

Competition Act 2010

Effect on Trade in Malaysia?

Faizah Jamaludin
Partner
Head of Competition Law Practice Group

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SKRINE

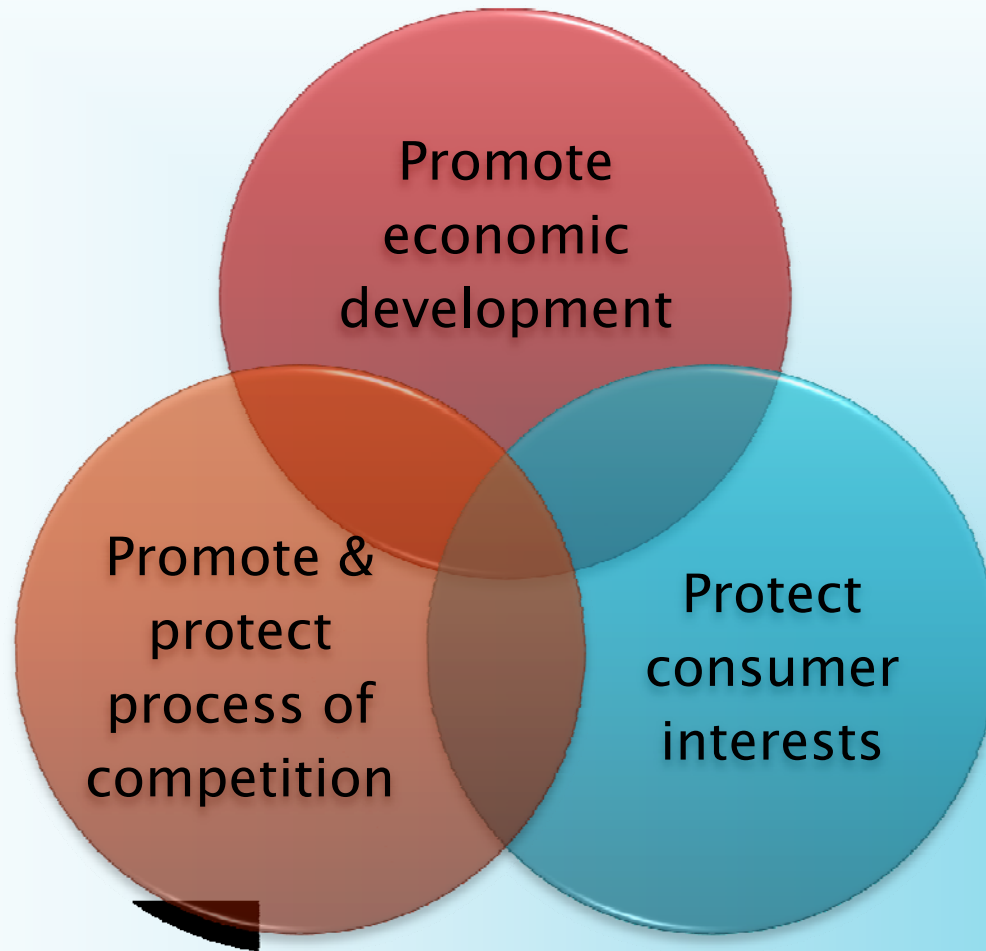
Malaysian Law Firm of the Year 2008, 2009 & 2010, Who's Who Legal Awards

“We welcome competition and we have no issue with Firefly. Competition only makes it better and more efficient and we are where we are because we competed, in many instances, against unfair competition.”

