

Malaysia proposes RM86 million fine on Grab for abusive practices



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By Beatrice Nita Jay, Antara Baruah
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KUALA LUMPUR: The Malaysia Competition Commission (MyCC) has proposed an RM86.8 million fine against e-hailing service company Grab for violating the Competition Act.

After its investigations, MyCC found that Grab had abused its dominant position by imposing restrictive clauses on its drivers; preventing them from promoting and providing advertising services for the latter's competitors; and transit media advertising market.

This had distorted competition in the e-hailing market, creating barriers to entry and expansion for Grab's existing and future competitors.

"MyCC has proposed to impose a financial penalty of RM86,772,943.76 against Grab as well as a daily penalty of RM15,000 per day from the date of service (today) of the proposed decision should they fail to take remedial actions as directed by the commission in addressing the competition concerns.

"They have 30 days to present their defence and till then, the penalty of RM15, 000 will run continuously," MyCC's chief executive officer Iskandar Ismail said in a press conference today.

Iskandar, however, said this was only a proposed decision, and the final decision would be made after Grab representatives present their defence.

He also said that once the defence is made, there is a possibility for the fine to increase or decrease.

Iskandar added that the investigation had already begun, following the merger between Grab and Uber in late March last year.

"Since then, we had received numerous complaints against Grab. There were other complaints, however this one had affected the competition within the market."

Under the Competition Act 2010, an enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position, although being a monopoly or a dominant player is not against the law.

Iskandar also said that MyCC does not have power against merger; however, they can look at the post effect of a merger.

He said the agency, which is under the Domestic Trade and Consumer Affairs Ministry, is currently looking into amending the law to improve its merger power.

Last year, MyCC had said that it would monitor Grab for possible anti-competitive behaviour after its acquisition of Uber.

Grab, which is based in Singapore, had earlier responded that it had cooperated with MyCC and was not informed of any regulation breaches since the merger.

Last September, Singapore fined both Grab and Uber a total of S\$13 million and imposed other measures to address competition concerns.

The Philippines fined them 16 million pesos a month later, saying the firms violated the conditions set by its competition regulator.

