

NEWS RELEASE

MyCC ISSUES PROPOSED DECISION AGAINST FIVE FEEDMILLERS

KUALA LUMPUR, 5 AUGUST 2022 – The Malaysia Competition Commission (MyCC) has today issued a Proposed Decision against the following five (5) enterprises for infringing section 4 of the Competition Act 2010 (Act 712):

- i. Dindings Poultry Development Centre Sdn. Bhd.;
- ii. FFM Berhad;
- iii. Gold Coin Feedmills (Malaysia) Sdn. Bhd.;
- iv. Leong Hup Feedmill Malaysia Sdn. Bhd.; and
- v. PK Agro-Industrial Products (M) Sdn. Bhd.

On 27 June 2022, the Special Task Force of MyCC tabled its investigation report to the Members of Commission led by its Chairman, Dato' Seri Mohd Hishamudin bin Md Yunus. Upon careful evaluation of the investigation report, MyCC, as a quasi-judicial body, has provisionally found that the said enterprises have infringed section 4 of the Competition Act 2010 by entering into anti-competitive agreements and/or concerted practices in increasing the price quantum of poultry feed that contains soybean meal and maize as its main ingredients, between early 2020 and mid 2022.

Investigations revealed that the sensitive commercial information shared between the said enterprises is seen to potentially distort competition in the market. By adjusting prices at the same quantum, which results in similar increments amongst the enterprises, the choices of customers in choosing their preferred poultry feed supplier that offers the best value may be restricted. Therefore, the conduct of the said enterprises can potentially lead to an anti-competitive landscape in the supply chain of the poultry industry.

Poultry feed is a major contributor to the cost of poultry farming, contributing approximately 72.8% of the total cost. Hence, where competition is distorted in the poultry feed market, the entire supply chain in the industry would be affected. Consumers, being at the end of that supply chain, are most affected.

FOR IMMEDIATE RELEASE
NEWS/ECONOMY DESK

It must be highlighted that MyCC's findings are provisional and it should not be assumed that any enterprise has broken the law at this stage. The five (5) enterprises will now have the opportunity to submit their representation within 30 days from the date of service of the Proposed Decision. They may opt to present their representation orally on a date that will be determined later upon receiving their written submissions.

Upon hearing and considering the representations together with the evidence gathered during the investigation, MyCC will only then issue its final decision on whether there is a finding of infringement or non-infringement of the Competition Act 2010. The finding of an infringement will allow MyCC to impose a financial penalty of up to 10% of the parties' worldwide turnover during the period of infringement. On top of the penalty, MyCC has the discretion to impose any other appropriate directives that MyCC sees fit.

"It is crystal clear under the Competition Act 2010 that enterprises should not enter into any agreement, exchange commercially sensitive information on prices or engage in any concerted practice to prevent, restrict or distort competition. They should, instead, independently determine their respective conduct and facilitate a competitive landscape in the market."

"Anti-competitive agreements or also known as cartel agreements cause significant damage to the economy as well as to consumers at large. Cartel is the supreme evil of competition. The fight against cartel is not over and we need all hands-on deck in this fight. We invite the public to work together with MyCC in bringing cartel conduct to light," said Mr. Iskandar Ismail, Chief Executive Officer of MyCC.

MyCC reaffirms its commitment in ensuring that justice is not only served but also seen to be served. The public and the members of media are urged to let the law take its course and lay all speculation to rest.

-end-

For media enquiries, please contact:

Communications and Advocacy Division

Mobile: +6019 215 2273

Email: cad@mycc.gov.my

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 10th year anniversary on 1 April 2021 and announced the launch of its rebranding and redesigned logo to elevate its corporate identity. The Logo embodies the culture and colours of the organization as well as its strengths and work values. The symbol of the butterfly is globally known to represent endurance, change, hope and life. This new look also shows simplicity at its finest, signifying the changes and maturity of MyCC itself.

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