



KEKANTERAN PERDAGANGAN DALAM NEGERI
DAN KOS SARA-HEMIP



SURUHANJAYA PERSAINGAN MALAYSIA
MALAYSIA COMPETITION COMMISSION

IMPACT ASSESSMENT OF MyCC'S ENFORCEMENT ACTIVITIES

Public Summary | 2023



COMPILATION OF SELECTED CASES FROM 2015 TO 2021



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MINISTER'S FOREWORD



MINISTER'S FOREWORD

The Ministry of Domestic Trade and Cost of Living (KPDN), through the Malaysia Competition Commission (MyCC) aims to create an economic environment that protects the interests of consumers. Although MyCC is a competition authority that is still at a new level in Malaysia, this agency has proven its efficiency and ability through various achievements. As evidence, the development of this impact assessment is one of the successes that highlight MyCC's ability to effectively and efficiently implement the Competition Act 2010.

Through this impact assessment, it is important to recognise all the efforts that have been carried out by MyCC to eradicate anti-competitive behaviour in the market, thereby protecting consumers and promoting competition for the development of an economic climate that intensifies innovation and efficiency. This impact assessment also shows that the results of MyCC's enforcement actions are in line with the Ministry's goals in

promoting trade, controlling cartels and monopolies, and protecting consumer welfare. In addition, this report also explains the impact of MyCC's enforcement actions on domestic trade as well as its impact on the cost of living in Malaysia.

Finally, I would like to thank all those who have helped in publishing this report, especially the professionals who serve at MyCC. Hopefully, this assessment can be used as a valuable reference source for policymakers, regulatory agencies, and all parties interested in maintaining healthy competition to support the growth of domestic trade for the prosperity of Malaysia.

YB DATUK ARMIZAN BIN MOHD ALI

Minister of Domestic Trade and Cost of Living, KPDN

SECRETARY GENERAL'S FOREWORD



SECRETARY GENERAL'S FOREWORD

I am pleased to share the impact assessment report of enforcement activities by the Malaysia Competition Commission (MyCC). This report represents a significant milestone in the ongoing commitment of MyCC in fostering competition and upholding the principles outlined in the Competition Act 2010. As a quasi-judicial entity entrusted with the responsibility of enforcing competition laws, MyCC plays a pivotal role in protecting competition in the Malaysia's economic landscape by ensuring a level playing field for all industry participants.

This assessment offers a meticulous analysis of MyCC's enforcement efforts, delving into their efficacy in regulating industry players and safeguarding competition across various sectors. By examining the outcomes

of enforcement actions, this report provides valuable insights into their impact on consumer welfare, economic competitiveness, and market dynamics.

Hopefully by shedding light on the implications of MyCC's actions, it will be able to foster greater collaboration and innovation in its efforts, ultimately driving sustained prosperity and ensuring the well-being of consumers and businesses alike.

YBHG. DATO' MOHD SAYUTHI BIN BAKAR
Secretary General, Ministry of Domestic Trade and Cost
of Living, KPDN

CHAIRMAN'S PREFACE



CHAIRMAN'S PREFACE

It is with great pleasure that I introduce the impact assessment of the Malaysia Competition Commission's (MyCC) selected enforcement activities. Since its inception in 2012, MyCC, operating under the purview of the Competition Act 2010, has established itself as a dependable institution in regulating competition law in Malaysia. The main mission of MyCC is to foster a market environment that encourages competition, ultimately contributing to the well-being of consumers and business landscapes.

Throughout its journey, MyCC has confronted challenges, yet has remained resolute in its pursuit of conducting investigations across diverse sectors. Through the vigilant enforcement of competition law, MyCC endeavors to bolster global competitiveness, thus underlining its significance in shaping a dynamic and innovative market ecosystem. This impact assessment not only celebrates past accomplishments but also underscores MyCC's ongoing dedication to fostering competitiveness and innovation

in the years ahead. Furthermore, this assessment stands as a valuable resource, offering the public an insight into MyCC's mission to ensure compliance with competition law.

I extend my heartfelt appreciation to the team for their collective efforts in compiling this assessment. I firmly believe that their dedication to this endeavour will facilitate greater public awareness regarding the importance of competition law.

Looking ahead, MyCC remains resolute in its mandate as a competition enforcement agency, steadfastly working to nurture a culture of healthy competition for the betterment of businesses, consumers and the broader economy.

**DATO' SERI MOHD HISHAMUDIN BIN MD
YUNUS**

Chairman, MyCC

CHIEF EXECUTIVE OFFICER'S PREFACE



CHIEF EXECUTIVE OFFICER'S PREFACE

It is with great pride and conviction that I present this profound impact assessment detailing the transformative endeavours of the Malaysia Competition Commission (MyCC) in fostering competition and driving economic growth in Malaysia. Through the steadfast enforcement of competition law and policy, MyCC has played a pivotal role in creating an environment that not only stimulates innovation among businesses but also safeguards the welfare of consumers.

This impact assessment serves as a testament to MyCC's unwavering commitment to transparency and continual improvement. Its primary objective is to evaluate the efficacy of MyCC's enforcement actions, assessing their impact on the market and discerning the overarching benefits to consumers and the broader economy.

This publication serves not only as a reflection of MyCC's journey but also to demonstrate MyCC's determination amidst the challenges in enforcing competition law in

Malaysia. Moreover, it is designed to cater to policymakers, academics, legal practitioners and the public, providing invaluable insights into the intricacies of competition law enforcement.

