



BASIC  
NEEDS



SAFETY



INFORMATION



CHOICE



# MALAYSIAN CONSUMERS



Be Heard



RIGHT TO  
REDRESS



CONSUMER  
EDUCATION



SUSTAINABLE  
ENVIRONMENT





# **MALAYSIAN CONSUMERS WISHLIST FOR THE 13TH GENERAL ELECTION**



**Federation of Malaysian Consumers Associations**



To ALL

1. Political Parties in Malaysia
2. GE 13 Election Candidates - For Federal and State Seats
3. The next Federal Government of Malaysia
4. The next State Governments in Malaysia
5. Information Officers
6. Non-Government Organizations
7. Media
8. Malaysian Citizens/Consumers

## **FOMCA's GE13 Wishlist**

Consumers are Voters and Voters are Consumers.

In a National Survey undertaken by FOMCA on consumer's most important concerns, we found that the most important concern of all consumers is the increasing prices of food and essential goods. The second biggest concern is public transport.

To make aware as well as remind political parties, candidates and the government of the concerns of consumers/voters and what FOMCA suggests should be done to address these concerns; FOMCA has prepared a GE13 Wish list.

Consumers in Malaysia will give their fullest support to the candidates/parties that support and address the concerns of consumers.

May the Party with the Concerns of Consumers in their Heart – have the greatest success.

**Federation of Malaysian Consumers Associations (FOMCA)**

# **An Integrated and Holistic Approach by Government on Consumer Protection and Welfare**

Currently, consumer protection and consumer welfare is placed under the Ministry of Domestic Trade, Cooperatives and Consumerism (KPDNKK).

FOMCA proposes that the Consumer Protection and Consumer Welfare agency is placed under the Prime Minister's Department.

The rationale for this proposal is that under the KPDNKK the focus of consumer protection and consumer welfare is too narrow. An integrated and holistic approach of consumer protection and consumer welfare encompasses multi-sectoral issues under several ministries, as illustrated below:

## Ministry of Agriculture and Agro-Based Industry

- Food Prices and Food Security

## Ministry of Education

- Consumer Education in the Curriculum and Co-Curriculum

## Ministry of Energy, Water and Communication

- Water Conservation
- Renewable Energy
- Nuclear energy
- Water Catchment Management

## Ministry of Finance

- Banking Issues
- Insurance Issues
- Investor Scams

## Ministry of Health

- Healthcare

- Pharmacy Issues
- Food Safety

Ministry of Home Affairs

- Crime and Consumer

Ministry of Housing and Local Government

- Housing Issues
- Local Government Issues

Ministry of Human Resources

- Maid Issues

Ministry of Information

- Consumer Education for the Masses
- Financial Education for the Masses
- Communication and internet issues

Ministry of International Trade and Industry

- International Trade and the Consumer

Ministry of Natural Resources and Environment

- Environmental Issues

Ministry of Plantation Industries and Commodities

- Cooking Oil Safety

Ministry of Rural and Regional Development

- Consumer Education for the Rural Community
- High Food Prices in Rural Areas

Ministry of Science, Technology and Innovations

- Standards and Consumer Safety

Ministry of Transport

- Public Transport

Ministry of Women, Family and Community Development

- Consumer Education for Women and the Community

Ministry of Works

- Road Safety
- Public Utilities for Consumers
- Universal Design

Ministry of Youth and Sports

- Consumer Education for Youths

Thus to ensure a comprehensive and integrated approach in consumer protection and consumer welfare, the agency responsible should be placed under the Prime Minister's Department. This would then enable a more coordinated and integrated approach towards consumer protection.

## **Consumer Rights**

As enshrined in the 1985 UN Guidelines for Consumer Protection and has recognized worldwide since 1962, the consumer movement has adopted a right-based paradigm towards consumer protection and consumer welfare. According to this paradigm, the consumer has eight rights:

- A. Right to Basic Needs
- B. Right to Safety
- C. Right to Choice
- D. Right to Information
- E. Right to be Heard
- F. Right to Redress
- G. Right to Consumer Education
- H. Right to Safe and Healthy Environment

The Wishlist has been structured according to these eight consumer rights.



