

*statement*

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**of intent and  
commitment**



*The resolutions made at The National Inaugural Consumer Convention, jointly organised by FOMCA and the Ministry of Domestic Trade and Consumer Affairs held on 13-15th March 2001 at Quality Hotel, Kuala Lumpur.*



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*The Federation of Malaysian Consumers Associations (FOMCA) is a voluntary, non-profit, non-political and civic organisation that champions for the rights and interests of all consumers through research, education, advocacy and representational activities.*

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## **Preface**

*FOMCA commemorated The World Consumer Rights Day 2001 in March by carrying out various activities in efforts to instill awareness and highlight consumer concerns and challenges which are global in nature, inter alia liberalisation of agricultural markets, biotechnology, privatisation of health care and information technology.*

*The inaugural convention which was jointly organised by FOMCA and the Ministry of Domestic Trade and Consumer Affairs was held to look at the role of consumers in general, the relevance of consumer movements in Malaysia and the role of state in enhancing consumer protection in the era of globalisation.*

*Indrani Thuraisingham  
Vice President of FOMCA  
and Organising Chairperson of Convention*

*13-15 March 2001*

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# STATEMENT OF INTENT AND COMMITMENT



The consumer movement in Malaysia enters this millennium with strengthened commitment to the fundamental principles for affair marketplace and a just and equitable society. Our movement is concerned not only with value for money for consumers but places the rights and choices of individual consumers in the context of social and economic justice for all. The consumer movement, as part of the civil society, should play a vigorous role in overcoming poverty and assuring that the poorest and vulnerable communities can at least meet their basic needs. FOMCA and the rest of the consumer movement rededicate ourselves to continue to work with other public interest groups because we are all consumers and we are all citizens.

The national inaugural consumer convention, jointly organised by FOMCA and the Ministry of Domestic Trade and Consumer Affairs held on 13-15th March 2001 at Quality Hotel, Kuala Lumpur came out with six thematic workshops that covered the following broad areas of:

- Health and pharmaceutical,
- Environment and sustainable development,
- Financial services, banking and insurance,
- Media and communications,
- Public services,
- Food security and food safety

*We draw particular attention to the following areas:*

## **HEALTH**

**Everyone should have the means to meet his or her basic needs for a healthy life and access to healthcare to help maintain a spiritual and appropriate lifestyle.**

The government has recently proposed the setting up of the National Health Financing Authority as a measure to reform healthcare. This measure is part of the government's policy on privatizing a range of social services currently being delivered by government bodies. We, the consumer movement call on the government not to privatize but to maintain and strengthen the current public healthcare system through a non-profit statutory National Health Financing Scheme that is accountable, transparent and representative which is also payroll based with contributions coming from progressive taxation.

Cronyism and granting of contracts were some of the issues discussed at the workshop coupled with fears that if public health care is privatized, profit oriented commercial insurance in healthcare financing would discriminate against those who are at the highest risk of falling ill and requiring treatment.

Furthermore, the participants expressed disappointment that Consumer Protection Act 1999 clearly excludes complaints relating to healthcare, which amounts to 60% of the complaints received by consumer associations. The participants agreed that the 'Patient's Charter' should extensively be promoted and adopted by relevant agencies such as Ministry of Health, Malaysian Trade Union Congress, National Council of Women's Organisation and the private clinics.

Participants also discussed disturbing trends of eating fast food, materialism, hedonism and the self centred culture which weakens appropriate human values and practices such as breast feeding, community sharing and caring, savings and responsible consumption.

We resolve to do the following priority areas:

- The consumer movement to call upon the government to maintain and retain public health care system through a national financing scheme

or insurance plan encompassing from the cradle to the grave by increasing the healthcare budget the GDP contribution to healthcare as recommended by the WHO rate between 4 to 8 % of GDP. Currently, we are spending 2.3% of our GDP on healthcare.

- The consumer movement is urged to educate consumer association leaders and lobby the government on the importance of public (government run) health care system and create awareness on good eating and lifestyle habits.
- The consumer movement to strengthen the spirit of volunteerism to support the maintenance of the public healthcare system
- The consumer movement to prevent conspicuous consumption
- The consumer movement to promote community participation in social services such as caring and sharing in decision-making processes.

Specific action plan, which will contribute, to these overall objectives includes:

## **Government**

- To adopt and promote the ‘Patient’s Charter’ initialed by FOMCA.
- To develop policies and practices and to enforce the relevant legislation which guarantees access to effective primary health care through national financing scheme/ insurance such as revamping and reviewing the delivery of primary health care in urban areas, retard the growth of private hospitals and retard the outflow of doctors into the private sector.
- To fully protect human lactation by fully implementing the Baby Friendly Hospital Initiative to include the private hospitals, maternity homes. In line with this, there is an urgent need to amend the Private Hospital Act.

## **Consumer movement**

- To engage, review and lobby for the adoption of Patient’s Charter by relevant agencies.
- To create awareness through consumer education, dialogues and campaigns in promoting primary health care and good eating habits,

and the Patient's Charter.

