



**SURUHANJAYA PERSAINGAN MALAYSIA
MALAYSIA COMPETITION COMMISSION**

OPENING REMARKS

**YB DATUK SERI SAIFUDDIN NASUTION BIN ISMAIL
MINISTER OF DOMESTIC TRADE AND CONSUMER AFFAIRS**

**MARKET REVIEW ON FOOD SECTOR IN MALAYSIA
UNDER THE COMPETITION ACT 2010**

6th AUGUST 2019

**ASIAN INTERNATIONAL ARBITRATION CENTRE,
KUALA LUMPUR**

Bismillahirrahmanirrahiim,

Assalamualaikum Warrahmatullahi Wabarakaatuh

SALUTATION

Yang Berhormat Tuan Chong Chieng Jen,

Deputy Minister of Domestic Trade and Consumer Affairs

YBhg. Datuk Muez Abdul Aziz,

Secretary-General of the Ministry of Domestic Trade and Consumer Affairs

YBhg. Dato' Seri Mohd Hishamudin Md Yunus,

Chairman of the Malaysia Competition Commission

YBrs. En. Iskandar Ismail,

Chief Executive Officer of the Malaysia Competition Commission

Representatives from ministries and government agencies,

Representatives from the industry,

Ladies and gentlemen.

Very good morning to all.

1. First and foremost, I would like to congratulate the Malaysia Competition Commission (MyCC) for the successful completion of a monumental task assigned by the government, which is to conduct an in-depth and comprehensive market review on the supply chain of 5 staple food items in Malaysia.

2. The 5 items selected for market review are beef, Indian mackerel (*ikan kembung*), infant formula, mustard leaf (*sawi*) and round cabbage. These items were selected as they have been identified to be major food items for Malaysian households and are known to be susceptible to market issues.

3. As an agency which is committed to promoting competition and combating anti-competitive practices in the marketplace, MyCC is an invaluable component of the Ministry of Domestic Trade and Consumer Affairs (MDTCA). The launch of this report is a significant milestone for MyCC and the Ministry as it will play a vital role in the Ministry's efforts to control the cost of living and to protect the interests of millions of Malaysian consumers.

Ladies and gentlemen,

4. We at the Ministry are well aware of the cost-of-living issues faced by consumers and mindful of the concerns raised by citizens. At the heart of this matter is rising food prices.

5. As reported by the Department of Statistics, spending on meat, fish, seafood and vegetables constituted a total of 48% of Malaysians' household expenditure in 2016. This market review looks into the market structure, level of market competitiveness and helps to determine whether there are any anti-competitive conduct in the selected food sectors.

6. What are some of the aims we hope to achieve through the launching of this report?

7. **Firstly, to assist enforcement of existing laws and promote internal reform by industry players.** This report serves as a reminder to industry players that the government now knows the ins and outs of the market and will not hesitate to take action against those who profiteer at the expense of consumers. Further, by identifying market inefficiencies and potential anti-competitive conduct in the selected food sectors, it is hoped that relevant industry players will take proactive measures and work together to remedy those issues.

8. **Secondly, to attract more competition into inefficient or non-competitive sectors.** If existing market players fail to remedy structural issues highlighted by this market review, it is hoped that this report will incentivize other enterprises' to exploit existing weaknesses in the market by expanding into these industries. The Ministry wholeheartedly supports this possibility as we believe that more competition will increase market efficiency, promote innovation and accelerate economic growth.

9. **Thirdly, to assist regulators in policymaking.** Moving forward, it is hoped that this market review will become an invaluable asset in helping regulators and relevant agencies design policies to address market inefficiencies, competition concerns and other issues.

10. For example, we have identified that one of the reasons why the prices of food items kept increasing is because of our over-reliance on imports. Malaysia is still a food net importer rather than a self-reliant sector and our total import of food and live animals have increased significantly from RM38.9 billion in 2013 to RM51.3 billion in 2017.

11. Our inability to be self-sustaining in terms of food production means that we are at the mercy of importers. Take for example one of the items in the market review, beef. Our sources of beef imports are limited to only a handful of countries such as India and Australia and our own domestic production is almost non-existent. This gives power to importers or foreign exporters to increase prices as and when they like and consumers have no choice but to accept it.

12. As a solution to this problem, this report presents a few recommendations as to how Malaysia can become more self-sustaining such as diversifying our sources for the 5 food items and expanding our own domestic industry to reduce dependence on imports. By doing so, it is hoped that Malaysia can become a food secure country where citizens are able to get nutritious food at affordable prices.

Ladies and gentlemen,

13. MyCC has engaged with many parties including government agencies, associations, academicians, practitioners and most importantly, industry players to ensure that this market review is as comprehensive as possible.

14. With all the hard work and dedication that MyCC has invested into this market review under the capable leadership of their CEO, Mr Iskandar, I am confident that this report will be a beneficial and all-time reference for entrepreneurs, regulators, and consumers. I believe that together, we can create a more mature, ethical and competitive market ecosystem for both businesses and consumers to thrive in.

15. I would like to extend my sincere gratitude to everyone involved for their contribution in completing this market review and to again congratulate MyCC for their success in preparing this report.

16. Without further ado, I hereby launch MyCC's report titled "Market Review on Food Sector in Malaysia Under the Competition Act 2010". Thank you.

Wabillahitaufikwalhidayah, wassalamualikum W.B.T.