I extend my heartfelt appreciation to all who have contributed, directly or indirectly, to the enforcement of competition law in Malaysia. Their collective efforts have been instrumental in shaping a competitive and innovative market environment.

In closing, it is our collective aspiration that this impact assessment will chart a course towards a future where robust competition is the norm in Malaysia, where innovation is nurtured and where consumers enjoy the benefits of a vibrant and competitive marketplace.

MR. ISKANDAR BIN ISMAIL
Chief Executive Officer, MyCC

1.BACKGROUND



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The Malaysia Competition Commission (MyCC) is an independent statutory body and is Malaysia's national competition authority. MyCC derives its powers, functions, and responsibilities from the Competition Commission Act 2010 [Act 713] to enforce the Competition Act 2010 [Act 712].

The preamble of Act 712 lays out the objective of competition law in Malaysia, which is to promote and protect the process of competition, and subsequently, consumer interests. The Act further recognizes competitive markets encourage efficiency, innovation, and entrepreneurship, which in turn facilitates price and quality competition by providers of products and services. Anti-competitive conduct is a potential barrier to achieving these benefits and hence, prohibited by the law. As such, it is MyCC's role to enforce competition law, and to promote competition policy where appropriate, using the powers provided by Act 713.

Since Act 712 came into force in 2012, MyCC has undertaken investigation and enforcement activities based on the complaints received from external sources (public or industry), ex-officio (MyCC's own initiatives), and Ministerial directives. After more than 10 years in operations, MyCC opines that it is crucial to undertake an impact assessment to evaluate its investigation and enforcement activities, focusing on how they benefit the consumers in Malaysia.

2.ABOUT THIS DOCUMENT

This public summary is prepared for the interested public and provides an overview of impact assessments, the selected cases for evaluation, and a summary of the results. Case-specific estimates are excluded from this document for confidentiality purposes.



A hand is shown holding a tablet computer. The screen displays a blue globe with a gavel icon in the center. Surrounding the globe are various icons in hexagonal frames, including a checklist, a gear with an exclamation mark, a head with a question mark, scales of justice, a group of people, and a person with a checkmark. The background is dark blue with a network of white lines and dots.

3. IMPACT ASSESSMENTS AND THEIR IMPORTANCE

3. IMPACT ASSESSMENTS AND THEIR IMPORTANCE

3.1. Impact Assessment is Good Practice for NCAs

Many national competition authorities (NCAs), particularly in advanced economies, perform regular periodic impact assessments. International organizations such as the Organization for Economic Co-operation and Development (OECD) and the International Competition Network (ICN) also advocate for impact assessments to be conducted by competition authorities. The objectives of such assessments may include the following:

Evaluating if their work promotes and facilitates competition in the economy.

Justifying their requests for optimal allocation of resources to undertake their work.

Quantifying the aggregate benefits of their activities to consumers.

Fulfilling statutory requirements of reporting or upholding good practices on transparency and accountability more generally.



3.2. Impact Assessments Deliver Benefits for NCAs

Impact assessments may deliver the following benefits for the competition authority and their stakeholders:



3.3. MyCC's Inaugural Impact Assessment

It has been over a decade since Act 712 has been enforced, and MyCC has undertaken various investigations and enforcement activities. This assessment provides a useful milestone in describing and evaluating the benefits that these activities have provided to consumers.

In the context of MyCC, the objectives of this assessment are:



A hand holding a gavel is the central focus, with a digital overlay of various icons and circuit lines. The icons include a handshake, scales of justice, a building, a smartphone, a person, a document, a lightbulb, a padlock, a telephone, an envelope, and a speech bubble. The background is a blurred image of a courtroom with a judge's bench and a gavel resting on a surface.

4. IMPACT ASSESSMENTS IN OTHER JURISDICTIONS

4. IMPACT ASSESSMENTS IN OTHER JURISDICTIONS

4.1. Assessments Tailored for Specific Needs, Contexts, and Priorities

As the institutional context and organizational needs differ between NCAs, there is no fixed method for conducting them. Different NCAs adopt different methods in their assessments based on their needs. There are, however, several principles that are considered general good-practice principles.



Conservative estimates of benefits:

Estimates of consumer benefits should be produced in a rigorous and justifiable way to avoid over-inflating benefits.



Results based on type of intervention:

Consumer benefits are estimated and presented based on the field of work (investigations, merger reviews, market studies etc.) to ensure transparency and evaluation of priorities.



Use of case-specific information:

Measurement of consumer benefits should be based on granular data involved in the respective cases where possible, complemented by defensible assumptions where necessary.

4.2. Cases of Impact Assessments for NCAs in Advanced Jurisdictions

NCAs in more mature jurisdictions have had a longer history of impact assessments due to better-developed organizational practices and governance frameworks. The assessments differ based on their respective practices.



European Commission
Directorate-General of Competition

An annual assessment that provides quantitative estimates of consumer savings in monetary terms across the two main areas of work, namely cartel prohibitions and merger interventions. The year 2020's impact assessment estimates total customer savings at EUR 14.0 billion - EUR 23.3 billion.



United Kingdom Competition and Markets Authority

An annual assessment that provides quantitative estimates of consumer savings in monetary terms and is accompanied by the ratio of benefits to costs incurred. The year 2022's impact assessment estimates total benefits at GBP 2,264 million, with a benefit-cost ratio of GBP 22.5 per pound incurred in costs.



