



NEWS RELEASE

MyCC ISSUES PROPOSED DECISION TO 26 ICE MANUFACTURERS

KUALA LUMPUR, 20th February 2014 – The Malaysia Competition Commission ('MyCC') today issued a Proposed Decision to twenty-six (26) ice manufacturers. The ice manufacturers were found to have infringed Section 4(2)(a) of the Competition Act 2010 ('Act') by entering into an agreement that has as its object to fix, directly or indirectly, the selling price of edible tube ice and the price of block ice in Kuala Lumpur, Selangor and Putrajaya.

According to MyCC CEO, Shila Dorai Raj, price fixing is a major concern of the MyCC as the restriction of competition is obvious in any price fixing cases. "The agreement to fix price leaves no room for individual enterprises to assess their own operating costs and determine for themselves the cost-pass-through effects and how much should the price increase be and also whether the price increase should be borne by themselves or by the consumers," she adds. "An agreement such as this, where there are different sizes of enterprises allows the parties to increase prices across the board by a standard amount and to maximise profitability without any competition."

The Proposed Decision sets out the assessments the MyCC has made on the case and the proposed financial penalties to be imposed on the ice manufacturers according to Section 40 (1) of the Act. As established by subsection 40(4) of the Act, the financial penalties do not exceed ten percent of the worldwide turnover of the enterprise during the period the infringement occurred.



The proposed financial penalties on all the parties involved is RM283,600. In determining the level of financial penalty, the MyCC took into account (amongst others) the seriousness of the infringement, the duration of the infringement; aggravating factors such as not being cooperative during investigation; and mitigating factors such as being cooperative during investigation. The financial penalties range from RM1,200 to RM106,000.

The parties have thirty (30) days from the date the Proposed Decision is served to submit written representations or indicate whether the parties wish to make oral representations before the MyCC.

The MyCC first issued Interim Measures to the ice manufacturers beginning 20th January 2014, following their announcement dated 24th December 2013, in a few local dailies, stating their plan 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 from 1st January 2014.

For the complete list of the ice manufacturers and the proposed financial penalties, refer to **Appendix A**. For more information on the MyCC and the Competition Act 2010, log on to 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 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.

APPENDIX A

List of parties involved and the proposed financial penalties:

No.	Enterprises	Proposed Financial Penalty
1.	Atlas Edible Ice Sdn. Bhd. (198860-X)	RM106,000
2.	I-Bing Tube Ice Sdn. Bhd. (674381-W)	RM3,200
3.	BNI Sdn. Bhd. (487305-K)	RM3,800
4.	Chuan Heng Trading (Kajang) Sdn. Bhd. (603491-U)* Kajang Crystal Ice Sdn. Bhd. (453614-A)*	RM8,900
5.	S.P. Edible Ice Sdn. Bhd. (1015439-V)	RM1,800
6.	Everest Aisvaram Sdn. Bhd. (613655-M)	RM7,100
7.	Fui Wah Enterprise Sdn. Bhd. (713495-M)	RM17,600
8.	KFI Coldstorage Sdn. Bhd. (493872-P)	RM4,500
9.	Pacific Tube Ice Sdn. Bhd. (719718-H)	RM7,700
10.	Shukor Sakam Ais Rintik-Rintik Sdn. Bhd. (578613-D)	RM7,300
11.	Perfect Tube Ice Sdn. Bhd. (351726-U)	RM25,600
12.	SJ Ice Sdn. Bhd. (640597-T)	RM7,200
13.	Twilight Tube Ice Sdn. Bhd. (308272-T)	RM3,000
14.	Wai Mah Trading (000895329-T)	RM14,800
15.	United Sundry Goods (Taiping) Sdn. Bhd. (183610-A)	RM1,500
16.	Jade Tube Ice Manufacturing Sdn. Bhd. (401831-W)	RM6,500
17.	Thien Nam Sdn. Bhd. (389367-H)	RM4,400
18.	Ocean Land Sdn. Bhd. (17361-D)	RM6,600
19.	Ais Ceria Trading (001403049-A)	RM1,200
20.	Ais Everest Sdn. Bhd. (574195-T)	RM6,800
21.	AE Ice Sdn. Bhd. (928323-D)	RM4,400
22.	Citi Ais Marketing (000898336-D)	RM2,200
23.	KS Trading (SA0084404-A)	RM3,200
24.	Dynamic Tube Ice (Nisar & Sons Sdn. Bhd)	RM2,700
25.	Sunflower Heritage Sdn. Bhd. (533866-A)	RM25,600



* Note: The MyCC was given a statement that Chuang Heng Trading (Kajang) Sdn. Bhd. and Kajang Crystal Ice Sdn. Bhd share the same financial account. Hence, the MyCC has decided to impose the financial penalty on the two enterprises collectively.

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. **Section 40 (1) and 40 (4) of the Competition Act 2010:** Finding of an infringement

40. (1) If the Commission determines that there is an infringement of a prohibition under Part II, it—

- (a) shall require that the infringement to be ceased immediately;
- (b) may specify steps which are required to be taken by the infringing enterprise, which appear to the Commission to be appropriate for bringing the infringement to an end;
- (c) may impose a financial penalty; or
- (d) may give any other direction as it deems appropriate.

(4) A financial penalty shall not exceed ten percent of the worldwide turnover of an enterprise over the period during which an infringement occurred.