



NEWS RELEASE

MyCC WARNS SCHOOL BUS OPERATORS CAN BE FINED

KUALA LUMPUR, 23rd October 2014 – The Malaysia Competition Commission’s (MyCC) recent warning against price-fixing by school bus operators appears to have fallen on deaf ears as the president of the Federation of Malaysian School Bus Operators Associations (SBOA), Mohd Rofik Mohd Yusof, was quoted in a local daily that some 18,000 bus operators nationwide under the Federation have collectively agreed to increase its fares by 30 percent starting next year.

Previously MyCC Chairman, Tan Sri Dato Seri Siti Norma Yaakob has stated that such price-fixing behavior is against Section 4 of the Competition Act 2010 (the “Act”) and warned bus operators to independently decide on their bus fare structures and not fix bus fare structures together.

“With the deregulation of the school bus fare structure, this is the time for consumers to exercise their rights to negotiate for reasonable school bus fares with the respective bus operators,” said Dato’ Sri Hasan bin Malek, Minister of Domestic Trade, Co-operatives and Consumerism. “That way not only consumers can ensure they are getting a fair deal but also help fight cartel like behaviour.”

“Any association members found taking part in agreeing to collectively fix the prices are infringing the Act and can be imposed a financial penalty of up to 10% of their turnover,” warns MyCC Chief Executive Officer, Shila Dorai Raj on the matter. The MyCC may also impose any other direction considered appropriate to ensure future compliance.

Price increases are not anti-competitive in nature but if the increases are a result of collusion through price-fixing agreements by any associations or any groups of sellers, suppliers or manufacturers, such cartel-like activity is a serious contravention of the Act.



The MyCC had recently slapped a proposed fine amounting RM439,000.00 to 24 members of the Sibu Confectionery and Bakery Association found taking part in a price fixing agreement to collectively raise the prices of confectionery and bakery products.

Section 4 of the Act prohibits enterprises, including associations, from fixing, directly or indirectly a purchase or selling price or any other trading conditions for goods and services.

Following the de-regulation of school bus fare structures by the Land Transport Commission (SPAD), school bus operators are to independently decide the fares based on their own individual estimation of operating costs, rather than having to subscribe to a fixed fare structure.

Under Section 40 (4) of the Act, if an enterprise is found guilty of infringement, the MyCC may impose a financial penalty of up to 10% of the worldwide turnover of the enterprise over the period of the infringement, or impose any other direction that it considers appropriate to ensure future compliance by associations and business enterprises.

Members of the public who have information concerning conduct by associations and business enterprises who are or have engaged in price fixing activities should contact the MyCC at +603-2273 2277 or via email at complaints@mycc.gov.my.

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

---End---

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 212), 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.