



**Asia-Pacific  
Economic Cooperation**

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**2010/SOM1/CPLG/033**

Agenda Item: 8

## **Recent Development on Indonesia Economy and Competition Law / Policy**

Purpose: Information  
Submitted by: Indonesia



**JAPAN 2010**

**Competition Policy and Law Group Meeting  
Hiroshima, Japan  
28 February-1 March 2010**

# Recent Development on Indonesia's Economy and Competition Law/Policy

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Commission for the Supervision of Business Competition,  
Republic of Indonesia

## KPPU (Commission for Supervision of Business Competition)



Established by the Law Number 5/1999  
concerning Prohibition of Monopolistic  
Practices and Unfair Business Competition



Aimed to enhance  
healthy business and fair competition  
to increase public welfare

## Vision & Mission

### KPPU's Vision:

“To become an effective business competition supervisory agency for improving people welfare”

### KPPU's Mission:

1. Enforcing competition law
2. Internalizing competition values
3. Developing an effective and credible institution

## Ultimate Strategies

1

Enhancement of  
welfare improvement

2

Public awareness,  
and behavioral changes

# Performance vs. Programme

## PERFORMANCE INDICATORS

1. Reduction tariff in several sectors (e.g. Telecommunication);
2. Ensure the availability of goods/services;
3. Increase quality of public services;
4. Increase transparency and competitive public procurement and license issuance.

## KPPU PROGRAMMES

1. Industrial research;
2. Policy evaluation;
3. Advocacy;
4. Policy advice and recommendation;
5. Law enforcement;
6. Cooperation and coordination between domestic and international institutions; and
7. Institutional development

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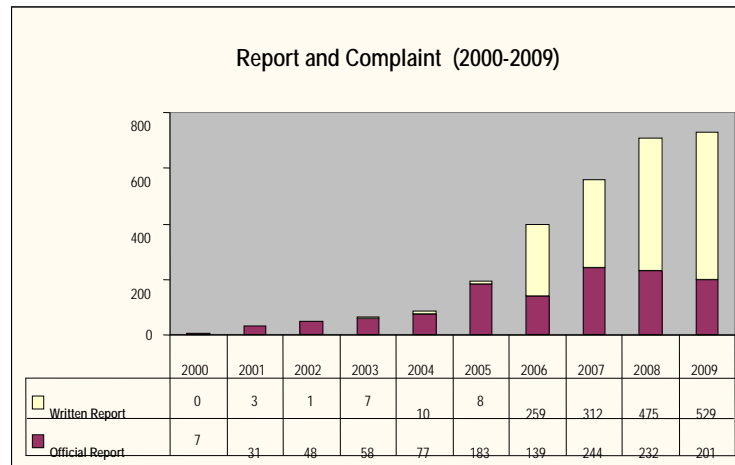
# Focus of Development



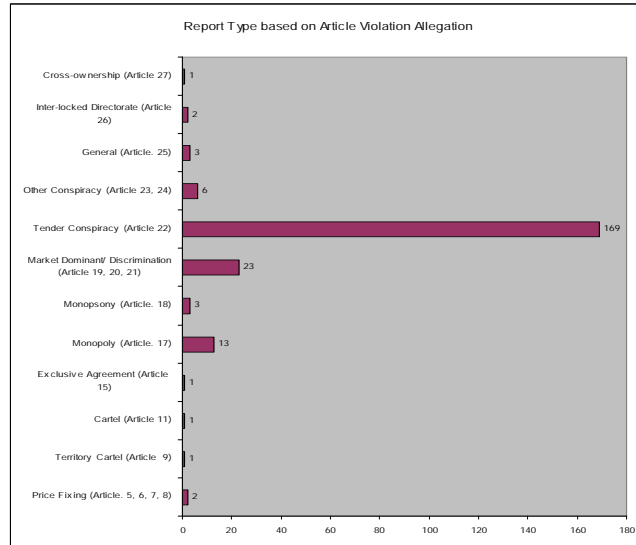
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## Law Enforcement

