

# Grab facing RM87mil fine

## MyCC proposes penalty for violating competition laws

Reports by HEMANANTHANI SIVANANDAM and ALLISON LAI  
newsdesk@thestar.com.my

**KUALA LUMPUR:** E-hailing company Grab has been slapped with a proposed fine of RM86.7mil for violating Malaysia's competition laws. The Malaysia Competition Commission (MyCC) said it issued the proposed fine against Grab Inc, Grab Car Sdn Bhd and MyTeksi Sdn Bhd (Grab) for collectively breaching Section 10 of the Competition Act 2010.

MyCC chief executive officer Iskandar Ismail said Grab abused its dominant position by imposing a number of restrictive clauses on its drivers that prevented them from promoting and providing advertising services for Grab's competitors in the e-hailing and transit media advertising market.

"MyCC further notes that the restrictive clauses had the effect of distorting competition in the relevant market that is premised on multi-sided platforms by creating barriers to entry and expansion for Grab's existing and future competitors.

"The fine is merely a proposal and not final," said Iskandar yesterday.

Apart from the proposed fine,



**No free ride:** MyCC is also proposing for the Competition Act to be amended to include merger powers.

powers like Singapore or the Philippines.

"What we can do is to look in the perspective of post merger and four days after they (Grab) did, we called them and we have been monitoring them," he said.

Iskandar added that MyCC was also proposing for the Competition Act to be amended to include merger powers.

Malaysia would be the third country to penalise Grab after buying over Uber in the region.

Last year, both Singapore and the Philippines' competition watchdogs also fined both Grab and Uber.

Uber's deal to take a 27.5% stake in Grab in exchange had earlier raised a red flag with Singapore's competition watchdog, which last September fined both Grab and Uber a total of S\$13mil (RM39.4mil) and imposed other measures to address competition concerns.

The Philippines also fined both companies 16mil pesos (RM1.3mil) last October, saying they had violated the conditions set by its competition regulator.

March 2018.

Iskandar said since the merger, MyCC received numerous complaints against Grab and started its investigations based on them.

He also said the investigations were not due to the e-hailing company's near monopoly of the market after Grab acquired Uber.

This is because the Competition Act states that being a monopoly or a dominant player in the market is not an infringement of the law.

Action can only be taken under the Act against a monopoly or dominant company that abuses its position in the market.

"You have to understand that in Malaysia, the MyCC has no merger



Watch the video  
[thestartv.com](http://thestartv.com)

**We abided by  
the rules,  
why impose  
RM86.7mil  
fine? says Grab**

**PETALING JAYA:** E-hailing company Grab is taken aback by MyCC's proposed RM86.7mil fine against it, insisting that it has complied with competition laws.

"We are surprised," the Singapore-based company said via a statement yesterday.

"While our legal counsels are studying the proposed decision, we believe it is common practice for businesses to decide upon the availability and type of third-party advertising on their respective platforms, tailored according to consumers' needs and feedback," wrote the Grab spokesman.

The Malaysia Competition Commission proposed the fine against Grab Inc, Grab Car Sdn Bhd and MyTeksi Sdn Bhd (Grab) for breaching the Competition Act 2010.

A daily penalty of RM15,000 has also been imposed.

Malaysia E-Hailing Drivers Association (MeHDA) president Daryl Chong welcomed MyCC's move.

"We want action to be taken against them. We also want the details to be made public.

"We hope they (Grab) will change and treat their so called 'partners' better," he said.

Chong said MyCC should be stern and also not allow for any U-turn to its decision.

MyCar founder and director Mohd Noah Maideen also welcomed MyCC's decision.

He also appealed to the Government to not allow e-hailing applications to have the "Auto Accept" function.

"This opens up room for more abuse to the drivers," he said.

MCA Civil Society Coordination Bureau chief Ng Kian Nam concurred, saying the proposed fine was lenient. However, he said MyCC's action came too slow.

Ng, who has been trying to help a group of e-hailing drivers who were allegedly terminated without proper notice or reason, said Grab, which controls 80% of the domestic market since last year, implemented a series of adverse conditions in the name of gig economy that infringed on the basic rights of its drivers.

"This includes engaging them as driver-partners in the flexible gig economy but imposed strict controls.

"We have received many complaints from drivers," he said.

He said the Transport Ministry should allow another e-hailing giant, Indonesian based Gojek, to enter the Malaysian market as soon as possible to ensure long-term and conducive fair competition.