



**Asia-Pacific
Economic Cooperation**

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Agenda Item: 7

Introduction of Competition Policy and Law in Malaysia

Purpose: Information
Submitted by: Malaysia



**Competition Policy and Law Group Meeting
Singapore
21-22 February 2009**



Introduction of Competition Policy and Law in Malaysia

MINISTRY OF DOMESTIC TRADE AND CONSUMER AFFAIRS, MALAYSIA

■ History of Economic Liberalisation

- Beginning mid/end 1980s – extensive privatisation programme
- Liberalisation undertaken sector by sector approach



Competition Policy and Law on sectoral approach

- Communications and Multimedia Act 1998 (Malaysian Communications and Multimedia Commission)

- Energy Commisison Act 2001 (Energy Commisison)



■ **National Competition Policy and Law**

- 8th Malaysia Plan 2001-2005
 - “During the Plan period (2001-2005), efforts will be made to foster fair trade practices that will contribute towards greater efficiency and competitiveness of the economy. In this context, a fair trade policy and law will be formulated to prevent anti-competitive behaviour such as collusion, cartel price fixing, market allocation and the abuse of market power. The fair trade policy will, among others, prevent firms from protecting or expanding their market shares by means other than greater efficiency in producing what consumers want. In addition, a national policy and master plan on distributive trade will be formulated to facilitate an orderly and healthy development of the sector.”



■ **Fair Trade Practices Policy (FTPP) approved by the Cabinet on 26 October 2005 will address 8 policy goals:**

- Promote and protect competition in the market
- Create dynamic and competitive entrepreneurs
- Provide fair and competitive market opportunities for business
- Prohibit anti competitive practices including those originating from outside the Malaysian territory and effecting the domestic territory
- Prohibit unfair trade practices in the economy
- Promote right of SME to participate in the market place
- Promote consumer welfare
- Encourage socio-economic growth, generate efficiency and equity



■ **Process of drafting the Fair Trade Practices Bill (Competition Law)**

- Based on a combination of Competition laws in various jurisdictions and taking into account local needs
- Draft Bill mainly provides for prohibitions against anti-competitive agreements, abuse of dominant position and unfair trade practices



■ Consultation with Stakeholders

- Purpose is to encourage the stakeholders to provide feedbacks and input before tabling the Bill to Parliament
- Consultations expected to be concluded by April 2009 and Bill targeted for tabling in Parliament by mid/end 2009



THANK YOU

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