

NEWS RELEASE

MyCC PUBLISHES FINDINGS OF MARKET REVIEW ON TRANSPORTATION SECTOR

KUALA LUMPUR, 5 OCTOBER 2021 – The Malaysia Competition Commission (MyCC) published its 7th Market Review titled, “Market Review under the Competition Act 2010 for Selected Transportation Sectors in Malaysia (Port Logistics Ecosystem and Motor Vehicles Warranty)” earlier today. The Market Review was successfully officiated by the Minister of Domestic Trade and Consumers Affairs, YB Dato Sri Alexander Nanta Linggi at the MyCC office in Kuala Lumpur.

The Market Review demonstrates through an array of concrete evidence and data on the possible anti-competitive practices within the confines of the studies; and put forth actionable recommendations aimed to foster an efficient logistics system by reducing regulatory barriers for the facilitation of market entry and promotion of competition within the market.

The Market Review successfully uncovered a total of 15 issues within the port logistics ecosystem and 4 issues within the motor vehicles warranty sector which consist of competition issues, market-driven and regulatory issues in the selected transportation sectors. These issues identified in the said report presents a significant challenge in a number of areas, and urgent actions are necessarily required to address them. The MyCC has come up with more than 30 recommendations on how to improve and rectify these issues and the market situations.

Amongst the notable recommendation for the Port Logistics Ecosystem include:

- i. for MyCC to invoke its enforcement power to determine whether there are cartels formed concerning the landside charges, shipping liner charges, depot gate charges, and Fuel Adjustment Factor;
- ii. policy shift in concession agreement for port operators; and
- iii. rectifying the regulatory and market-driven issues in relation to custom procedures, regulatory framework, standardization and the licensing of off-dock

and on-dock players; and empowering MyCC with Merger and Acquisitions (M&A) control.

The MyCC has also recommended few improvements in the Motor Vehicles Warranty market, amongst others:

- i. MyCC to invoke its enforcement powers to determine whether the dealings by the car manufacturers in the repair industry raises competition concerns; and
- ii. introduction of the Lemon Law and other improvements on the warranty processes in order to protect the interests of vehicle owners.

“The findings of this report have distinctly established that clear policies and regulations that are pro-competitive as well as conducive business environment would be essential in order to provide good value services to the consumers. Enhanced competition will also be translated to productivity growth, business dynamism and innovation, all of which, will be crucial in restoring the economy growth after the pandemic,” said Iskandar Ismail, Chief Executive Officer MyCC, emphasising the importance and benefits of competition in the said markets.

On another note, after the launching of the Market Review, MyCC together with the Organisation for Economic Co-operation and Development (OECD) have launched the “OECD Competition Assessment Reviews: Logistics Sector in Malaysia” and the “OECD Competitive Neutrality Reviews: Small Package Delivery Services in Malaysia” reports. These two reports detailed the assessment of rules and regulations in the logistics sector and provides insights on the analysis of the role and impact of state-owned enterprises on competition in small-package delivery services, which are crucial in supporting the growth in e-commerce.

The MyCC believes that the recommendations from the Market Review, if completely implemented, are likely to result in a major positive impact on the Malaysian economy, ultimately, protecting the interest of the consumers. The Market Review recommendations blueprints acted on, would also have a long-term positive impact on employment, productivity, growth, and business competitiveness for the relevant industries in Malaysia.

The Market Review and both OECD Reports are available at 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 of 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.

MyCC celebrated its 10th year anniversary on 1st April 2021 and announced the launch of its rebranding and redesigned logo to elevate its corporate identity. The Logo embodies the culture and colours of the organization as well as its strengths and work values. The symbol of the butterfly is globally known to represent endurance, change, hope and life. This new look also shows simplicity at its finest, signifying the changes and maturity of MyCC itself.

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

ANNEXURE A

Notes to the Editor: Information on Section 11 and Section 12 of the Competition Act 2010

Section 11: Power to conduct market review

Section 11 (1) - The Commission may, on its own initiative or upon the request of the Minister, conduct a review into any market in order to determine whether any feature or combination of features of the market prevents, restricts or distorts competition in the market.

Section 11 (2) - The market review includes a study into—

- (a) the structure of the market concerned;
- (b) the conduct of enterprises in the market;
- (c) the conduct of suppliers and consumers to the enterprises in the market; or
- (d) any other relevant matters.

Section 12: Determination of market review

Section 12 (1) - Upon conclusion of the market review, the Commission shall publish a report of its findings and recommendations.

Section 12 (2) - The report of the Commission shall be made available to the public.