



## Malaysia Competition Commission



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**SESSION 3A: REGIONAL ECONOMIC COOPERATION PRIORITIES &  
CONCERN**

**ASEAN REGIONAL ECONOMIC COOPERATION ON COMPETITION  
POLICY**

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# **PRESENTATION OVERVIEW**

**Part 1 – Competition Policy & Law in ASEAN**

Part 2 – Competition Policy & Regional Cooperation in the AEC

Part 3 – Conclusion

# Competition Policy & Law in ASEAN

## The ASEAN regional framework for CPL:

**AEC Blueprint** - In their Declaration on the ASEAN Economic Community Blueprint (AEC Blueprint) in Singapore in November 2007, the ASEAN Leaders agreed that:

*“... the AEC Blueprint which each ASEAN Member Country shall abide by and implement the AEC by 2015. The AEC Blueprint will transform ASEAN into a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy... ”.*

*[Handbook on CPL in ASEAN for Business 2013]*

## Competition Policy & Law in ASEAN

The **AEC Blueprint 2009-2015** spells out the following actions:

- i. Endeavor to introduce competition policy in all Member States by 2015;
- ii. Establish a network of authorities or agencies responsible for competition policy to serve as a forum for discussing and coordinating competition policies;
- iii. Encourage capacity building programs / activities for Member States in developing national competition policy; and
- iv. Develop a regional guideline on competition policy by 2010, based on country experiences and international best practices.

# Competition Policy & Law in ASEAN

## ASEAN Experts Group on Competition (AEGC):

- In August 2007, the ASEAN Economic Ministers endorsed the establishment of the ASEAN Experts Group on Competition (hereinafter, “AEGC”) as a regional forum to discuss and cooperate in CPL.
- The AEGC is an official body comprising representatives from the competition authorities and agencies responsible for competition policy in AMSs.
- Implementation of the tasks and activities relating to competition policy, as targeted for delivery under the AEC Blueprint, is overseen by AEGC.

# Competition Policy & Law in ASEAN

## Scope of Competition Law:

- **The legal and institutional framework:** what is competition law and who enforces it?
  - Competition Act
  - Competition Authority
- **The substance:** what practices are prohibited under competition law?
  - anti-competitive agreements;
  - abuse of a dominant position or a monopoly; and
  - anti-competitive mergers.

# Competition Policy & Law in ASEAN

## What are the benefits of competition?

- **Consumer Welfare**
  - More choices for consumers
  - Goods and services offered at competitive prices by competitors
  - Improved quality, service and innovation
- **Economic Efficiency**
  - Efficient use and allocation of scarce resources
  - Lower business costs
  - More efficient marketplace and well-functioning markets
- **Growth, Progress and Prosperity**
  - Promoting economic growth
  - Greater efficiency drives higher levels of output and productivity gains
  - Attracting investment and creating jobs



# MALAYSIA COMPETITION REGIME

## **Competition Act 2010 (Act 712)**

An act **to** promote economic development **by** promoting and protecting the process of competition, **thereby** protecting the interests of consumers and to provide for matters connected therewith.

## **Competition Commission Act 2010 (Act 713)**

An act to provide for the establishment of the Competition Commission, to set out the powers and functions of such Commission, and to provide for matter therewith or incidental thereto.

## FUNCTIONS AND POWERS OF MyCC

**S. 16 and S. 17 of Competition Commission Act 2010:  
Functions and Powers of the Competition Commission**

### **Main functions and powers include:**

- **Advocacy**
- **Investigation & Enforcement**
- **Market review**
- **Exemption**
- **Compliance & Leniency**
- **Impose Penalty**

# MAIN PROHIBITIONS

## ANTI-COMPETITIVE PRACTICES



(Section 4)  
ANTI-COMPETITIVE  
AGREEMENTS



(Section 10)  
ABUSE OF DOMINANT  
POSITION

**NO MERGER CONTROL PROVISION**

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## Competition Policy & Regional Cooperation in the AEC

The work of the **AEGC** has been focused on **four regional initiatives** that are aimed **towards greater harmonisation of competition policy and law in the region** including:

- i. establishing a national law on competition in all AMS;
- ii. putting in place effective institutional framework/mechanisms to support the implementation of competition law, through comprehensive capacity building and training of competition officials;
- iii. creating a “competition-aware” region that supports fair competition, through establishing a network of competition-related agencies; and
- iv. undertaking activities that promote greater regional competition cooperation such as establishing competition enforcement cooperation agreements to deal with increasing cross-border commercial transactions.

# Competition Policy & Regional Cooperation in the AEC

- With respect to the first commitment on the introduction of national competition laws, **seven Member States have enacted their respective legislation to date: Indonesia (1999), Thailand (1999), Singapore (2004), Viet Nam (2004), Malaysia (2010), Myanmar (2015), and Brunei Darussalam (2015).**
- The remaining countries (**Lao PDR, Cambodia and the Philippines**) are either in the process of drafting or have the drafts under review, but expected to follow suit by mid-2016.

# Competition Policy & Regional Cooperation in the AEC

- The AEGC build two key deliverables finalised in 2010: **The ASEAN Regional Guidelines on Competition Policy** already provide useful guidance in the formulation of competition laws, whereas the **Handbook on Competition Policy and Law in ASEAN for Business**, last updated in 2013, contains a description of the scope of existing competition regimes in the region.
- Both deliverables could form the basis for a more comprehensive comparative review of competition regimes in ASEAN, and subsequently for charting the course for enhanced regional cooperation and convergence.

## Competition Policy & Regional Cooperation in the AEC

- Aside from these, achievements of the AEGC thus far include the launching of the **Guidelines on Developing Core Competencies in Competition Policy and Law in ASEAN in 2012** and **the establishment of the AEGC Web Portal in 2013.**
- **Capacity building programs** facilitated by the AEGC in the past years have benefitted more than 700 professionals so far. Moreover, **the ASEAN Competition Conference (ACC) has been held annually since 2011**, providing a platform for the AEGC to reach out to a broader public and engage with key development partners.
- The **tools for advocacy and the website** are still incomplete but efforts will continue post-2015.



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## **CONCLUSION**

- Technical capabilities for enforcement, institutional arrangements, political backing and business compliance still need to be further strengthened.
- There are significant differences amongst the existing competition laws, particularly owing to different political systems and degrees of economic development.
- There are no uniform standards across the region when it comes to the objective and substance of the law, scope of sanctions etc.
- Moving forward, the work of the AEGC will be guided by the ASEAN Competition Action Plan (2016-2025) which identifies new strategic goals that are supportive of the overarching vision of a competitive, innovative, and dynamic ASEAN with an effective and progressive competition policy.

**THANK YOU**



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