

NEWS RELEASE

MyCC RELEASES MARKET REVIEW ON WHOLESALE AND RETAIL INDUSTRY

KUALA LUMPUR, 19 AUGUST 2020 – The Malaysia Competition Commission (“MyCC”) has made available to the general public its findings and recommendations contained in its Market Review under the Competition Act 2010 for Service Sector in Malaysia (Wholesale and Retail for Selected Product), in line with section 11 and 12 of CA 2010. The publication of the Market Review was successfully launched today by the Minister of Domestic Trade and Consumers Affairs, YB Datuk Alexander Nanta Linggi at the Majestic Hotel in Kuala Lumpur.

The Market Review is conducted to better understand the market structure and to assess market activities along the supply chain in order to identify any anti-competitive conduct in the wholesale and retail trade (WRT) for four (4) selected products, namely processed food and beverages; personal care and toiletries; household cleaning products; and clothing. The market review also aims to review any regulations and policy that may impede on competition in the sector in Malaysia.

As part of the findings, MyCC has proposed recommendations to further improve the competition process within the four (4) selected products to support the Government’s efforts in addressing the cost of living and ease of doing business in Malaysia.

The report findings have identified several market-driven issues, which highlighted the shift in purchasing habits of Malaysian consumers towards digital and e-commerce platforms due to the Movement Control Order (MCO). The market review shows that online platforms could cut operating costs, which will indirectly lead to reduce prices for consumers. However, industry players are neither efficient nor equipped enough to deal with this emerging trend; faced with the COVID-19 outbreak and further burdened with the introduction of digital tax.

The findings of the report have also identified the main regulatory-driven issues whereby Malaysians, in particular businesses, are still unaware of the effects and content of the Competition Act 2010 and the Price Control Anti-Profiteering Act 2011.

The report has suggested some preliminary recommendations, which include facilitating structural reforms to ensure efficiency and resiliency; fostering a competitive environment towards industry best practices; establishing progressive policies and regulations with long term positive impact; and keeping the rules and regulations for the WRT industry up-to-date.

“The recommendations highlighted in the report are significant to reduce unnecessary regulatory burden and bureaucracy; in order to encourage the creation and growth of the business sector in Malaysia particularly in the WRT industry”, said Iskandar Ismail, Chief Executive Officer of MyCC.

The MyCC also believes that the study is a vital reference for policy makers in accordance with the Government's attempts to tackle market-driven and regulatory-driven issues in the service sector. The study was kick-started in July 2019 and has gone through extensive analysis, multiple dialogue sessions and meetings with key stakeholders in the service sectors; including relevant ministries, government agencies, industry and consumer associations and industry players.

For further information on the findings of the market review, please find it on the MyCC website at www.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 competitive 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 infringing parties.

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

ANNEX A

Notes to Editor:

Information on Section 11 and 12 of the Competition Act 2010. Further information on the market review as per below.

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.