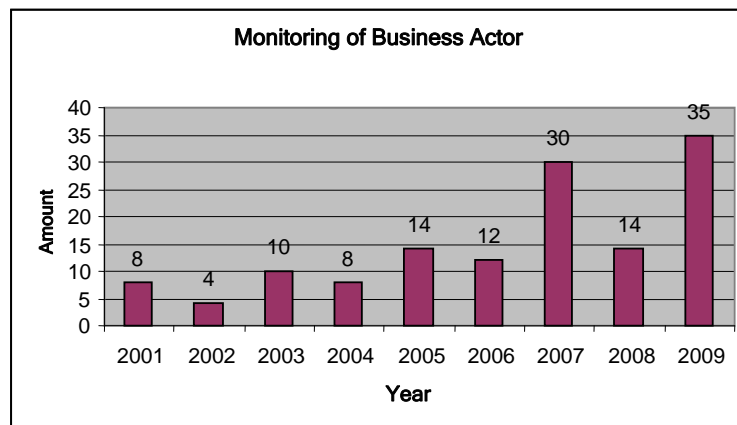
## Report and Complaint



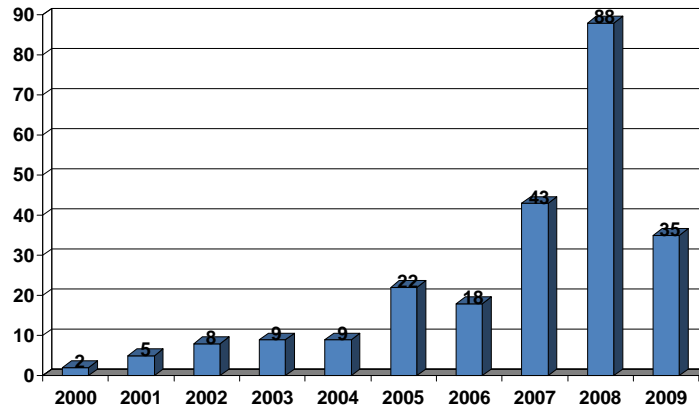
## Report Type on Article Violation Allegation (2000 – 2009)



## Monitoring of Business Actor



## Case Handling (2000 – 2009)

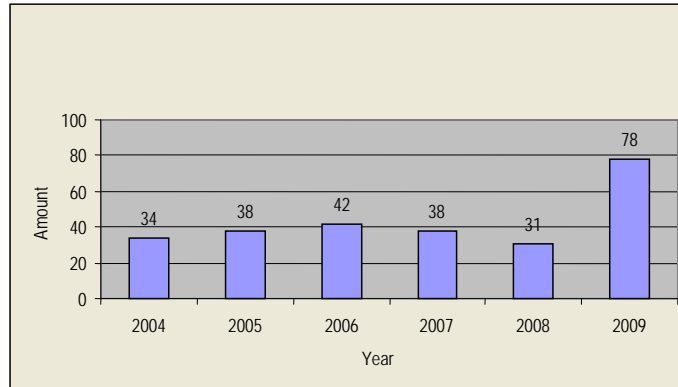


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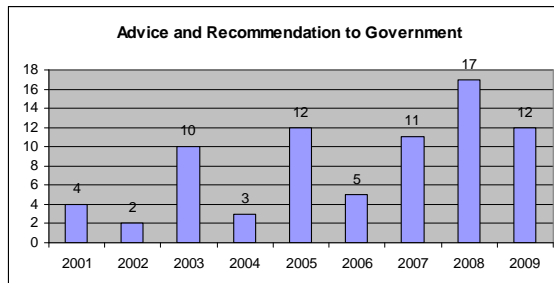
Competition Advocacy

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## Advocacy Activities (2004 – 2009)



## Advice and Recommendation

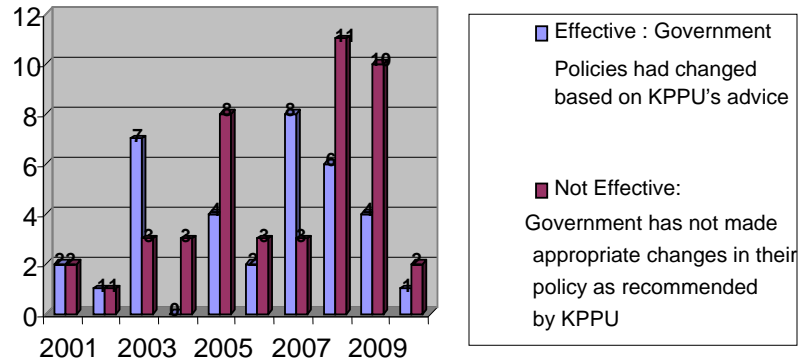


Advised industry mostly strategic industries that has potential impact on people's welfare. This will involved port services, oil and gas, transportation, broadcasting, telecommunication, retail/distribution, and agro industry.

