THE NEED FOR A COMPETITION POLICY IN MALAYSIA

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Abstract

The paper will address if there is a need for a competition policy in Malaysia. We will start by explaining the basic objectives of a competition policy and why it is important. We will describe the various actions and policies used to curb unfair competition as well as discuss different policy frameworks taken by countries like USA, EU, Korea and Japan. We will also very briefly look at the economic issues that arise from the interaction between competition policies and international trade policies.

Once we understand the fundamental concepts above, we will then discuss if there is a similar need for a competition policy in Malaysia. Although Malaysia has a number of laws, which indirectly regulates unfair trade practices and protects consumer interest, it does not yet have a specific ‘act’ on competition or a formal administrative authority that determines appropriate business ethics and trade practices as well as to act as an arm that take actions against unethical behaviour. The paper will discuss the benefits and challenges faced in determining the need for formal competition framework, focussing more on the domestic rationale and dynamics. We will conclude by discussing what the design of the competition framework and the implementation approach should be.

(The term ‘policy’ refers to the legal, regulatory and enforcement framework supporting competition). Note: In this paper, we will use the term competition policies and antitrust policies interchangeably.
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