## **A. RIGHT TO BASIC NEEDS**

### **A.1 Food Prices and Food Security**

#### **Issue**

The number one concern of Malaysian consumers, is the increasing cost of living, especially the increasing cost of food. With stagnant salaries and an increasing cost of living, consumers in both low income as well as middle income, are increasingly being squeezed into lower standards of living or even poverty.

While there are global factors affecting food prices, there are also local factors that can be addressed through policy interventions. One factor that is closely related to decreasing local supplies of food in Malaysia is the decreasing productivity of food production due to the neglect of the agricultural sector and a lack of research and development.

Lower and stable food prices over two decades resulted in lack of government commitment to continuously upgrade the sector. In Malaysia the public development expenditure on agriculture fell from 22% in 1980 to 3.8% in 2007. Agriculture contribution to Gross Domestic Product fell from 22.9% in 1980 to 7.7% in 2007.

Global food prices were cheap; thus Malaysia not only depended on import of food but also inputs of food.

Malaysia has always been a net importer of food. Malaysia's import bill increased from RM 11.6 billion in 2003 to RM 35 billion in 2008.

This has resulted in Malaysia depending on the uncertainty in the international markets of food prices and food supply. We need to focus more on food prices and food security in Malaysia.

## FOMCA's Policy Recommendations

While the retail sector is often very competitive, not only amongst the hypermarkets, but also with supermarkets, sundry shops, and wet markets, the supply chain from the producer to the wholesaler, to the importer, to other “middle-men” and finally to the retailer, often is characterized by anti-competitive practices such as collusion and price fixing.

A good example is chicken. The ex-farm price is RM 3.80 per kg while it is being sold at the retail end for prices up to RM 6.50. Thus there is a great need to **liberalize the entire supply chain** of the food sector.

The Competition Act, 2012 should be actively enforced enacted to ensure that monopolies or other forms of groupings that could cause price fixing is prevented.

Regime of **Incentives framework** that reaches all producers efficiently should be implemented.

The Agricultural sector deserves **more investment** from the government. Major investments need to be made to ensure stable food prices, food security and food safety in the forms of more investments, more incentives and supports and productive subsidies. Efforts should also be made to helping producers deal with **weather and market risks**.

There is a need for establishment and strengthening of **farmer and consumer institutions** such as farmers cooperatives and consumer cooperatives.

Food production in Malaysia does not have comparative advantage. **Research and Development** is critical to overcome this disadvantage to ensure sufficient food production and food incomes.

The **Pasar Tani** concept should be revived and expanded in a big way to benefit both consumers and producers.

Currently, there are more than 12,180 hectares of agricultural land that has

been left idled equivalent to 35% of the 34,630 hectares of the whole agricultural land in Malaysia. This **abandoned agricultural land** needs to be rehabilitated and the **structural and institutional reforms** necessary undertaken, to ensure enhanced food production.

More efforts need to be made to leveraging on **agri-biotechnology** to value add and create more high-value products at different levels of the supply chain.

Research and Development needs to be made on **automation and mechanization**. There is a great need to reduce dependence on cheap labour, especially migrant legal and illegal labour.

## **A.2 Public Transport**

### **Issue**

The current public transport system is in a totally dismal state. Buses are unreliable; it can take hours before the next bus arrives, buses are not maintained well, connectivity is poor, the physical and financial systems are not integrated, the journey itself can take long because of traffic jams, there is lack of information on transport routes and times and it can be inconvenient to get from your office or home to the nearest station.

There needs to be a clear commitment by the Government to improve and upgrade the public transport system in the Klang Valley and throughout the country.

For the consumers in Malaysia, next to increasing food prices, public transport is the biggest consumer issue faced by consumers in both rural and urban areas.

## **FOMCA's Policy Recommendations**

Consumers want a public transport system that is reliable, has shorter commute time, comfortable, access to route and time information, infrastructure such as bus lanes and some conveniences such as walkways.