Advice and recommendation was performed selectively, thus resulted on the varieties number for years. Generally, correlated to the increase quantity and quality of resources, number of advice is raised significantly for two recent years.



## The Effectiveness of KPPU's Advice and Recommendation



## Guidelines

KPPU already issued 8 (eight) Guidelines on :

- Article 28 and 29 of Law No.5/1999 concerning Pre-Notification of Merger, Acquisition and Consolidation.
- Article 50 point (b) of Law No.5/1999 concerning Franchise Agreement.
- Article 50 point (b) of Law No.5/1999 concerning Intellectual Property Right.
- Article 1 point 10 of Law No.5/1999 concerning Relevant Market.
- Article 47 of law No.5/1999 concerning Administrative Sanctions
- Article 51 of Law No.5/1999 concerning Monopoly exercising of State Owned Enterprise
- Article 50 point (a) of Law No.5/1999 concerning Agreements and Business Conducts Regulated by Law

# Institutional Development

## Institutional Development 2009

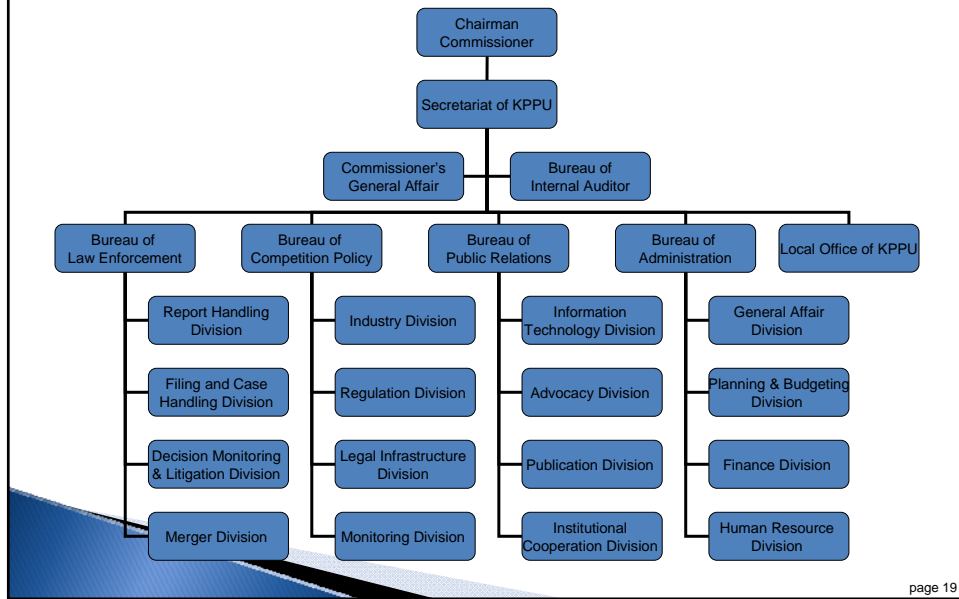
### Internal

- New Code of Conduct for Commissioner and Secretariat
- New Rule of Management
- New Organization Structure and Work Order of KPPU Secretariat
- New guidelines
- Recruitment of Expert Group
- New Commissioner Regulation regarding Case Handling Procedures

