



Asia-Pacific Economic Cooperation

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Agenda Item: 3d

Information Paper on Commission for the Supervision of Business Competition

Purpose: Information
Submitted by: Indonesia



**Competition Policy and Deregulation Group
Khon Kaen, Thailand
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**Commission for the Supervision of Business Competition
Komisi Pengawas Persaingan Usaha
Republik Indonesia**

Vision & Mission

**Emerging efficiency and fair business environment,
which provides same opportunity to business actors
who participates in the process of market economy.**



**Commission for the Supervision of Business Competition
Komisi Pengawas Persaingan Usaha Republik Indonesia**

Mission

supervising the implementation of law No. 5 of 1999

KPPU carry its mission, tasks and competency which mandates under article 35 and 36 of Law No. 5 of 1999



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PROGRAMS

KPPU plans the following programs:

1. Policy Development which is intended to provide KPPU with operational policies and to encourage development of the Government policies to be consistent with competition objectives
2. Development of Institutional Development which is aimed at the development of institutional instruments in order to support the law enforcement
3. Communication program; aimed at socializing Law No. 5 Year 1999 and the Role of KPPU to various interested parties and multistakeholders
4. Development of Information System which is intended to disperse information on Law No.5/1999 and KPPU performance to various multistakeholders.
5. Law Enforcement which is intended to develop the management of law enforcement of Law No. 5/1999



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APPROACH

Voluntary Compliance

Advocacy

Law Enforcement



Fair
Business
Competition



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THREE YEARS PROGRESS OF IMPLEMENTATION

Issues Reported by Public

Total of 63 cases

**Issues Raised and Initiated
by KPPU**

Total of 6 cases



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Cases

Based on these report, KPPU has decided the following 9 cases:

1. The Commission Decision No. 01/KPPU-L/2000 on Tender Casing and Tubing of PT Caltex Pacific Indonesia
2. The Commission Decision No. 03/KPPU-L-I/2000 on Retail Business Activity of PT Indomarco Pristama.
3. The Commission Decision No. 07/KPPU-L-I/2001 on Tender of Feed Lot (Cattle) Import in East Java Province.



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4. The Commission Decision No. 03/KPPU-I/2002 on Tender Offering for PT Indomobil Sukses International Tbk
5. The Commission Decision No. 09/KPPU-L/2002 on Tender of Outside Pipe Copper Access Network (OSP-CAN) in PT Telekomunikasi Indonesia Tbk
6. The Commission Decision No. 08/KPPU-L/2001 on Tender Procuring Barite and Bentonite in YPF Maxus Southeast Sumatra B.V. company.
7. The Commission Decision No.10/KPPU-L/2001 on Insurance Company in PT Bank Negara Indonesia (Persero) Tbk.
8. The Commission Decision No. 02/KPPU-I/2002 on Cartel of Day Old Chick Company.
9. The Commission Decision No. 01/KPPU-I/2002 on Work Sharing PT Seamless Pipe Indonesia Jaya and PT Citra Tubindo.



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Policy Advocacy/ Monitoring

1. 11 (eleven) business actors and sectors are being monitored up to present
2. 5 (five) recommendations on Government policy related to competition have been issued
3. Policy advocacy to the Government in regard with:
 - a. Transportation policies
 - b. Telecommunication policies
 - c. Oil and Gas policies



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CONSTRAINTS IN IMPLEMENTATION

Internal → Human Resources (limited Quantity & Quality)

The status & Routine Budget
(remain unclear)

External → Legal System

Anticompetitive Government
Regulation

Competition Culture



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CAPACITY BUILDING AND TECHNICAL ASSISTANCE

| Resources | Institutional Dev | HRD | Advocacy | Dissemination |
|-----------------------------------|---|---|--|---|
| GTZ Germany 2000 – 2002 | Consultations on continuous base | Training in Bundeskartellamt | Seminars KPPU Website | Public Workshops and Seminars |
| The World Bank 2000 – 2003 | Sectoral Policy Research Development of Strategic Planning | Inhouse seminars for new staff | Sectoral Competition Research & Analysis Workshop for Government & other Stake Holders Interinstitution Dev. | Workshops and Seminars for Private sectors, NGO and Universities Phamplets & Brochures |
| USAID (FTC/DOJ) 2002 - 2003 | Consultation on Legal & Case Handling Case Handling Guidelines | Training in Case Handling and related subject | Legal Support to KPPU | Speakers in KPPU Seminars |



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| Resources | Institutional Dev | HRD | Advocacy | Dissemination |
|------------------------------|--|---|---|---------------------------|
| USAID (ELIPS) 2002 - 2003 | KPPU Participation in International Conference Consultation on Guide Line | Job Analysis and Training Needs Identification Integrated Training Program | KPPU Website Sectoral Competition Research Communication Training & Program Development | Speakers in KPPU Seminars |
| JICA/JFTC 2001 - 2004 | Monthly Discussion on Case Handling | Training on Investigation | | Public Seminars |



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FUTURE COOPERATION AGENDA

1. Continuation of ASEAN Conference on Competition Law & Policy
2. Developing Competition Advocacy to the Government
3. Developing Legal Instruments to support the Law enforcement which relates to Law No.5/1999
4. Development of Interinstitutional Relation of KPPU in investigation and noninvestigation purposes
5. Human Resources Training and Development
6. Further studies on Competition Law and Economics
7. Research on Sectoral and Industrial
8. Further Dissemination and Competition Culture Building and Law No.5/1999
9. Development of Internal and External Guide Lines for various purposes



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