

MyCC ON DEPOT GATE CHARGES

KUALA LUMPUR, 29th May 2013 – The Malaysia Competition Commission (MyCC), in response to complaints filed by the Federation of Malaysian Manufacturers (FMM) and the Federation of Malaysian Freight Forwarders (FMFF) on the raising of depot gate charges (DGC) in Penang, states that it has not discussed with any parties nor given any consent on any new systems that led to rates revision of the DGC.

The MyCC has taken note of the complaints on the raising of the DGC and has commenced an investigation on the matter, adds MyCC Chief Executive Officer, Pn Shila Dorai Raj.

The MyCC maintains that while it is not a regulator on pricing issues, action will be taken against any enterprises or associations found to be acting in concert to fix prices and/or other trading conditions. Such acts are infringements of Section 4 of the Competition Act 2010.

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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 affect 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.

Notes to Editor:

Information on Section 4 of the Competition Act 2010

Section 4: Prohibited horizontal and vertical agreement

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;

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- (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.

(3) Any enterprise which is a party to an agreement which is prohibited under this section shall be liable for infringement of the prohibition.