

## Client Alert

November 2017

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## Pharmaceutical Sector in Malaysia Under Market Review of the Malaysian Competition Commission

The Malaysian Competition Commission ("**MyCC**") has commissioned Third World Network ("**TWN**"), an independent non-profit international research and advocacy organisation, to conduct a market review on the pharmaceutical sector in Malaysia (the "**Review**"). The market review is being conducted by the MyCC pursuant to powers under Chapter 3 of the Competition Act 2010 ("**MCA**").

The Review is being commissioned with a view to determining the pharmaceutical sector's market profile and TWN has examined industry issues such as:

- market structure and supply chain issues;
- the level of competition among players at different levels of the supply chain;
- identification of anti-competitive practices; and
- whether governmental intervention in the industry would be necessary.

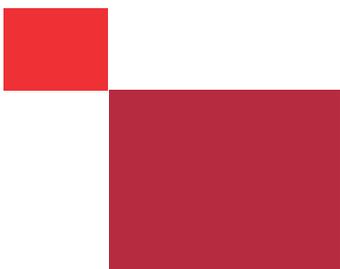
As part of the Review, TWN has prepared a draft final report on the outcome of the Review. The draft is currently available on MyCC's website (<http://www.mycc.gov.my/sites/default/files/media-review/Market%20Review%20on%20Pharmaceutical%20Sector.pdf>).

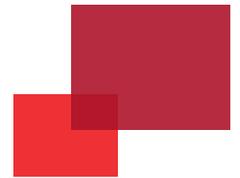
The draft report has identified certain potential anti-competitive conduct including:

- the use of patent strategies and product life-cycle management measures to maintain dominance and delay the entry of generic medicines;
- intervention before regulators which determine marketing authorization;
- pricing and reimbursement of generic products and price discrimination.

TWN has recommended that the Malaysian government take action to revise existing regulations and policies which it believes facilitates anti-competitive conduct. Among other measures, TWN has suggested the regulation of mark-ups in the distribution chain and the introduction of rules to ensure increased transparency in pricing policies of industry players.

Pharmaceutical companies and other relevant stakeholders should take this opportunity to provide feedback especially if there are any discrepancies or





inaccuracies in the draft report. MyCC has set a deadline of **9 am on 7 December 2017** for the submission of feedback.

The finalised report, which will be issued after the public feedback sessions, may ultimately be used by the MyCC as the basis for its analysis and findings of anti-competitive practices by pharmaceutical companies in Malaysia.

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