Australia Competition and Consumer Commission

A qualitative approach based on two stakeholder surveys as mandated by the government's Regulator Performance Guide. The surveys assess performance across 37 performance measures, as well as general public awareness.

The key lesson from the impact assessments for NCAs in various jurisdictions is that they are not comparable as they are developed and worked on according to the NCAs' priorities, needs, and interests. However, their common feature is that they are conducted regularly (usually annually), and the methods are well-developed and subject to scrutiny, either via a full publication or peer review by subject experts.

Finally, the methods may be refined over time as more data become available, or new perspectives need to be taken due to the changing economic and institutional environment.







5. FRAMEWORK FOR MyCC'S FIRST IMPACT ASSESSMENT

5. FRAMEWORK FOR MyCC'S FIRST IMPACT ASSESSMENT

5.1. General Principles Based on MyCC's Needs

MyCC's first impact assessment adopts the following principles for its overall framework and methodology.



Approaches	Details
 Timing	Ex-post evaluation of the estimated likely effects of selected cases on consumers (as defined in Act 712). Ex-post evaluation provides the most data and information to support the analysis.
 Effects	Direct benefits corresponding to savings enjoyed by consumers due to reduced prices.
 Subject	On a case basis—geographic and product markets—with benefits to consumers.
 Competition work	Anti-competitive agreements/cartels and abuse of dominance prohibitions cases. Impact assessment cannot be done for MyCC's work on market studies/investigations as the status of implementation of their recommendations is unclear at this juncture.

5.2. Defining "Consumer Benefits"

Direct consumer benefits are defined as follows:

Savings that are enjoyed by consumers as the result of a reversal or prevention of price increases induced by the anti-competitive conduct concerned.

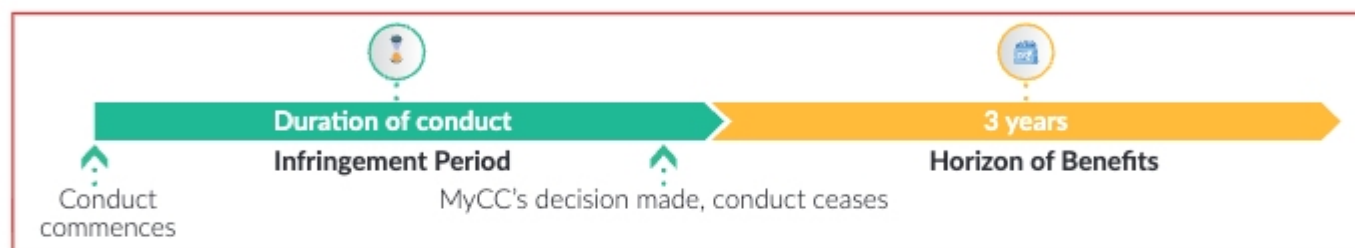
To illustrate with an example, consider a firm that has 1,000 existing customers (or unit sales) that charged an initial price of RM10. The firm then engages in an anti-competitive conduct that leads to a price increase to RM12, but MyCC then investigates the conduct and the price increase is reversed. The consumer benefits are thus the RM2 saved per unit, multiplied by the total number of unit sales (or consumers), totalling RM2000 for a given period.



Other indirect benefits may be incurred, such as the deterrence effects against infringements by other firms and the promotion of innovation and productivity via competitive processes. These may be difficult to quantify but should be considered in a holistic assessment of MyCC's activities.

5.3. Horizon of consumer benefits

We calculated the discounted benefits of enforcement over a three-year horizon. The relevant assumptions are that, in the absence of MyCC's decision, the anti-competitive infringements and their effects (e.g., increased prices) are maintained for the assessment horizon (3 years), while MyCC's intervention means that the infringement is ceased and not re-attempted. This is illustrated below.








5.4. Other parameters and assumptions

Comparison of Assumptions Used for Cartel Cases

FACTORS	MyCC	OECD	EU DG Comp	UK CMA	US DOJ
Affected consumers	Turnover of enterprises found in infringement of Act 712	Turnover of enterprises under investigation in affected market	Turnover of enterprises involved in cartel	Affected goods turnover	Volume of trade in relevant market
Price effect	Case-specific	10%	10% - 15%	10% - 15%	10%
Duration of price effect (years)	3	3	1/3/6 depending on the stability of the cartel	6	1 (or months of cartel life when detected if < 1 year)

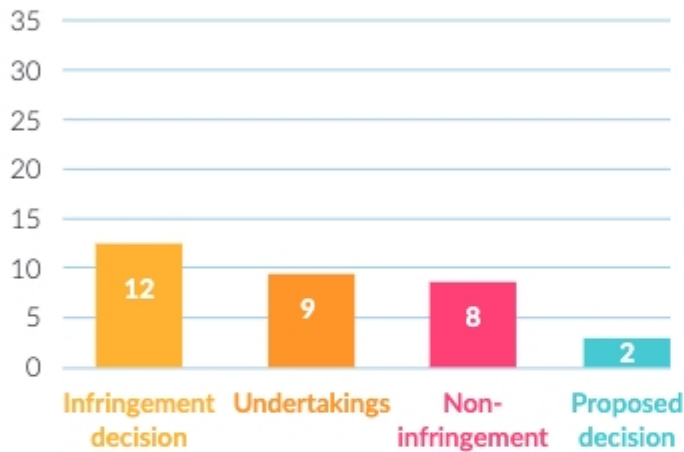
Comparison of Assumptions Used for Abuse of Dominance Cases

