Affairs (MDTCA) to conduct investigations to determine whether these actions raised concerns under the relevant laws.

Acting on the direction, the MyCC and the Enforcement Division of MDTCA jointly inspected several tyre companies. This was followed by inspections by the MyCC on the related associations. A separate ground inspection was also carried out by the MyCC against a beverage manufacturer following its action of issuing a price revision notice to supermarkets and hypermarkets in Malaysia.

The investigation by the MyCC on these parties concerns section 4 of the Competition Act 2010 while the investigation by the Enforcement Division of MDTCA was pursuant to the Price Control and Anti-Profiteering Act 2011. Notices have been issued to the parties to produce certain data and documents within a deadline set by both authorities in order to assist further investigation.

“The joint operation between the MyCC and the MDTCA will not be the last and we will continue to work with the MDTCA to enforce the law. Our joint effort is evidence of our commitment to ensure that the interests of the consumers are protected. We will not hesitate to take stern action against enterprises found to have flouted the

law”, said Iskandar Ismail, the Director of Investigation and Enforcement Division of the MyCC.

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**Corporate Affairs Division**

**Malaysia Competition Commission**

**About Malaysia Competition Commission (MyCC)**

Established in April 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, you can log on to [www.mycc.gov.my](http://www.mycc.gov.my).

**EDITOR'S NOTES:**

Details of Section 4, Anti-Competitive Agreement of the Competition Act 2010:

**4. Prohibited horizontal and vertical agreement**

(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; 12 Laws of Malaysia ACT 712 (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.