We want a Government committed to:

- Increasing services (more vehicles, more vehicle-miles)
- Improving services (more comfortable, convenient, reliable)
- Incentives to use public transport (lower fares)
- Transit oriented development (walkways, development around transit station and corridors)

### **A.3 Healthcare**

FOMCA's position on healthcare is that the current tax-based health care system which is affordable and accessible to all should be maintained and upgraded.

There should be no radical change in the current healthcare system. Additionally, there should be no more privatizations or corporatization of government hospitals or medical centres.

Health expenditure as a percentage of GDP should be increased to a minimum of 6%.

The present healthcare system needs to be upgraded, with special attention being given to maintaining medical professionals and specialists in the public sector. Working conditions of the healthcare workers should also be improved so that they can provide better care and services. This along, with improvement in hardware such as building new hospitals, upgrading present centres, new and upgrading of medical equipment will undoubtedly improve personnel morale and efficiency in providing healthcare to the people.

## **A.4 Water:**

### **Issue**

Right to safe and clean drinking water has been declared a Human Right by the United Nations.

### **Protection of Natural Resources**

More than 95% of our drinking water is sourced from rivers and the number of polluted rivers has been increasing; thus increasing the cost of treatment. Irregular weather patterns have caused flash flood or prolonged droughts in some parts. With this the frequency of water borne diseases have increased in past years, for example leptospirosis, AGE and other diseases. Unplanned land development has further eroded quality of rivers due to high level of siltation, and agricultural inputs (pesticides, fertilizers).

Sewerage system is reported to be one of the major contributors of river or water sources pollution in Malaysia. Sewerage system in Malaysia is in a deplorable stage considering the country's level of development.

Survey by Forum Air showed that more than 80% of those using bottled drinking water discard used bottles in the normal waste collection/stream; which indicates very little recycling practice. The Department of Irrigation and Drainage reported that 80 tonnes of rubbish is collected from river cleaning daily.

Thousands of consumer complaints against water service providers and sewerage service providers stem from billing: inaccurate, dispute, disconnection and connection charges, inaccurate meter readings etc).

## **FOMCA's Policy Recommendations**

1. A National Water Policy and subsequently National Water Strategy be formulated which contains clear and specific goals which are time bound, have accountability and measurable. Effectiveness of the implementation of the strategy must be transparent and periodic updates provided to all stakeholders including general public and their civil society representatives.
2. The Natural Water Resources are safeguarded as subject of national interest and security. Thus, the country must have a National Water Resource Policy and strategy. The criteria for National Water Policy and Strategy applies to all policies and strategies demanded in this wish list.
3. Flood mitigation (control) and adaptation must be an integral part of our climate change policy and integrated water resources management. The high volume of water during a high intensity rainfall must be channeled to retention ponds or dams to serve as water resources to be treated for domestic and commercial consumption. This calls for radical improvement of drainage and storm flow management. An effective flood warning and emergency response mechanism is needed now – evident from increasing frequency of flash floods.
4. Commitment to Consumer education. Consumer education is a continuing effort and needs resources. Each agency dealing with water resources, treatment and supply (including water and sewerage operators) must allocate fund for continuous consumer education and awareness initiatives.  
The effectiveness of these initiatives needs to be assessed in a transparent and accountable manner.
5. Transparency and accountability in billing and other cost charged to consumers MUST be improved. Tariff setting mechanism is NOT

transparent. Determination of connectivity and NRW is also not standardized. Revision and announcement of tariffs must be detached from politics. Only regulators are allowed to determine, revise and announce tariffs, after consultation with ALL stakeholders.

6. Water and sewerage sector restructuring must go on schedule.
7. Water quality report must be made public or easily accessible to public on a periodic basis (preferably monthly).
8. Implementation of Drinking Water Quality Act immediately.
9. Housing or real-estate developers and local governments must ensure that developmental requirements based on water demand and protection of natural water resources are integral part of development for example making it mandatory for the installation of rain water harvesting system and demarcate natural water resources and permanent water catchment areas.