 FACTORS	 MyCC	 Netherlands ACM	 UK CMA	 US DOJ
Affected consumers	Turnover of enterprises found in infringement of Act 712	Affected goods turnover of the abusing company	Affected goods turnover	Volume of trade in relevant market
Price effect	Case-specific	10%	10%	1%
Price effect	3	1	6	1

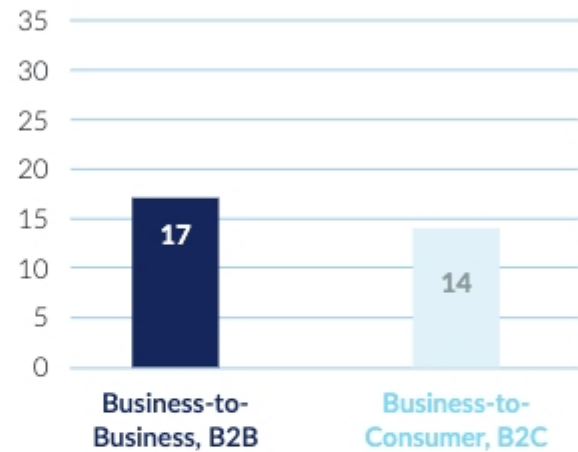
6. OVERVIEW AND INTRODUCTION OF THE SELECTED CASES

To date, 31 cases have been published on MyCC's website at various stages. 12 of the 31 cases have been infringement decisions. 7 cases were selected based on feasibility and coverage criteria.

Published Cases by Outcome



Published Cases by Business Segment










6.1. Geographic and Temporal Coverages

The selected MyCC's cases have different geographic market coverage, with the Dagang Net and the MyEG cases having nationwide markets, while the SCBA and the Tuition Centres cases have state- or local-based markets. However, we note that some cases with local markets may have a national impact, such as the CDO Penang case.

The variety of geographical market coverage showcases the range of MyCC's enforcement activities and emphasises the fact that MyCC is concerned with all anti-competitive conduct, no matter the scale or scope. Local cases also help develop precedents and send deterrent signals to broader market players or enterprises in general. The illustration on the next page displays the geographic markets of the seven selected cases.

The duration of the conduct may also differ depending on the circumstances of the investigation; some cases involved quick interventions due to the nature of the infringement, whereas others required a lengthier investigation.

Overview of Estimated Direct Benefits

DETAILS	 Case 1: Ice Manufacturers	 Case 2: SCBA	 Case 3: Tuition Centre	 Case 4: MyEG	 Case 5: Langkawi Ro-Ro	 Case 6: Dagang Net	 Case 7: CDO Penang
Discounted Consumer Benefits*	5,815,689	3,269,672	1,011,708	3,221,805	8,219,427	47,746,690	4,859,768
Price Effect	20%	10%	23%	22%	21%	23%	400%
Discount Rate (r)	3.52%	3.47%	3.71%	3.20%	2.82%	1.98%	3.25%
Penalty Imposed by MyCC**	252,250	247,730	33,069	9,644,700	2,173,211***	10,302,476	645,774

*The estimate of benefits reflects only the direct benefits in the market concerned due to lower prices after the anti-competitive conduct ends. This excludes other indirect benefits such as deterrence effects, quality of products, investments, innovation, and other economy-wide benefits. The full methodology and underlying data are available in the underlying technical report.

** Total penalties across all penalized enterprises

*** Final penalty after reduction, considering the economic hardships during the pandemic.

6.2. Case 1: Ice Manufacturers, 2015



On 24 December 2013, 26 ice manufacturing companies located in Kuala Lumpur, Selangor, and Putrajaya issued a collective statement revealing their intention to increase the price of tube ice by RM0.50 per bag and block ice by RM2.50 per block. The proposed pricing adjustment was slated to become effective starting 1 January 2014. The ice manufacturers also advertised the announcement in local newspapers including The Sun, Harian Metro, Malaysia Nanban, and Sin Chew Daily. After MyCC's investigation, 24 entities were found to have breached Section 4(2)(a) by collectively engaging in an arrangement aimed at either directly or indirectly fixing the selling prices for both tube ice and block ice.