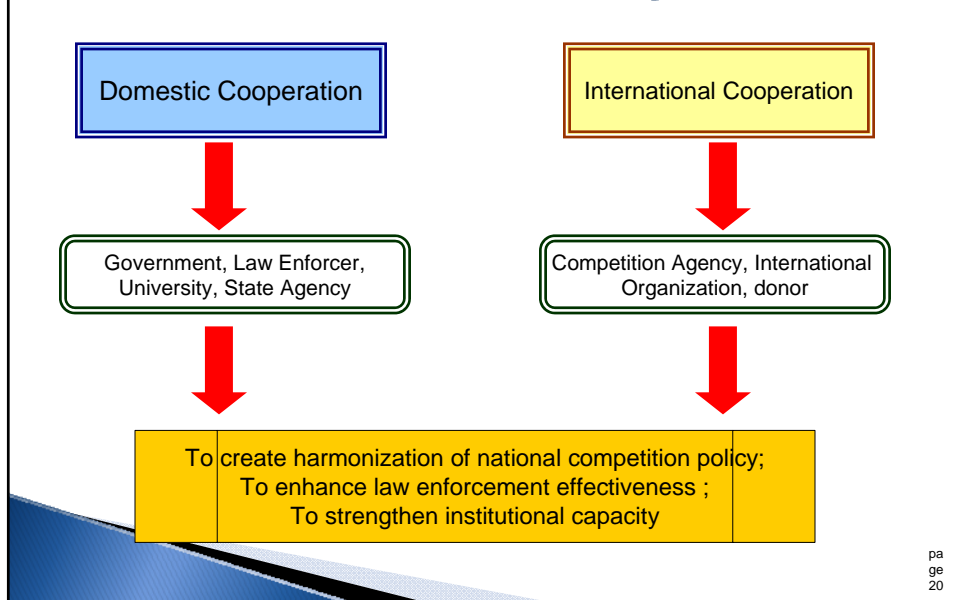
### External

- Presidential decree No. 80/2008 to increase legal certainty for the status of KPPU's secretariat
- Separated budget account to increase budget independency and apply performance based management
- Encouraging dissemination of international best practices for national development to support fair competition and regulatory reform process
- International peer reviewed by APEC and UNCTAD in 2009

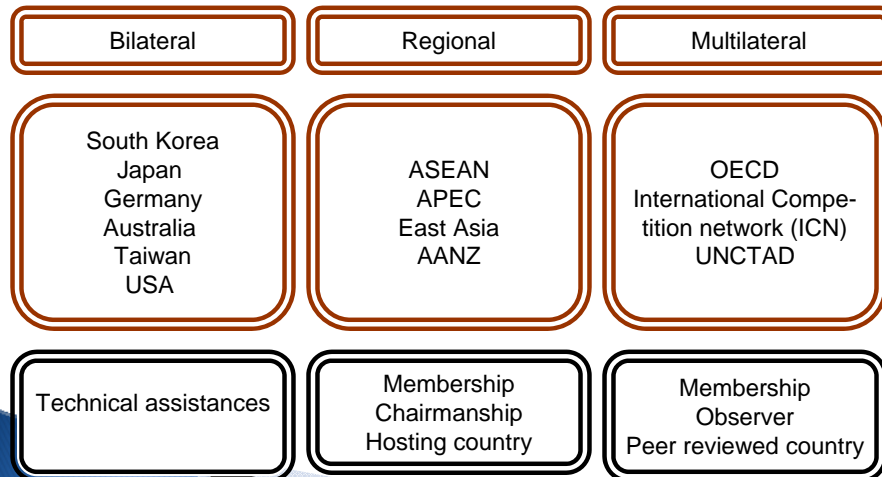
# Organizational Structure



# Inter Institutional Cooperation



# International Cooperation



# Domestic Cooperation

KPPU conducts Domestic Cooperation with several government departments and institutions

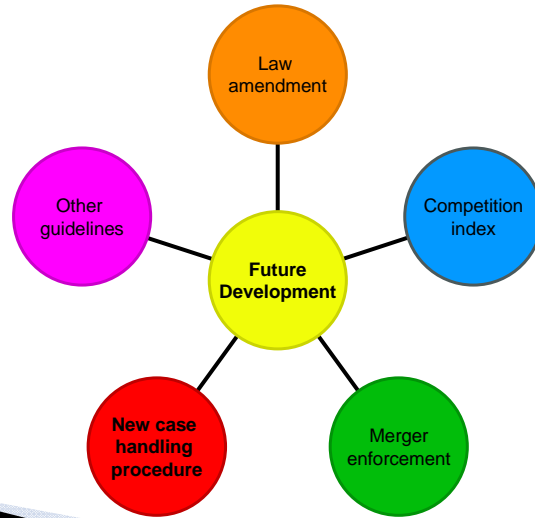
Up to 2009, KPPU has already signed MoUs with:

- 1.KPK (Corruption Eradication Commission),
- 2.Depkominfo (Communication and Information Department),
- 3.BPS (National Statistics Agency)
- 4.BAPPEPAM (National Investment Agency)

KPPU is currently in the process of legalizing cooperation with:

- Indonesia National Police,
- BPK (Indonesia Audit Board Agency),
- several National Universities,
- LKPP (Public Procurement Agency)

# Way Forward



thank you

*[www.kppu.go.id](http://www.kppu.go.id)*