A STUDY ON THE PRICE CONTROL AND ANTI PROFITEERING ACT 2011 IN CONTROLLING THE PRICE OF GOODS

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A thesis submitted to the Ghazali Shafie Graduate School of Law, Government and International Studies in fulfillment of the requirements for the Degree of Master of Law
Universiti Utara Malaysia
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MASTER OF LAW
UNIVERSITI UTARA MALAYSIA
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ABSTRACT

Attempts to control and fix prices for goods and services by using the law had commenced since the ancient time four thousand years ago but more often than not the attempts failed to achieve their objective. Price control legislations have also been used by governments in restraining inflation and overcoming shortages of goods. However instead of curbing inflation, price controls add other complications to the inflation problem such as black markets and more shortages of the goods controlled that reflect the waste and misallocation of resources caused by the price controls themselves. This study therefore explains why our government uses the price control law to control prices of goods even though history has shown that price controls add to the problem of shortages rather than eliminate it. In addition to that this study also explains why the government abolished the Price Control Act 1946 and introduced the Price Control and Anti Profiteering Act 2011. This research is essentially a library based doctrinal research whereby the materials used are obtained from libraries, archives and other databases. These materials are used to describe events when price control laws were used to control prices of goods and their ensuing consequences. The research finds that one of the aims of price control is to prevent traders and businesses from unscrupulously charging exorbitant prices for their goods and services and thus price control can be seen to act as a safeguard for consumers against opportunistic profiteers. This research concludes that price control measures are necessary but should not be in perpetuity.

**Keywords**: Price Control, Anti-profiteering, Consumer Protection, Price Control And Anti Profiteering Act 2011
ABSTRAK


Kata Kunci : Kawalan Harga, Anti-pencatutan, Perlindungan Pengguna, Akta Kawalan Harga Dan Anti Pencatutan 2011
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DECLARATION

I hereby declare that this thesis is the result of my own investigations except where otherwise stated. I also declare that it has not been previously or concurrently submitted as a whole for any other degree at UUM or any other institutions.

Rosnelim bt Yusoff

Signature :……………………………… Date:…………………………. 
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INTRODUCTION

1.1 Research Background

Festive seasons come and go and every time one approaches we will not fail to hear and read in the mainstream media that goods like flour, sugar, rice, poultry products, cooking oil and many others are facing shortages in supply; triggering price increases. Consequently, without fail as well, the government, in its attempt to solve the problem, uses the price control legislation, as a leverage to force prices down in the face of economic pressure to push them up.

The government’s determination not to allow prices to rise and to protect consumers from unchecked inflation is laudable and commendable because too often the public themselves will respond to price increases by urging the government to prevent them.

However, stopping the increase of inflation through the legal mechanism of price control does not solve and has never solved the problem, the prices of the goods still increase despite price control being imposed on the goods and it also leads to negative

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1 Price controls are governmental impositions on the prices charged for goods and services in a free market, usually intended to maintain the affordability of staple foods and goods, and to prevent, inter alia, price gouging during shortages. Price gouging is pricing above the market price when no alternative retailer is available.


3 ibid.
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