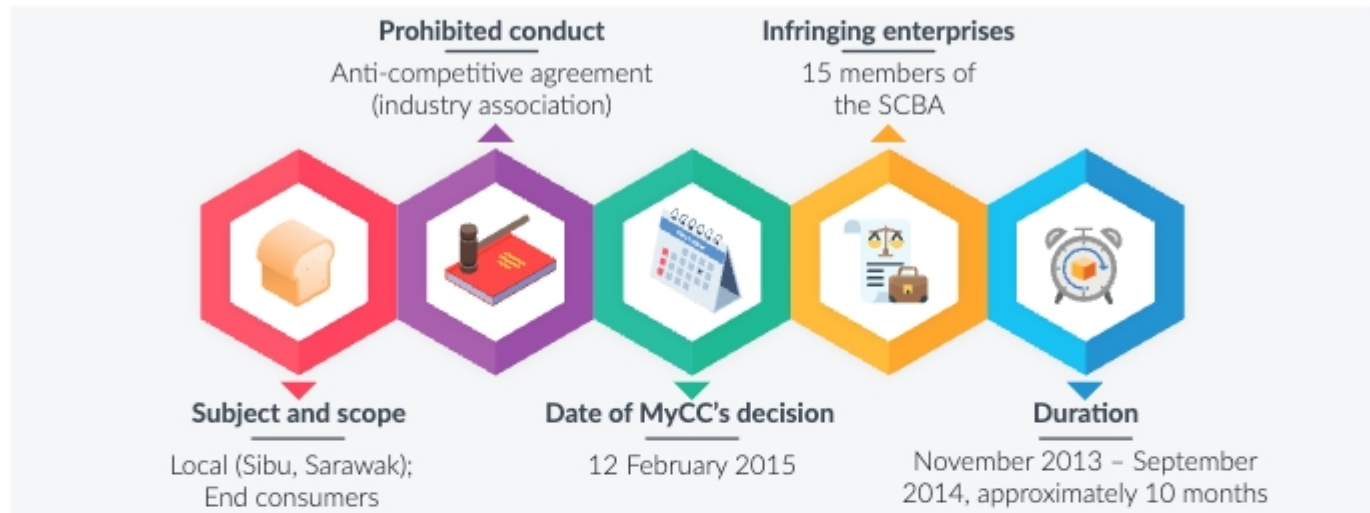
The importance of protecting competition process in the ice manufacturing industry

The ice manufacturing sector has a broader impact on the economy and consumers. Tube ice and block ice play a vital role in maintaining the quality and freshness of perishable goods, especially in the wholesale wet markets. This includes keeping fish and other produce fresh—directly impacting the quality of food available to consumers. Similarly, tube ice is a key ingredient in the food and beverage industry, where stalls and restaurants widely use it to prepare drinks and maintain food hygiene standards.

Any anti-competitive conduct within the sector could lead to an increase in ice prices. Higher ice prices would lead to higher costs for businesses that rely on ice to preserve and present their products, such as fishmongers, seafood restaurants, and food stalls. These increased costs are likely to be passed on to consumers in the form of higher prices for fresh food and prepared meals. Elevated ice prices could contribute to inflationary pressures within the economy—leading to a broader increase in the cost of living.



6.3. Case 2: Sibü Confectionery and Bakery Association, 2015



MyCC investigated a group of 40 enterprises of the Sibü Confectionery and Bakery Association (SCBA), following newspaper articles announcing the SCBA's decision at their annual general meeting to institute a price increase of 10% to 15% for their confectionery and bakery products. Financial penalties were imposed on 14 of these enterprises which were found to have violated Section 4(2)(a) by their price-fixing agreement.

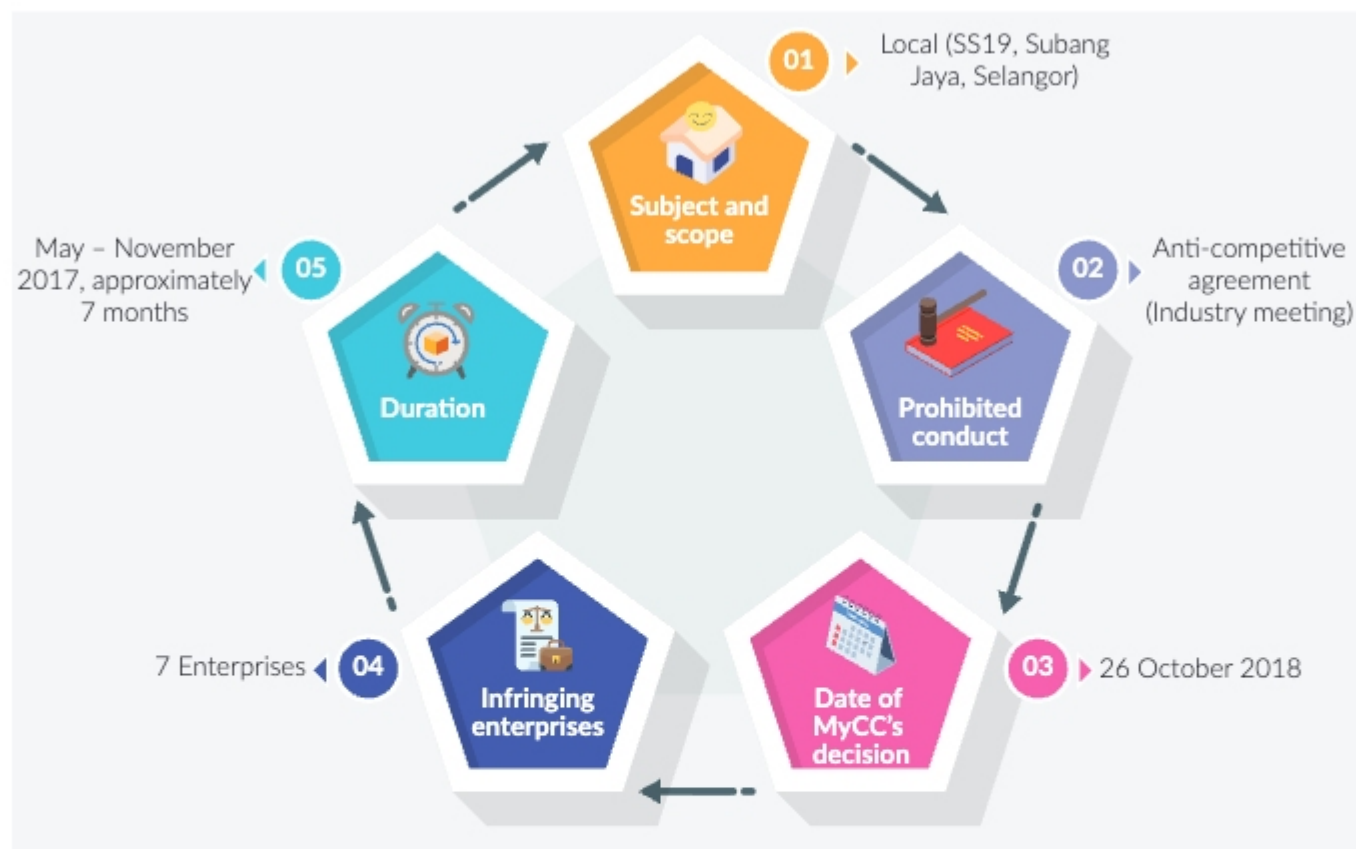
Bread is an essential food item for the locals in Sibü