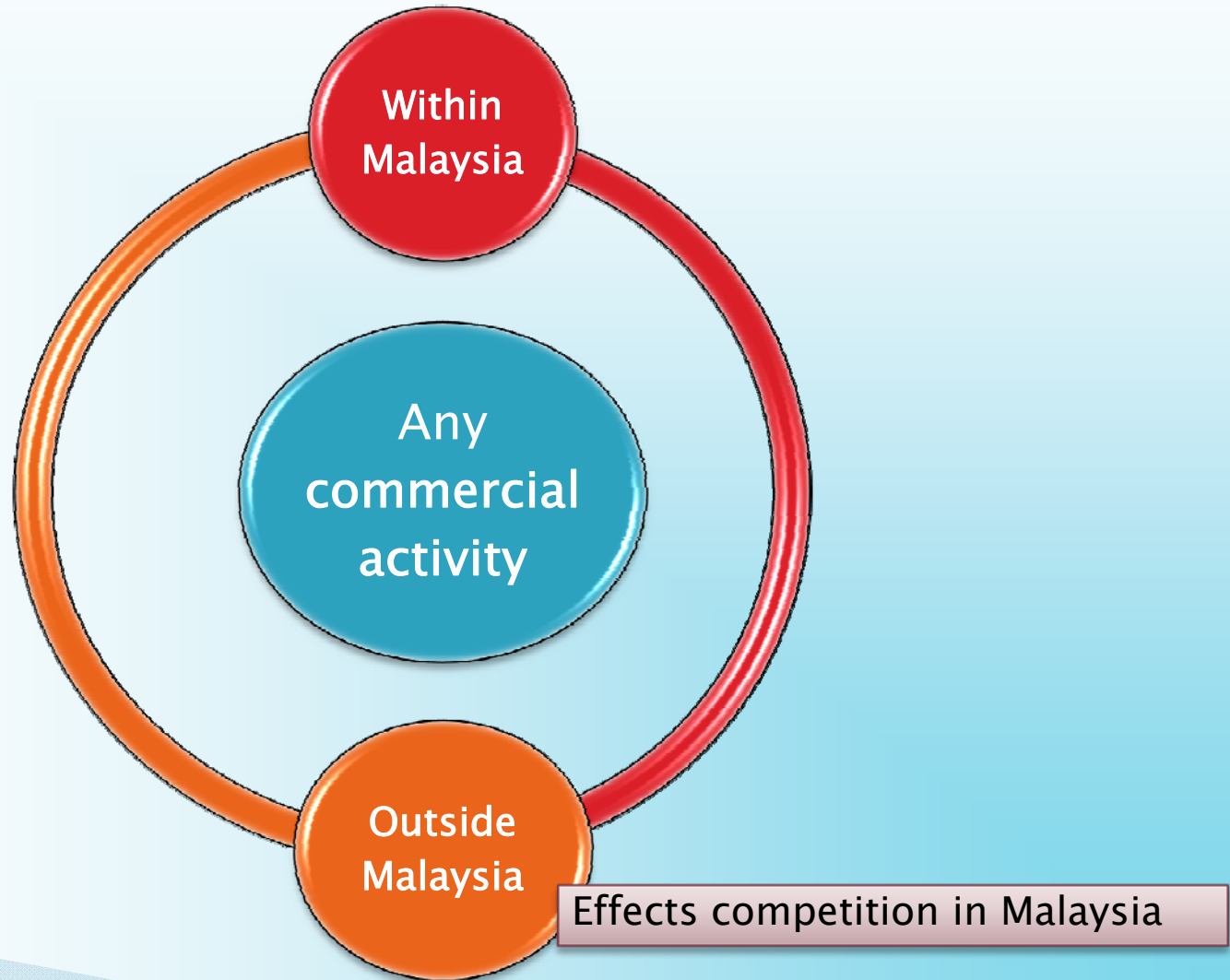
Datuk Seri Tony Fernandes
CEO, AirAsia
The Star, 6 January 2011

