



# MALAYSIA'S COMPETITION ACT 2010

**RAMIFICATIONS FOR TRADE AND INVESTMENT**

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# Competition Act ... Positive or Negative?



**From a business point of view the Competition Act can be positive, or neutral or even negative.**

# Competition Act ... Not Something New

- Competition law is not new and many countries have such legislation or something similar.
- Large businesses, especially foreign multinationals are used to operating within such an environment.
- Smaller companies are less familiar with this but are also less likely to have their business affected.
- As a result trade and investment **SHOULD NOT** be adversely affected by the introduction of Competition Law. But ...

# Competition Act ...

## Will It Work For Business?

- Yes ... if it enhances Malaysia's image as an investment destination that supports world class business ethics.
- Yes ... if it promotes corporate competitiveness.
- Yes ... if it encourages business confidence in effective government support for investment both domestic and foreign.
- Yes ... if it can replace arbitrary restrictions such as price controls with honest self regulation.

# Competition Act ... Can It Hurt Business?

- No ... if clear, transparent and fair rules are applied across the board.
- No ... if those with vested interests in protectionism and special privileges are not permitted to undermine the effective implementation.
- No ... if those interests who are already stating that Competition Law does not work can be ignored.
- No ... if the political will to apply absolute impartiality and fair application is present.

# Competition Act ... Can It Hurt Malaysia?

- If applied promptly and effectively the Competition Act will **enhance** Malaysia's business credibility.
- If the already protracted time taken to bring this legislation forward is further extended or the implementation is seen as half hearted and lacking commitment or fairness then Malaysia's global image will **suffer**.
- Malaysia is working hard to define a new economic and social identity and anything that impacts negatively on its credibility or dedication to world class standards can **undermine** this effort.

# Competition Act ... Positive or Negative for Trade & Investment?

- **Positive image enhancement if ...**
  - Law is seen to be applied evenly and fairly (national treatment).
  - Competition law can be utilised effectively to reduce dependency on price controls and encourage genuine competitiveness.
  
- **Negative for national image if ...**
  - Competition Commission is perceived to be dominated by political appointees.
  - Investors feel competition act is being used as a discriminatory or non-tariff barrier.

# Competition Act ... Fine Words Butter No Parsnips



**Talk is easy ...**

**Implementation and  
action is more difficult**

# Competition Act ...

## How Do We Make It Work?

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- Act quickly and decisively ... 15 years of prevarication have already undermined credibility.
  - Emphasise transparency, clarity and fairness.
  - Ensure the commission has the right knowledge and expertise and experience at their disposal to make considered, balanced, equitable judgments.
  - People will be the key – the very best from public and private sectors should be recruited to serve on the Commission, to ensure respect and credibility.

# Competition Act ... Conclusions





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# THANK YOU