

Govt: Have as many sales as you want

Businesses told it's healthy competition

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BUTTERWORTH: Businesses can hold as many cheap sales or discount seasons as they want starting next year under new rules by the Domestic Trade and Consumer Affairs Ministry.

Minister Datuk Seri Saifuddin Nasution Ismail said the move, which takes effect on Jan 2, was meant to help businesses deal with the changing times and compete with online shopping platforms.

"Traders will be allowed to hold sales whenever they choose to do so and are only required to give the ministry a day's notice if the sales will be held for more than three days.

"Prior to this, they were only allowed to hold sales four times a year for a maximum of 30 days each time and were required to give us two weeks' notice.

"Three of those sales periods were fixed by the government on specific dates.

"The ministry has realised that with technological advancement and the growth of online shopping, these rules are holding traders back.

"We will no longer need to restrict them but there will be enforcement to ensure the rights of consumers are

upheld and the advertisements are not deceiving. Those things will be regulated," he said.

Saifuddin said this in a press conference after a back-to-school charity event held by the ministry with the support of Tesco Extra in Seberang Prai yesterday.

He said the new rule, under the Trade Descriptions (Cheap Sale Price) (Amended) Regulations 2019, would be better for both consumers and businesses as it would encourage healthy competition and sustainability as well as contribute to lower cost of living.

"There will be open and healthy competition between businesses and consumers will benefit from cheaper prices and more sales.

"This regulation has been through five amendments since it was introduced in 1997.

"The aim of the amendments this time is to improve the provisions of the regulations to address industry needs in the retail sector and consumer protection aspects.

"In an age where technology and business models are evolving, such concepts are seen as lacking in flexibility and have prevented traders from organising cheap sales based on their creativity and market-

ing strategy.

"It is considered a trade barrier in the current international trade context," he said.

Saifuddin said the amendments involved 10 provisions, with the main one being about sales.

"Businesses will now be able to organise their sales according to their time and business suitability.

"However, the ministry will never neglect the protection of consumer rights.

"We have established an offence provision for traders who make false or misleading statements in sales advertisements.

"This is to ensure the businesses are ethical and that the offered discounts are genuine.

"The ministry hopes that with the improvement of this regulation, cheap sales activities in Malaysia will become vibrant and lead to a sustainable business environment.

In 2017, the ministry limited "mega sales" from five to four in an attempt to make discounts more meaningful for consumers.

The ministry announced then that it had found that many traders marked up prices up to threefold and then offered a 90% discount during sales.