Competition Act 2010

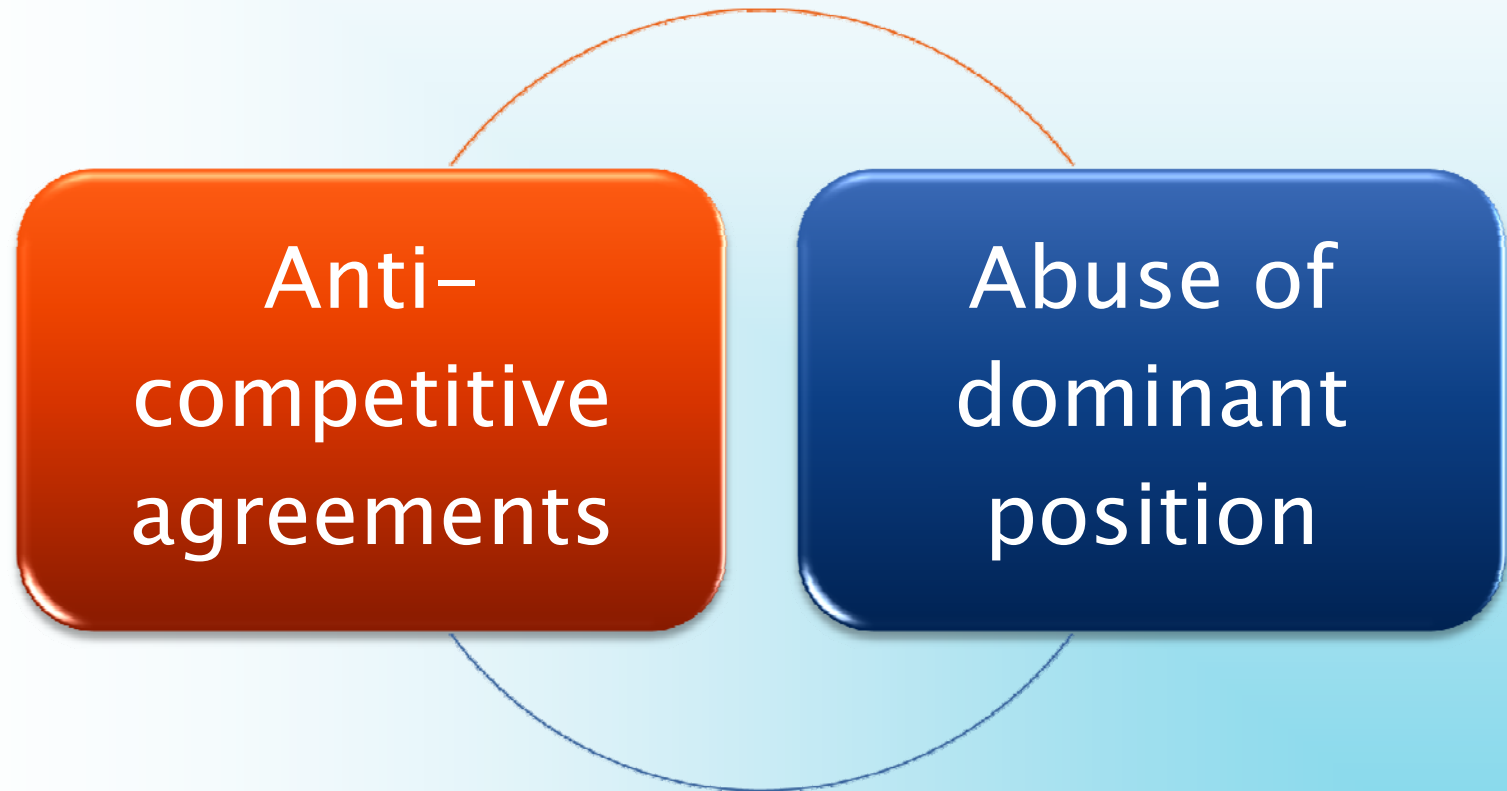
Objective



Applies to



Prohibits



Anti-Competitive Behaviour

“Significantly preventing, restricting or distorting competition”

- ▶ Price-fixing
- ▶ Limiting market access
- ▶ Bid-rigging
- ▶ Boycott
- ▶ Discrimination that may harm competition
- ▶ Tying / Bundling

Effect on Trade?

Harry Potter and the Malaysian Booksellers

- ▶ *The Star* Saturday July 21, 2007
- ▶ “As avid fans of Harry Potter await the highly-anticipated finale scheduled to be released for sale at 7.01 today, a price war has brought about an unexpected twist MPH, Times, Popular and Harris bookstores **have decided to withdraw** the *Harry Potter and the Deathly Hallows* novel from their shelves **in protest** against Tesco and Carrefour’s move in selling the novel at a much cheaper price of RM69.90.

- ▶ *New Straits Times* Tuesday July 24, 2007
- ▶ “**The boycott is over.** *Harry Potter and the Deathly Hallows* is back on the shelves of the four major bookstores that **boycotted** the sale of books since Saturday – and at a discount. As a goodwill gesture, MPH, Times, Popular and Harris bookstores said they would sell the book at a **25% discount for their members.** Walk-in-customers will enjoy a 20% discount **provided they make other purchases.**”

Competing for the Skies

- ▶ *The Star* Thursday January 6, 2011

“Will Passengers Get Lower Fares Due to Competition Among Firefly, MAS and AirAsia?”

..... The real fight for passengers intensifies when a 3rd player [Firefly] enters the market and the 1st domestic sector with a 3rd player are the KL–KK and KL–Kuching routes.

A clear example of how competition brought fares down was when the KL–Singapore sector was liberalised from a 2–player [MAS, SIA] environment to 5 [MAS, SIA, AirAsia, Jetstar, Tiger Airways, Firefly] . This forced fares to drop and today one–way fares are as low as RM2.”

“The price which society pays for the LAW OF COMPETITION, like the price it pays for cheap comforts and luxuries is great; but the advantages of this law are greater still than its cost / for it is to this law that we owe our wonderful material development, which brings improved conditions in its train. But whether the law be benign or not, we say of it:

IT IS HERE

WE CANNOT EVADE IT;

NO SUBSTITUTES FOR IT HAVE BEEN FOUND”

Andrew Carnegie
(1835–1919)

U.S. industrialist/philanthropist

TERIMA KASIH