The significance of bread consumption as an essential food item for the local population's breakfast routine was the primary driving force behind the investigation. Bread consumption holds a distinctive importance in Sibü's local culture and daily life. This consumption pattern underscores the essential role that bread plays in providing a convenient and nutritious breakfast option to the local population. Therefore, any anti-competitive conduct by the SCBA members has the potential to directly influence the availability, pricing, and quality of this food product for a significant portion of the district's residents.

As breakfast is a significant part of daily food consumption, inflated bread prices could collectively increase the cost of living for Sibü residents. This could put a strain on household budgets, particularly for lower-income families.



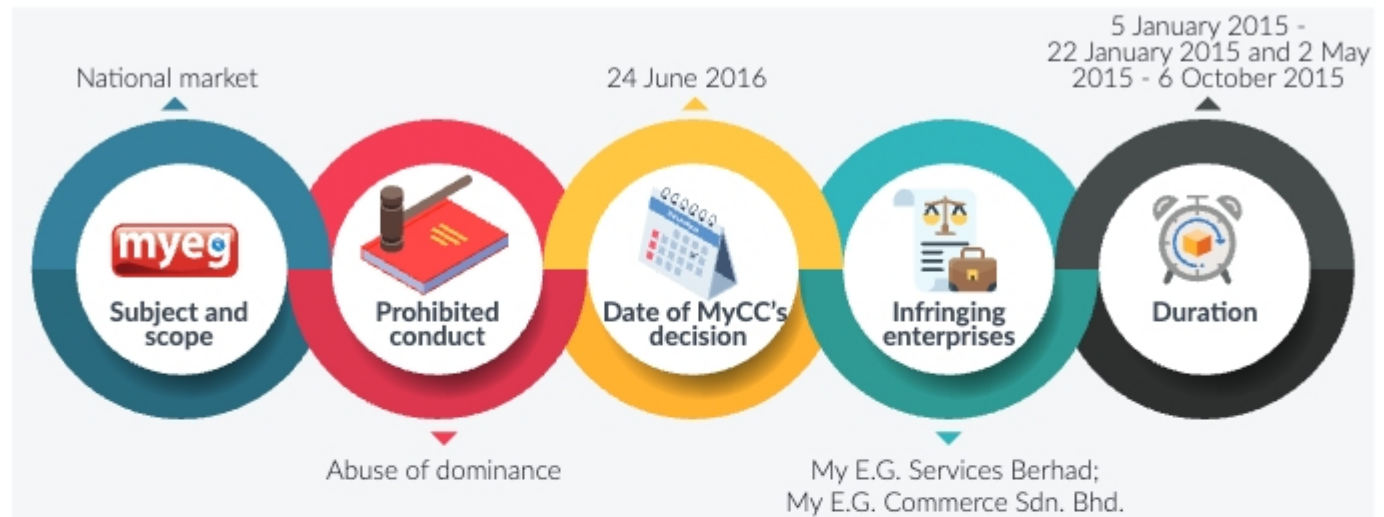
6.4. Case 3: Tuition and Daycare Centres, 2018



MyCC received a complaint in August 2017 claiming that 7 daycare and tuition centres in the SS19 area in Subang Jaya, Selangor had participated in a price-fixing agreement to increase and fix the fees of tuition and daycare services. An after-school tuition and daycare centre can be described as a place that offers tuition, daycare and homework supervision services to primary school students.

The act of colluding to adjust and standardise the fees had reduced competition in the market by impeding the ability of the daycare and tuition centres to independently determine the fees based on their operational costs, which in turn resulted in the fees charged being artificially inflated to the detriment of consumers. MyCC's decision found the 7 enterprises to have infringed on Section 4 (2)(a) read with S. 4(3) of the Act.

6.5. Case 4: My E.G. Services Berhad, 2016



MyCC initiated an investigation under Section 15(1) of the Act based on numerous complaints received alleging that My E.G. Services Berhad (MyEG) and its subsidiary, My E.G. Commerce Sdn. Bhd. had abused their dominant positions in the provision and management of online foreign workers' permits or *Pas Lawatan (Kerja Sementara)* (PLKS) renewals. The complaints claimed that MyEG as the sole provider for the renewal of PLKS applications had abused its position to force employers of foreign workers to purchase Mandatory Insurance through MyEG, and imposed unfair and unreasonable conditions on parties that wished to purchase their insurance from other suppliers.