## **A.5 Energy: Fuel and Electricity**

### **Issue**

Approximately 40% of fuel is used for transportation in Malaysia.

A combination of energy efficiency and renewable power generation can deliver almost 70% of the required emissions reduction over the next two decades. Energy efficiency and renewable energy also contributes to resolve other major energy-related challenges such as energy poverty, resource depletion and security of supply.

Too many agencies oversee development and regulation of renewable energy and sustainable energy sources creating a lot of confusion among the general public with so much of overlapping in the regulation of the energy sector and

undermining focus on reducing dependency on fossil fuels, improving access to renewable energy and efficient energy production and consumption.

Planning unclean activities such as smelters and coal fired plants in East Malaysia and implementing mega-projects which on consume substantial amount of energy are indications of shortsighted policies.

Domestic and commercial energy users often complain on billing accuracy especially after meter changes.

## **FOMCA 's Policy Recommendations**

1. An integrated public transportation system not only in Klang Valley but in every state and between states.
2. Aggressive promotion of energy efficiency amongst power generators, distributors, commercial and domestic users: through laws and incentives.
3. Access to affordable renewable energy sources. Users must be given a choice of energy sources.
4. Tariff setting mechanism MUST be standardized, accurate and transparent.
5. Low income and vulnerable groups must be ensured access to affordable electricity and public transportation.
6. Smart meter and smart grid mechanisms must be studied and balance stakeholder consultation must be carried out to ensure organized implementation. Currently consultations with civil society involvement are superficial and not meaningful. Participants often do not have access to final decision making process on any policies. Access to documents



for consultation is highly limited including period of accessibility.

7. An independent authority need to be assigned under the Weights and Measures Act to oversee, conduct surveillance and calibration of all utility meters.
8. Incentives for using energy efficient products and services need to be available more widely to improve acceptance and change of behaviour in energy consumption.

## **B. RIGHT TO SAFETY**

### **B.1 Standards**

#### **Issue**

There are over 6000 Malaysia Standards and only a fraction (about 300) is mandatory.

Standards development in Malaysia need to ensure balance stakeholder participation and request for new standards must be justified especially in terms of its users. As mentioned above laws which allows use of voluntary standards to determine safety status of products will increase use of MS among industry and regulatory bodies.

Currently the Department of Standards Malaysia comes under the Ministry of Science Technology and Innovation (MOSTI). This function in many countries (especially in most developed countries like Japan and Korea) falls under the Ministry of International Trade, that is MITI in Malaysia. Standards is a trade facilitation tools and has high implications on technical barriers to trade (TBT) by WTO.

### **FOMCA's Policy Recommendations**

1. Use voluntary product safety standards to determine safety status of products and ensure relevant laboratories are accredited to carry out tests according to widely accepted test methods.
2. To place the Department of Standards Malaysia under the Ministry of International Trade and Industries.
3. To establish regulatory functions under the Department of Standards Malaysia to regulate laboratories to ensure that they support testing

needs of domestic and international markets.

4. To establish a coordinating committee of multi-regulatory agencies to determine regulation of products which are not regulated by any agencies in Malaysia. This committee or body must be placed under the Prime Minister's Department.
5. Make it compulsory for industry to report product safety incidents to the relevant authorities (as being practiced in Korea, Japan, US, Australia and New Zealand). Ensure that a periodic report is generated and made available to general public and public interest organizations for further actions and policy review.
6. Establish a portal where consumers can report ANY product safety incidents. This portal is accessible by all regulators to follow up with necessary actions (such as investigation and corrective actions).

## **B.2 Product Safety**

### **Issue**

FOMCA and its partners have conducted various product testing and there are many products in Malaysia which are not regulated but have the potential to cause harm to consumers and the environment among them are air fresheners, household chemicals and detergents, batteries and children products (such as prams, cots and infant food receptacles).

