FOR IMMEDIATE RELEASE

MyCC ISSUES PROPOSED DECISION AGAINST CHFA

KUALA LUMPUR, 24 October 2012 – The Malaysia Competition Commission (MyCC) today, has issued a Proposed Decision against the Cameron Highlands Floriculturist Association (CHFA) for contravening Section 4(2) of the Competition Act 2010 (CA2010), by engaging in an anti-competitive agreement to increase the prices of flowers by 10%.

The Proposed Decision essentially contains the following remedial actions:

(i)   The CHFA shall cease and desist the infringing act of fixing prices of flowers;

(ii)   The CHFA shall provide an undertaking that its members shall refrain from any anti-competitive practices ;

(iii)   The CHFA shall issue a public statement on the above mentioned remedial actions in the mainstream newspapers; and

(iv)   Once a decision is made by the MyCC under Section 40 of the CA2010 and the CHFA fails to comply according to the directions stated above, a financial penalty amounting to RM20,000 may be imposed. An additional RM1,000 will be imposed for each or part of each following day that the CHFA fails to comply.

The Proposed Decision sets out the basis for the MyCC's decision on the case. It is issued to the parties concerned, to give them an opportunity to submit their arguments to the MyCC, and provide any other information for consideration, before the MyCC finalises its decision on whether there has been an infringement.

The CHFA has fourteen (14) days from the date of the Proposed Decision is served to submit written representations or indicate whether it wishes to make an oral representation before the MyCC.

On 4th March 2012, the online portal of local English daily, The Star, had reported CHFA President, Mr Lee Peng Fo, announcing that its members have agreed to increase the prices of flowers by 10%. Under the Competition Act 2010, it is a violation when enterprises in the same level of production or supply chain agree to fix the price of their goods or services. This is deemed to have the object of significantly preventing, restricting or distorting competition in the market for the goods. A decision by an association is also defined as an agreement under the Act.

---end---

For media enquiries, please contact:
Rowena Wong, Tel +603 2273 2277 (ext 111), Email: rowena@mycc.gov.my
Corporate Communication Unit
Malaysia Competition Commission

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 www.mycc.gov.my.

EDITOR'S NOTES:

The details on Section 4 (1) and (2) of the Competition Act 2010: Prohibited horizontal and vertical agreement is as follows:

4. (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;

(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.