- To push for insertion of curriculum on important Codes and Conventions that promotes appropriate lifestyles such as breast feeding, eating local vegetables etc.
- To set up an advisory tripartite panel comprising of MMA, Ministry of Health and civil society organizations to monitor and hold dialogues.

## **ENVIRONMENT AND SUSTAINABLE DEVELOPMENT**

**Consumption and production patterns have an impact on environment and our awareness should lead us to promote patterns of consumption and production that are sustainable and ethical.**

The consumer movement needs to ensure the implementation and monitoring of international initiatives on chemicals in international trade (UNEP Scheme), Pesticides (FAO Code of Conduct) and Breast Milk Substitutes (WHO Code). It also needs to ensure the end of export of hazardous products and processes and to take measures to prevent the export or transfer of high-risk technologies without proper environmental impact evaluation such as genetically engineered food.

Sustainable development discussed here is focussed on the sustainable resource management of land, water and air. Participants raised recent issues of hill development, logging and deforestation, the impact of trade on sustainable agriculture practices and the management of hazardous waste.

We resolve to do the following priority areas:

- The consumer movement to ensure that sustainable resource use and management should become the organizing principle of decision-making.

Specific action plans includes:

### **Government**

- To ensure that Social Impact and Environmental Impact Assessment Reports are done and made public.

- To promote urban transport systems and policies that minimize dependence on personal motor vehicles where they exacerbate pollution levels.
- To promote safe, efficient, ozone protective and low cost alternatives to CFC.
- To promote biodiversity, natural ecosystems and water supplies.
- To promote and support sustainable agriculture and forestry practices.
- To organize consultations with the bigger group of the civil society including consumer movement on issues affecting their lifestyles.

## **Consumer movement**

- To develop a list of criteria in the use and management of resources.
- To promote steps that reduce wasteful use of resources and prevent damage to environment
- To build strategic alliances to raise the level of public debate.
- To raise consumer awareness in ensuring that consumers have sound information and education on the environmental impacts of their buying decisions and lifestyle choices.
- To participate and provide inputs at consultations taking place on sustainable development.

## **FINANCIAL SERVICES, BANKING AND INSURANCE**

### **The globalisation and liberalisation of trade and finance**

The daily lives of consumers are directly affected by the actions of government in liberalising trade and investment. Speculative financial flows, corporate mergers and acquisitions are of particular concern as it seems to give control of resources to the multinational companies and the World Trade Organisation is facilitating this process, thereby making the rich richer and the poor poorer.



The non transparent process of international financial institutions such as IMF, World Bank and WTO have resulted in “not level playing fields” for the developing countries including Malaysia and these countries have difficulty to access the technology and markets of the developed world.

We resolve to do the following priority areas:

- The consumer movement to create awareness among the consumer association leaders on the need to ensure that the interests and rights of consumers are recognised and protected in international trade and finance agreements.
- Banks in Malaysia should concentrate on banking and not participate in other businesses such as insurance, investment banking, securities / stock brokerage etc. because these businesses have risks which are not banking in nature and may affect the operating results of the parent bank and in the end making the consumers suffer. A clear example is the underwriting of Time Dot Com.
- An Anti-Monopoly law should be enacted to curb monopolies being formed now by big corporations under the guise of globalisation, but in fact it is really a disguised attempt to corner the markets and ultimately increase the price.

Specific actions include:

## **Government**

- To ensure that trade and economic policies are formed with the involvement of and interests of all stakeholders, including consumers are taken into account, in particular when new commitments that impact directly or indirectly on consumers are being negotiated under the international trade and financial rules.
- To join and lead other developing countries in pushing for WTO and other such bodies to operate in an open and accessible manner that allows developing countries information technology and markets.
- To institutionalize a regular consultation with consumer groups and other civil society groups.

- To reassess the link between the agreement on trade related intellectual property rights (TRIPs) and global agreements to protect biodiversity, recognising that consumers rights come before those of business in the field of access to medicines.
- To examine and curb the effects of the global movement of capital on consumers in Malaysia, which creates, further marginalisation and inequality.

## **Consumer movement**

- To organise forums and seminars for consumer leaders and engage them pro actively on issues relating to TRIPs, GATs under the WTO rules.
- To regularly make recommendations to the government on issues affecting consumers under trade and financial liberalisation

## **MEDIA AND COMMUNICATIONS**

**The strengthening of relationship between the media and consumer movement provides many opportunities for empowering consumers and aiding the work of the consumer associations.**

The relationship between the media and consumer movement is currently on an ad hoc basis and there is a need to develop a strategic alliance between both parties to ensure consumers are not disadvantaged or marginalised.

We resolve to do the following priority areas:

- Building strategic alliances and strategies with the media to disseminate information and news

Specific action plans include:

### **Media**

- To become sensitive to people's issues and be responsible to civil society's initiatives.

## **Consumer movement**

- To set up an advisory panel between the consumer movement and the media to discuss on issues relating to consumers on a regular basis.

## **PUBLIC SERVICES**

### **Responsible and efficient governance and privatization of public utilities and social services.**

Changes in the management and regulation of public utilities - water, electricity, gas, sewerage, transportation and telecommunications and the technologies they use, directly affect the price, quality and reliability of these services and access to them thereby making it the most fundamental right of consumers.