In April 2015, the Immigration Department announced that effective 2 May 2015, all PLKS renewal applications to only be done via MyEG's online system, making MyEG the sole provider for the renewal of PLKS. Being dominant by itself is not a breach of the Act. However, as a sole concession holder, there is an obligation on MyEG to grant equal access to its facilities and therefore promote competition in the downstream market.

Following further investigations, MyCC found that MyEG had infringed Section 10(2)(d)(iii) of the Act by abusing its dominant position in harming competition in the downstream market in which its subsidiary, MyEG Commerce participated as an insurance agent. Among the acts carried out by MyEG include making it compulsory for employers to purchase Mandatory Insurance through MyEG as well as creating difficulties by adding extra steps for employers to purchase Mandatory Insurances through other insurance companies.

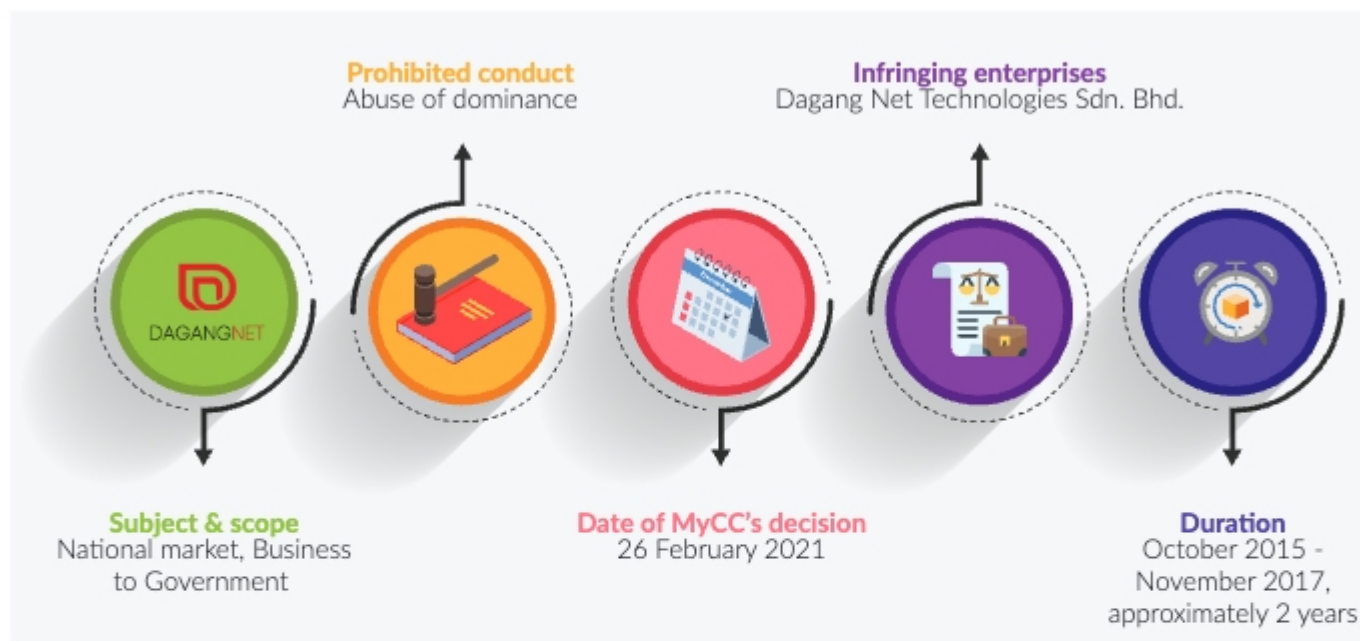
6.6. Case 5: Langkawi Ro-Ro Operators, 2021



In 2019, the Ministry of Domestic Trade and Cost of Living (KPDN) received complaints from the public that the prices of goods and services in Langkawi had increased. KPDN later found that the price increase was mainly due to the increased fares for commercial vehicles using the roll on-roll off (Ro-Ro) vessels travelling between Langkawi and Kuala Perlis and vice versa. KPDN also found that there were price similarities in the fares charged by these Ro-Ro operators. MyCC was thus instructed to pursue an investigation into the possibility of infringements to competition law.

MyCC's investigations found that the 3 main Ro-Ro operators along with 2 other enterprises were involved in private discussions to increase and fix the fares, not only for commercial vehicles but also for passenger cars using their Ro-Ro vessels. These private discussions led to the formation of the cartel via two Memoranda of Understanding (MoU) beginning from the year 2018 to 2019. Furthermore, research by the ministry found that there were spillovers into higher prices of other goods and services in Langkawi. MyCC's final decision found that the 5 enterprises had infringed Section 4 of the Act.

6.7. Case 6: Dagang Net Technologies Sdn. Bhd., 2021



In 2015 and 2017, MyCC received complaints that Dagang Net, a subsidiary of the Dagang NeXchange Berhad, had engaged in conduct amounting to abuse of its dominant position as the Government's sole service provider in the provision of online trade facilitation services for *Sistem Maklumat Kastam* (SMK) under the National Single Window (NSW). The NSW is an electronic-based ecosystem that enables customs-related documents and transactions to be transferred electronically between the trading communities and regulatory authorities in Malaysia via a single point of entry.

