

Abolish EMGS, says DAP MP
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Serdang MP Ong Kian Ming has urged the Malaysian Competition Commission (MyCC) to push the government to abolish the Education Malaysia Global Services (EMGS) because of its anti-competitive practices.

EMGS was set up in 2012 as a one-stop shop to facilitate all the requirements of foreign students in Malaysia.

However, Ong told reporters today, the EMGS had instead facilitated monopolies in the medical and insurance sectors.

"EMGS has violated the Competition Act. It has created a monopoly for medical clinics that can provide check-ups, and created a monopoly for private insurance.

"It is quite clear that EMGS is anti-competitive. My call is for MyCC to ask for EMGS to be abolished," he said.

Prior to the creation of EMGS, foreign students could get their required health checks at any licenced medical clinic in Malaysia but EMGS has since required students go to approved clinics.

According to Ong, there are 62 clinics on the approved list, with 50 of them (86 percent) being owned by a single company group, with a single person as majority shareholder of the group.

Malaysiakini is withholding these names, pending their response to our queries.

Ong claimed that of the other 12 clinics not owned by this group, four are on-campus clinics at the universities and six are in states in which the company does not have any clinic of its own.

"There were 90,000 foreign students in Malaysia in 2012. At a going rate of RM250 per medical check-up, this translates to a yearly revenue of RM22.5 million, the majority of which goes to this one company," he said.

Monopoly in insurance, agents losing out

EMGS also has allegedly created a monopoly by making it compulsory for all

students to purchase medical insurance from a single company, where previously individual insurance agents were able to sell their products to students.

Also present at the press conference was Pee Che Yong, who was representing a group of more than 50 agents from different companies in the Klang Valley.

Pee said some 250 agents have been affected by EMGS.

"We were previously offering the same coverage of medical insurance to the students, from between RM200 and RM350. Now, the students are being forced to buy the same package for RM500 from this company," he added.

Pee said the group lodged a report against the monopoly with the MyCC on Feb 25 and that they are yet to receive a response.

Ong estimated that this one insurance company would be making a minimum of RM42 million annually from monopolising the market of 90,000 foreign students.

Citing Section 10 (1) of the Competition Act 2010, which relates to abusing a dominant position in a market, Ong claimed that EMGS was in the dominant position of processing student visas and had abused the Act by creating monopolies in health-screening and medical insurance.

He said EMGS also violated Section 4 (2) of the Competition Act, which relates to price fixing, as the lowest price for medical insurance was now fixed at RM500.

"Prime Minister Najib Abdul Razak said we want to have greater competition in Malaysia, and the Competition Act was supposed to put in place measures so we wouldn't see this anti-competitive behaviour.

"Like all good things in Malaysia, EMGS started off with good intentions, but has been hijacked by private interests," Ong added.