Road safety protective equipment such as helmets are not properly regulated. Under the Road Transport Act the RTD has no rights to enter premise for market surveillance and inspections. This applies to spare parts although brake pads, helmets and tires have mandatory standards to be complied with. This has been a problem for many years resulting in counterfeit parts being used in cars and helmets do not function properly to protect the users.

Poor enforcement of product safety laws is another problem with product safety in Malaysia. Movement of counterfeit goods at border control areas have been reported to cost millions of Ringgit.

There are issues with lack of accredited laboratories in Malaysia which cater for testing of products for compliance with safety requirements and cost of testing often expensive.

## **FOMCA's Policy Recommendations**

When it comes to product safety, voluntary standards can be used to determine product safety. There should be no need to make the standard compulsory.

In the United States the US Consumer Product Safety Commission or US CPSC can use voluntary product safety standards to determine if a product is safe or otherwise. There is no need to make standards mandatory when it comes to general product safety (safety of products excluding food, medical devices, drugs and cosmetics etc). Such policies in Malaysia will increase use of Malaysian Standards (MSs) which are currently under utilized.

## **B.3 Marketing to Children**

### **Issue**

With the increasing incidents of overweight and obesity rate especially amongst children in Malaysia, there needs to be stricter regulation on the marketing of food and beverage to children. Currently, about 43% adults, some 20% adolescents and 26% of primary school children are either overweight or obese.

## **FOMCA's Policy Recommendations**

To promote a healthy eating habits and a healthy lifestyle of young Malaysians, and to protect our children from unhealthy consequences FOMCA's proposes:

1. MANDATORY requirements for the industries to comply with regards to Marketing of food and beverages to children.
2. Children should be defined as the age of 16 and below.
3. A ban on advertisements of all unhealthy foods and beverages of energy-dense, nutrient poor foods and beverages that are high in fat, sugar or salt and brands associated with such food and beverages, during children and family programs.
4. Categorization of energy-dense, nutrient poor foods that are high in fat, sugar or salt and brands associated with such foods for the purpose of implementing should be based on dietary recommendations established by WHO and defined by nutrient profiling / follow Malaysia Dietary Guideline.
5. Advertising or promotion of unhealthy food and beverages that directly appeals to children should not be allowed, including:
  - a. The use of celebrities The use of cartoon characters, including brand owned and licensed
  - b. The inclusion of free gifts, toys or collectible items
  - c. The inclusion of competitions, vouchers or games
  - d. The shape or novelty value of the food or food packaging
  - e. Product placement, product sampling
  - f. Event sponsorship
  - g. Self-esteem – should not mislead the recipient (children) making them believe that the consumption of the advertised products will make them more popular or more influential to their friends, more clever, or more successful in school or in sports activities.

6. No Advertising or promotion of unhealthy food and beverages in places children visit frequently, which includes:
  - a. Nurseries, pre-school centres, schools and school grounds, premises
  - b. Children's clubs, centres, playgrounds and sports halls
  - c. Family and child clinics and pediatric services
  - d. No vending machine been place in this area
7. No Advertising of unhealthy food and beverages of children that targets parents or carers:
  - a. No direct advertising to parents or other adults caring for children such as other family members, child carers, teachers, health workers. This includes suggesting that a parent or adult who purchases such a food or beverage for a child is a better, more intelligent or a more generous parent or adult than one who does not do so, or that their child when fed these products will be more intelligent and gifted.
8. No marketing of unhealthy food to children using new media (such as websites, social networking sites, satellite TV and mobile)
9. There should be a mechanism system to monitor the effectiveness of the guidelines.
10. A complaint channel for consumers to lodge complaint

## **C. RIGHT TO CHOICE**

### **C.1 Banking and Finance**

#### **Issue**

Banks are giving consumers a raw deal. Added to that, often they are arrogant and treat consumers with disrespect and contempt.

The number of complaints received by the National Consumer Complaints Centre on the banking sector, are increasing dramatically. In 2006, the number of complaints received was 809 and this increased to 2,376 in 2010; an increase of 194% in just five years.

