

MyCC warns groups over price signalling

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by AZALEA AZUAR / pic by TMR FILE



THE Malaysia Competition Commission (MyCC) warns enterprises against signalling a 10% increase in prices for food and non-food items.

In a statement yesterday, MyCC said it was aware of some influential groups of enterprises that have warned consumers amongst others, to prepare themselves for prices of food and non-food items to go up to 10%.

The groups also warned about a potential supply disruption of certain essential food items until Ramadhan and Hari Raya Aidilfitri due to the prolonged discussion on subsidies.

The commission was of the concern that these entities have strong leverage in the relevant markets and as such, their statements could have strong leverage in the relevant markets.

"Such actions, if found to have the object of significantly preventing, restricting, or distorting competition in the market, can raise competition concerns under the Competition Act 2010.

"For instance, signalling the market on the potential price increase. The said statements of these entities are unnecessary and can cause fear and panic among consumers," the statement reads.

MyCC added that price signalling has potential anti-competitive effects on pricing disclosures. It is also a violation under generic prohibitions of anti-competitive agreements or concerted practises.

Therefore, the commission has reminded all groups — especially retail federations — to focus their efforts on cooperating with the government to tackle these issues and not to spread similar statements anymore.

According to MyCC CEO Iskandar Ismail (*picture*), the commission will continue to closely monitor and investigate the issues and impact of anti-competitive price signalling and price disclosures.

"Where appropriate, we will take enforcement actions including imposing appropriate penalties and direction against the parties concerned," he said.