



SESSION 3A: REGIONAL ECONOMIC COOPERATION PRIORITIES & CONCERN

ASEAN REGIONAL ECONOMIC COOPERATION ON COMPETITION POLICY

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Ayuda Sari Ismail Strategic Planning & International Affairs Division, Malaysia Competition Commission



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 <u>a network of authorities or agencies</u> responsible for competition policy to serve as a forum for discussing and coordinating competition policies;
- iii. Encourage <u>capacity building programs</u> / activities for Member <u>States</u> in developing national competition policy; and
- iv. Develop a <u>regional guideline</u> 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

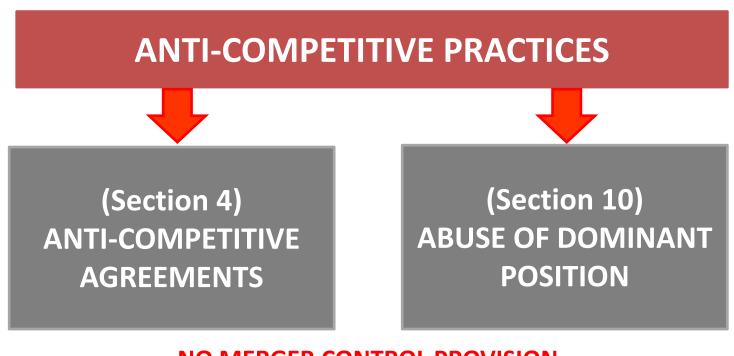
Main functions and powers include:

- Advocacy
- Investigation & Enforcement
- Market review

- Exemption
- Compliance & Leniency
- Impose Penalty



MAIN PROHIBITIONS



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, <u>seven Member States have enacted their respective legislation to date: Indonesia (1999)</u>, 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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