The complaints received involve unfair and sometimes hidden interest rates, charges and penalties, lack of transparency and clarity in terms and conditions, unfair contract terms, and poor customer services. Consumers often have to pay many frivolous charges imposed on transactions. They are not informed of these charges and the justification for these charges are not given.

### **FOMCA's Policy Recommendations**

The Regulator of banks needs to be more effective in regulating the market and protecting consumer interests. The financial market is under-regulated and thus banks are able to take advantage of consumers and harm their welfare. Stronger regulation is needed.

Areas where there is greatest need for enforcement and regulation are:

- Information design and disclosure:
  - Consumers should be given financial information that is clear, sufficient, reliable, comparable and timely.

- Contracts, charges and Practices:
  1. Ensure products and services are comprehensible
  2. Ensure the availability of simple standard products
  3. Ensure minimum standards for key products
  4. Ensure consumers give their informed consent
  5. Ensure contracts are fair
  6. Ensure financial advice is free from conflicts of interest
  7. Ensuring responsible sales practices
  8. Protecting consumers from aggressive marketing
- Promoting greater competition in the financial services.
- Enabling easy switching of products between financial institutions.
- Protection of consumer data and privacy.
- Promoting financial education for all Consumers

## **C.2 Competition**

### **Issue**

Increasing prices of food, cars, and many other essential items are a result of non-competitive practices in the market where certain parties through licensing, collusion or various anti-competitive practices are able to distort prices to the detriment of consumer welfare.

## **FOMCA's Policy Recommendations**

The Competition Act has finally been passed in 2010 and has been enforced from 1 January 2012. The Act promises to remove anti-competitive behavior in the market as “the process of competition encourages efficiency, innovation



and entrepreneurship which promote competitive prices, improvement in the quality of products and services and wider choice for consumers” (Competition Act, 2010). In other words, through the Act, consumers should enjoy:

- Lower prices
- More choices
- Availability of quality goods and services
- Development of new products and services.

FOMCA strongly feels that the Competition Act, is one of the most important legislation for the enhancement of consumer welfare in Malaysia.

However, consumers can only benefit from the Act if current unjust economic institutions and structures, whereby traders, can manipulate prices and the market through various anti-competitive practices, are dismantled.

FOMCA hopes the Commission will act aggressively to dismantle the many monopoly/cartel regimes in the market to truly free the market and remove the distortions that results in negative effects on the consumers in terms of prices, quality and choices.

Additionally, while the current Commission has neglected the consumer voice, FOMCA expects that in the future the consumer voice would be part of the Commission.

## **D. RIGHT TO INFORMATION**

### **D.1 Healthy Products**

#### **Issue**

The Non Communicable Disease (NCD) rate Malaysia has increased tremendously from the past few years. The diseases such as diabetes and hypertension which are caused by unhealthy eating habits can be avoided. Malaysians need to have healthy consumption patterns and a more active lifestyle to have a healthy body.

#### **FOMCA's Policy Recommendations**

For consumers to understand the healthier choice better for themselves and their children, the 'Traffic Light System' on food labeling should be enforced. This would ensure that for all processed foods and beverages items, the levels of sugar, salt and fat is stated in a form easily understood by parents, so that they can make an informed choice for their children

Through this color system, consumers will be more alert of the type of food they choose and so would be able to make the right choice.

## **E. RIGHT TO BE HEARD**

### **E.1 Right to be Heard**

#### **Issue**

Clearly in many matters affecting consumers at large there is a clear tendency by government to ignore or neglect consumer and civil society viewpoint. Examples are in the development of the new Healthcare policy, local government programs at the community level and in matters of banking and finance. The result is that decisions are made by policy makers that are detrimental to consumer protection and consumer welfare.

#### **FOMCA's Policy Recommendations**

The right to be heard means that consumers and consumer bodies are provided opportunities to present their views on the decision making process and policy matters affecting consumers at large. There is a growing recognition of the need to involve civil society in matters of social and economic development. The idea is to involve people in the process of socio-economic development with the objective of growth with equity.

