



NEWS RELEASE

MyCC ISSUES PROPOSED INTERIM MEASURES ON ICE MANUFACTURERS

KUALA LUMPUR, 21 January 2014 – The Malaysia Competition Commission ('MyCC') today issued proposed Interim Measures under Section 35 of the Competition Act 2010 ('the Act') against the 26 tube ice manufacturers on a possible infringement of 4(2)(a) of the Competition Act.

The MyCC has reasonable grounds to believe that the 26 ice manufacturers' collective decision to increase the price of edible tube ice by RM0.50 per bag and the price of block ice by RM2.50 per big block effective from 1st January 2014, has the effect of significantly preventing, restricting or distorting competition in any market for ice in Peninsular Malaysia.

"As provided for under Section 35, for the purpose of preventing serious and irreparable damage, economic or otherwise, and to protect the public interest, the MyCC has issued proposed Interim Measures to all 26 ice manufacturers to desist from acting in accordance with their announcement made on 24 December 2013 to collectively raise prices," said MyCC Chief Executive Officer, Shila Dorai Raj.

She elaborated that their collective action to fix prices can be deemed as an act by a cartel and has negative impact on all consumers of ice including those in the food and beverage and fish-handling industries.



The MyCC has served notices to the 26 ice manufacturers, and has given them a period of seven (7) working days to make written representations.

In an announcement dated 24 December 2013, made by the 26 manufacturers in a few local dailies, it was stated that they will increase the price of edible tube ice by RM0.50 per bag and the price of block ice by RM2.50 per big block from 1st January 2014.

- 1) Atlas Edible Ice Sdn Bhd (198860-X)
- 2) I-Bing Tube Ice Sdn Bhd (674381-W)
- 3) BNI Sdn Bhd (487305-K)
- 4) Chuan Heng Trading (Kajang) Sdn Bhd (603491-U)
- 5) S. P. Edible Ice Sdn Bhd (1015439-V)
- 6) Everest Aisvaram Sdn Bhd (613655-M)
- 7) Fui Wah Enterprise Sdn Bhd (713495-M)
- 8) Kajang Crystal Ice Sdn Bhd (453614-A)
- 9) KFI Coldstorage Sdn Bhd (493872-P)
- 10) Pacific Tube Ice Sdn Bhd (719718-H)
- 11) Shukor Sakam Ais Rintik-Rintik Sdn Bhd (578613-D)
- 12) Perfect Tube Ice Sdn Bhd (351726-U)
- 13) SJ Ice Sdn Bhd (640597-T)
- 14) Sunflower Heritage (Klang) Sdn Bhd (797210-T)
- 15) Twilight Tube Ice Sdn Bhd (308272-T)
- 16) Wai Mah Trading (000895329-T)
- 17) United Sundry Goods (Taiping) Sdn Bhd (183610-A)
- 18) Jade Tube Ice Manufacturing Sdn Bhd (401831-W)
- 19) Thien Nam Sdn Bhd (389367-H)
- 20) Ocean Land Sdn Bhd (17361-D)



- 21) Ais Ceria Trading (001403049-A)
- 22) Ais Everest Sdn Bhd (574195-T)
- 23) Citi Ice Marketing (000898336-D)
- 24) AE Ice Sdn Bhd (928323-D)
- 25) KS Trading (SA0084404-A)
- 26) Dynamic Tube Ice (Nisar & Sons Sdn Bhd; 889385-X)

For more information on the MyCC and the Competition Act 2010, log on to www.mycc.gov.my.

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EDITOR'S NOTES:

1. 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.

* “horizontal agreement” = agreement between enterprises each of which operates at the same level in the production or distribution chain;

“vertical agreement” = agreement between enterprises each of which operates at a different level in the production or distribution chain.

2. Details of **Section 35 of the Competition Act 2010**: Interim measures

35. (2) If the Commission has reasonable grounds to believe that any prohibition under this Act has been infringed or is likely to be infringed and the Commission considers that it is necessary for it to act under this section as a matter of urgency for the purpose of—

(a) preventing serious and irreparable damage, economic or otherwise, to a particular person or category of persons; or

(b) protecting the public interest, it may give such direction as it considers to be appropriate and proportionate for that purpose.

(3) A direction given under subsection (2) may include requiring or causing any person—

(a) to suspend the effect of, and desist from acting in accordance with, any agreement which is suspected of infringing any prohibition under Part II;

(b) to desist from any conduct which is suspected of infringing any prohibition under Part II; or

(c) to do, or refrain from doing, any act, but which shall not require the payment of money.

(4) The Commission shall, before giving a direction under subsection (2)—

(a) serve a written notice to the person to whom it proposes to give the direction; and

(b) give that person an opportunity to make written representations within a period of at least seven days from the date of the written notice.

(5) A notice under subsection (4) shall indicate the nature of the direction which the Commission proposes to give and its reasons for giving the direction.

(6) The Commission may at any time withdraw a direction given under subsection (2).

(7) Without prejudice to subsection (6), any direction given under subsection (2) shall cease to have effect —

(a) on the date of the decision by the Commission upon completion of the investigation under section 14; or



(b) twelve months from the date the direction was given, whichever is earlier.

For media enquiries, please contact:

Rowena Wong, Tel +603 2273 2277 (ext 111), Email: rowena@mycc.gov.my

Anis Syafiq, Tel +603 2273 2277 (ext 217), Email: anis@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.