Privatization should not be regarded as a necessary solution to mismanagement practices. The consumer interest should be an overriding concern in planning the future of these services, including decisions about their privatization.

There is great concern on the lack of consultation and the lack of engagement with the people relating to development issues impacting on consumers. The absence of transparency and lack of accountability does not lead to credible decisions and this erodes the people's trust and confidence in the elected leaders of the government machinery.

The current trend of privatized projects being 'taken over' using public funds such as MAS, STAR-LRT, IWK and Time Dot Com seems to indicate that these companies were mismanaged when privatised.

It is important for government now to improve these services that they have taken over through the people's participation and community involvement.

We resolve to do the following priority areas:

- The consumer movement to lobby for greater consultation and participation of civil society in the provision of public utilities and social services.
- The consumer movement to push for the participation and representation of all stakeholders especially civil society representatives

in decision making process, implementation and monitoring.

Specific plans include:

## **Government**

- To elect local councillors
- To have representatives from the civil society appointed to the local council in the interim period.
- To provide space and institutionalise the participation of relevant stakeholders in the process of decision making, implementation and monitoring

## **Consumer movement**

- To launch a good governance campaign and create awareness for greater involvement of different stakeholders.
- To push for the implementation of the Recommendations made by the Athinahappan Commission on election of local councillors.
- To lobby for the inclusion of consumer association and civil society representatives as local councillors.

## **FOOD SECURITY AND FOOD SAFETY**

**Food security is the availability, accessibility and affordability of safe food by all people. Food security can only be realised in a system where food sovereignty is guaranteed. Food sovereignty is the right of a nation to maintain and develop its own capacity to produce its basic food respecting cultural and productive diversity, which is safe and nutritious.**

There has been great concern on the safety aspect of food such as issues relating to indiscriminate use of pesticides and genetically engineered food, which has raised many concerns for consumers about safety for human consumption and implications for the environment. Eating habits and lifestyles of consumers have also led to importation of food thereby creating a dependency syndrome on imports without much emphasis on self-sufficiency

for domestic consumption. The current Third National agriculture policy emphasises on export led agriculture, which does not seem to prioritize food security and food sovereignty.

We resolve to do the following priority areas:

- The consumer movement together with the government to develop appropriate policies and practices in agriculture that leads to greater self reliance and collective management of agriculture sector at the local level.
- The government and the industry should honour the consumers' right to information and right to choice before importing any gene technology or genetically modified food by requiring clear and explicit labelling.
- The government imposes a moratorium on any import of gene technology or gene food for a minimum period of five years until a full safety impact assessment of gene food is done.

Specific action plans includes:

## **Government**

- To formulate national policies and regulations that support sustainable agriculture practices, integrated pest management programmes and organic farming
- To protect human milk as the first food for infants. Exclusive breastfeeding for 6 months and continued breastfeeding until about 2 years of life. In this manner, need to adopt the International Code of Marketing of Breast-milk Substitutes as law in the country. Other relevant laws also need to be reviewed and revamped, for e.g. maternity leave and breastfeeding facilities for working mothers.
- To encourage and enable consumer participation in setting national and international standards for food under CODEX.
- To support sound, transparent national land redistribution targeted at communities who are interested in farming.
- To ensure that food is safe and truthfully represented.

- To prohibit the use of hormones and antibiotics as feed additives in the production of food stuffs.
- To review the Agreement on Agriculture (AOA) that allows the production of agriculture surpluses to be dumped in developing countries.

## **Consumer movement**

- To encourage the consumption of locally produced organic foods through consumer education.
- To encourage replications of producer-consumer markets at community level in urban and rural areas.
- To encourage and assist in the formation of mother support groups and other breast-feeding educational programmes.
- To organise forums and seminars for consumer leaders on issues relating to AOA, biotechnology and TRIPS which impact on patenting of life forms and farmer's access and control to seeds, water and indigeneous knowledge.
- To engage with governments on the impacts of these international trade agreements.

In conclusion, there is an urgent need on the part of the consumer movement to introduce and lobby for appropriate consumer protection legislation especially for vulnerable and disadvantaged consumers such as women, children, the elderly, indigenous people and people with disabilities to ensure that consumers have equitable access to basic needs, while the government should support and work jointly with the consumer movements to promote access to justice. There should be consumer solidarity and strategic alliance with citizen groups to further enhance consumer protection.

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## **Glossary of Terms**

GDP	- Gross Domestic Product
WHO	- World Health Organisation
MMA	- Malaysian Medical Association
UNEP	- United Nations Environment Program
FAO	- Food and Agriculture Organisation
CFC	- Chlorofluorocarbon
IMF	- International Monetary Fund
WTO	- World Trade Organisation
TRIPS	- Trade Related Intellectual Property Rights
GATS	- General Agreement on Trade in Services
MAS	- Malaysia Airlines
STAR-LRT	- Sistem Transit Aliran Ringan- Light Rail Transit
IWK	- Indah Water Konsortium
CODEX	- Codex Alimentarius (food code)
AOA	- Agreement on Agriculture

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