The right to be heard means the right to advocate consumer's interest with a view to receiving full consideration in the formulation of public policies. Consumer groups have the right to represent the interest of consumers in the formulation and execution of Government policies affecting them.

This right also provides the right to know the manner in which goods and services are produced and distributed. In fact the right to be heard is not only a right *per se* but also a responsibility on the part of civil society to put forward consumers views at the appropriate platforms.

In this context FOMCA desires that Government will be:

- Transparent and Open

- Provide access to relevant Information
- Strengthen Grievance Redressal Mechanisms
- Encourage and Enable People's Participation in decision-making at all levels
- Legal reform to promote access to justice

## **F. RIGHT TO REDERSS**

### **National Consumer Complaints Centre**

#### **FOMCA's Policy Recommendations**

The Right to Redressal is a basic right of consumers. Currently, the National Consumer Complaints Centre is FOMCA's Complaints Management Centre. The NCCC was established in the 2004 and in the first year the report was published managed 18,345 consumer complaints. In the year 2010 however, the number of complaints managed by NCCC rose to 34,381 complaints from 24 sectors. NCCC is under-resourced.

FOMCA proposes that the Government supports the NCCC in delivering efficient and effective complaints management services to consumers.

## **G. RIGHT TO CONSUMER EDUCATION**

### **G.1 Consumer Education for All**

#### **FOMCA's Policy Recommendations**

The right to consumer education means the right to acquire knowledge and skills to be an informed consumer throughout one's life. The right to consumer education incorporates the right to knowledge and skills needed for taking actions to influence the factors which affect consumer decisions.

The Government should develop or encourage the development of consumer education programs to enable consumers to act as discriminating consumers, capable of making an informed choice of goods and services and conscious of their rights and responsibilities.

Special attention should be should be given to the needs of the disadvantaged consumers in rural and urban areas.

Consumer education should be essential part of the curriculum in the education system from the primary to the tertiary levels.

Consumer education should also be undertaken through co-curricular activities from the primary to the tertiary levels.

Governments should encourage consumer organizations to undertake consumer education programs for the benefit of low-income rural and urban groups.

Financial education should be incorporated as an important component of consumer education.

## **G.2 Consumer Movement**

### **1. FOMCA's Policy Recommendations**

The Consumer Movement in Malaysia in Malaysia plays a crucial role to enhance consumer protection and consumer welfare. It undertakes this function basically through 4 processes, that is:

- Advocacy
- Education
- Complaints
- Consumer Research

To enable and facilitate that consumer movements in Malaysian continue to play an effective role, it is proposed that a special fund, funded by the corporate sector and government, be established to fund consumer movement operations and programs.

## **H. RIGHT TO SAFE AND HEALTHY ENVIRONMENT**

### **Issues**

#### **Air quality**

The 1997 Haze and 2005 Haze over Malaysia and the Southeast Asia Region has cost billions of Ringgit to Malaysia in the form of health cost and mitigation measures. The number of asthma cases and other respiratory ailments have increased substantially in Malaysia.

Slash and burn practices in Indonesia by international and emerging multinationals continue to be the main source of haze. Slash and burn takes place in peatlands where draining and setting fire to peatlands makes the fire uncontrollable and difficult to put off.

#### **Water Quality**

Unsustainable pollution has caused us the depletion of what was once the cheapest protein source – fish. Marine pollution and unsustainable fishing practices are partly to blame. Aquaculture is fast becoming another source of water pollution besides sewerage, industrial effluent and animal husbandry.

#### **Land Development**

Uncontrolled deforestation, illegal logging and trade of endangered species affect the biological diversity of some of the oldest forests in the world. Unchecked land development encroaches into natural water resources and river basins so seriously needed to sustain clean and safe water supply. Unsustainable agricultural practices especially for commodities are another source of land degradation especially peatlands. High agricultural inputs

such as fertilizers and pesticides affects both groundwater and river water quality.

Deforestation on slopes and subsequent soil erosion, siltation problems and land slides are another major environmental problem in Malaysia. Unplanned land development also contributes to flood mitigation problems.