MyCC's decision in the case found that Dagang Net had infringed Section 10(1) of the Act by engaging in exclusive dealing through the imposition of exclusivity clauses in the MyChannel Partner Agreements (MCPAs) made with the software providers of the NSW in 2015 to 2016. MyCC found that the anti-competitive conduct of Dagang Net harmed competition in the market as it prevented software providers from providing similar services to end users (in this case – the manufacturers, importers, exporters, freight forwarders and shipping agents) in the upcoming uCustoms system. MyCC concluded that the imposition of the exclusivity clauses constitutes an abuse of Dagang Net's dominant position in the relevant market.

6.8. Case 7: Container Depot Operators, 2016



In 2013, MyCC initiated investigations under Section 15(1) of the Act based on complaints received alleging that a number of container depot operators (CDOs) in Penang had issued notices and flyers to their customers, at around the same time, informing them of an increase in their respective depot gate charges (DGC) from RM5 to RM25. The CDOs also agreed to give an RM5.00 rebate to their customers in respect of the depot gate charges. In addition, the 4 CDOs entered into a vertical agreement with Containerchain to implement the said increased charges.

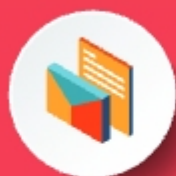
In 2016, MyCC issued an infringement decision pursuant to Section 40 of the Act against Containerchain (M) Sdn. Bhd., an information technology service provider to the shipping and logistics industry in the Penang area, together with 4 CDOs – Ayza Industries Sdn. Bhd./Ayza Logistics Sdn. Bhd.; ICS Depot Services Sdn. Bhd.; E.A.E. Depot & Freight Forwarding Sdn. Bhd.; and Prompt Dynamics Sdn. Bhd. – for engaging in price-cartel activities.



**7. CONSUMER BENEFITS AND
BENEFIT-COST RATIOS'
ESTIMATES**

7. CONSUMER BENEFITS AND BENEFIT-COST RATIOS' ESTIMATES

7.1. Enforcement Activities Deliver Significant Consumer Benefits



Due to confidentiality purposes, this document provides the estimate of consumer benefits via summary statistics, rather than case-specific figures. The estimates show that cases often deliver large consumer benefits, even under conservative assumptions. For a three-year period, the consumer benefit for a given case may deliver the following:



**Median: RM 4.06 million,
Interquartile
Range: RM 2.67 million –
RM 6.42 million**



While this analysis excludes cases that were appealed or terminated without an infringement decision, it nonetheless shows that even cases that may be considered to have a small "local" geographic coverage can generate significant consumer savings. In reality, the true extent of consumer benefits may be larger than the conservative estimates due to the presence of indirect effects and other spillovers.

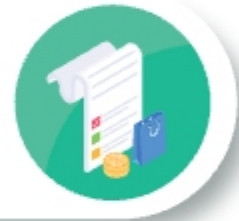
7.2. High Benefits-Cost Ratios Given MyCC's Low-Cost Base

When compared against various measures of MyCC's expenditures, the cases show high "returns on enforcement", in which the delivered consumer benefits multiples higher than the relevant expenditures.

Measured against case-specific costs (which largely consist of the cost of manpower hours investigating the case and undergoing the approval processes), all the cases examined deliver benefits in multiples of the cases' costs. Even the smallest ratio involves a benefit-cost ratio of almost 500%, meaning that the consumer benefits pay off the specific costs five times.



Measured against MyCC's total expense, most cases deliver benefits that cover a significant part of the annual expenditures. Cases with a ratio of over 100% imply that the single case is sufficient to generate consumer benefits that are higher than MyCC's annual cost. In practice, if MyCC successfully pursues multiple cases in a year, the consumer benefits delivered by the portfolio of cases as a whole will be sufficient to generate positive returns.



Similarly, the benefits also measure favourably against the government allocation. Again, two to three cases a year will be sufficient to ensure full cost recovery.



Ratio	Median	Interquartile Range
% of Annual Expenditures	71%	70% - 117%
% of Government Grant	64%	44% - 76%
Ratio to Case-specific Expenditures	10.96x	7.65 - 18.29x

A hand is holding a glowing lightbulb. Inside the bulb, a complex circuit board pattern is visible, with a bright light emanating from the center. The background is blurred, showing a laptop and other people in a meeting setting.

8. CONCLUSION

8. CONCLUSION

This public summary can be summarized through several observations as follows:



Non-Infringement Cases

Under the established methodology, non-violation cases have no measurable direct benefit. However, investigation of these cases can prevent and provide exposure to potential new cases. The portfolio approach to case selection recognizes that cases have the potential to not find a violation or to be overturned on appeal.



Improve the Probability of Success

Efforts should continue to be made to increase the potential for success in obtaining positive results against MyCC. This includes raising awareness among tribunals or judicial bodies, or raising the economic rationale behind MyCC's decisions. This effort can increase the expected user benefits from MyCC's activities.



Insufficient Resources

Based on conversations with MyCC's staff, insufficient resources are a constraint for MyCC to investigate more cases. Other inputs needed to identify and investigate cases include consumer awareness and complaints, market studies and research, and field monitoring. A detailed discussion of these factors is beyond the scope of this report but should guide MyCC's future strategy.



Assessing Mergers

From international experience, evaluating mergers and restricting mergers that have an anti-competitive nature can be a great source of direct consumer benefits. Sufficient resources should be dedicated to this area of work when the merger review regime comes into force following the proposed amendments to Act 712 and Act 713.