## **Sustainable Production and Consumption**

The rate of current consumption of Malaysians will require the resources of 3 planet earths. Our recycling rate is recorded at a dismal 5%.

As for waste generation we generate about 1.5 kg per person per day. The per capita waste generation by a Japanese is 0.7 kg per person per day. The amount of household waste ending up in rivers is reported to be 80 tons each day.

Industry must be made to provide environmentally sound products and services. Eco-labeling of consumer products in the opinion of many experts has failed to gain the acceptance among many Malaysians.

AS FOMCA's survey indicated many consumers perceive environment-friendly products as either expensive, difficult to find or the labeling not trustworthy. Only 5% of consumer surveyed recognized the energy rating label for energy efficient appliances when the survey was carried out in 2007/2008. Although 88% of those surveyed recognize the recycling label, more than 65% are unable to mention the nearest recycling collection centre – indicating low levels of recycling initiatives. Furthermore about 80% of those surveyed stated that they discard plastic water bottles in their normal waste stream.

Environmentally sound management of waste is clearly Malaysia's biggest environmental problems. It pollutes the air, water and land. Over 90% of Malaysia's landfills are un-sanitary landfills or literally dumpsites. They do



not have the necessary measure to prevent leachates from entering / polluting ground water and rivers.

Two pollution incidents in Sungai Semenyih by the Sungai Kembong landfill an subsequent shutdown of the water treatment plant is evidence of the seriousness of waste management problem in Malaysia.

## **FOMCA' Policy Recommendations**

1. Mandatory sorting of waste by domestic and commercial waste generators. Strong punitive measures against irresponsible waste management and generation under the Solid Waste Management and Public Cleansing Act.
2. Charge irresponsible land development in court and mandatory jail sentence. Increase fine against unsustainable land development and pollution based on %ge of their turnover. The percentage to be determined to deter recurrence. Current fines are lesser than cost of installing or implementing pollution free alternatives or measures.
3. Transparency and accountability in environmental claims – eco-labeling. This includes food production and other consumer products.
4. Continuous consumer education on the environmental impact of their purchase, environment protection and sustainable production and consumption must be provided to consumers at all levels. Adequate resources must be provided continuously and implemented effectively and assessment of the effectiveness must be transparent and accountable.
5. Aggressive research and development (with relevant incentives) to promote indigenous environment friendly solutions for consumer products and services.

6. Affordable environmentally friendly alternatives for consumer products and services. Environmental friendly alternatives need not be expensive (like a hybrid car) and difficult to find (like only available in foreign owned supermarkets).



The Federation of Malaysian Consumers Associations or, FOMCA is a national non-governmental organization, which is voluntary, non-profit, non-political, and civic oriented.

Formed in June 1973, it is the umbrella body of registered consumer associations in Malaysia. Currently, FOMCA has 15 affiliates.

FOMCA focuses on empowering consumers through consumer education and also engages in work related to the strengthening of consumer protection and consumer welfare at both the national, regional and international levels.

**The main objectives and roles of FOMCA are to:**

1. Serve as the coordinating, consultative and advisory body of its member consumer associations in Malaysia.
2. Address and advocate for better laws, enforcement and policies for better consumer protection and consumer welfare.
3. Provide representations for consumers in engaging with the government.
4. Undertake consumer education to empower consumers to be self-reliant and responsible.
5. Manage consumer complaints on behalf of consumers to all parties, both government and the private sector (through the National Consumer Complaints Centre)
6. Undertake research and development to enhance consumer protection and consumer welfare (through Consumer Research and Resource Centre)

**Published by:**

**Federation of Malaysian Consumers Associations (FOMCA)**

No. 1D-1, Bangunan SKPPK, Jalan SS9A/17

47300 Petaling Jaya, Selangor

Tel: 03-7876 2009 / 03-7875 6370

Fax: 03-7877 1076

E-mail: [fomca@fomca.org.my](mailto:fomca@fomca.org.my)

Website: [www.fomca.org.my](http://www.fomca.org.my)

ISBN 978-967-5432-13-2



9 789675 432132