



**Asia-Pacific
Economic Cooperation**

2011/SOM1/CPLG/012c
Agenda Item: 7(2)

Competition Advocacy in South East Asia

Purpose: Information
Submitted by: Indonesia



**Competition Policy and Law Group Meeting
Washington, D.C., United States
7-8 March 2011**



Commission for the Supervision of
Business Competition, Republic of
Indonesia

Competition Advocacy in South East Asia

Dr. Anna Maria Tri Anggraini
Commission for the Supervision of Business Competition (KPPU)
Republic of Indonesia



Acknowledgement



Vietnam Competition Authority
for their approval
to represent the AEGC
to speak in this prestigious session.

Foreign cooperation division @2011 page 2

Milestones in ASEAN



- The “ASEAN Vision 2020” adopted at the ASEAN Summit in December 1997;
- The first competition conference in ASEAN in 2003;
- The ASEAN Economic Community (AEC), declared on 7 October 2003;
- The ASEAN Consultative Forum for Competition(ACFC) established in 2004;
- ASEAN Experts Group on Competition was endorsed by ASEAN Economic Ministers (AEM) on 24 August 2007;
- The ASEAN Economic Blueprint adopted at the 13th ASEAN Summit on 20 November 2007;
- The first meeting of AEGC in 2008;

Objective of competition policy in ASEAN



- The main objective of the competition policy is to foster a culture of fair competition institutions and laws related to competition policy in ASEAN region.
- **Actions stipulated in the ASEAN Economic Community Blueprint:**
 - Endeavour to introduce competition policy in all AMCs by 2015;
 - Establish a network of authorities or agencies responsible for competition policy to serve as a forum for discussing and coordinating competition policies;
 - Encouraging capacity building programs/activities for AMCs in developing national competition policy; and
 - Develop a regional guideline and handbook on competition policy and law by 2010, based on country experiences and international best practices with a view to creating a fair competition environment.

Common challenges in **adopting** competition policy and law in ASEAN



- Not all countries consider CPL as a high priority instrument for conferring net benefits, or for achieving competition policy objectives;
- Lack of technical expertise and institutional capacity to design, implement or enforce an effective national CPL regime; and/or
- Low level of acceptance among local business community and other interest groups.

Common challenges in **implementing** competition policy and law in ASEAN



- **Policy and legislative issues**, such as deprived objective of CPL, government intervention, lack of supplementary documents, and conflicting sectoral interests;
- **Operational issues**, such as low public awareness, lack of knowledge and experience, low quality and insufficient information, and unsupportive legal system.

Best practices in competition advocacy



- Competition agency should advocate that competition considerations are taken into account from the **inception of the process**;
- Competition agency should participate in **planning the liberalization/privatization**, where appropriate, to help ensure post-privatization/liberalization competitive operation of the relevant market/sector;
- Competition agency should **promote an effective role for competition authorities in the course of the liberalization and privatization process** in order to promote competition in post-privatization/liberalization markets and help avoid further competition problems that could drain substantial time and effort of the competition authorities in the absence of their previous involvement;
- Competition agency should conduct **advocacy** for an expeditious liberalization of barriers to entry in markets with **state-created dominant enterprises**;
- Competition agency should possess **effective instruments** to carry out successful advocacy work, recognizing that the instruments might vary depending on the legal environment in which each competition authority operates.

Instruments for better advocacy



- The provision of **formal input through written reports** or expert opinions on competition-related issues to other government agencies responsible for the liberalization/privatization process;
- **Participation in meetings** with, or offering technical briefings to, governmental officials in order to enhance their understanding of the important role of competition;
- The ability to **bring legislative instruments and administrative decisions before the courts** in order, in some jurisdictions, to help inject competition values into the decision making;
- **Publication of the competition authority's opinions** in order to help promote transparency in decision-making, create a basis for a public debate regarding competition considerations raised by the transaction, and enable interested parties (e.g., other government agencies, consumers, market participants) to use them in support of their own pro-competitive arguments.

Advocacy measures adopted by ASEAN members



- **Most of best practices have been adopted by member states.**
- **Advocacy to the government:**
 - Cooperation with the government to pursue the abolishment of any distorted market policy;
 - Formal recommendation and guidance to the government;
 - Involvement at the level of policy formulation;
 - Regular report to the Minister, Parliament, and President;
 - Market and policy studies.
- **Public advocacy:**
 - Public education activities (seminar, workshop, and lecture);
 - Publications, such as brochure, website, text-book, journal, magazine, newsletter, TV commercial, talk-show, etc.

Regional challenges in competition advocacy



- **Lobbying by interest groups** for selective assistance measures in response to substantial trade and investment liberalization,
- Relatively **weak market supporting institutions**, and
- **Limited financial and human resources** of competition authorities.

Current and future works of AEGC in overcoming the regional challenges



- Increasing **advocacy attempts** through the adoption and dissemination of the AEGC Regional Guideline on Competition Policy (2010) and the AEGC Regional Handbook on Competition Policy and Law in ASEAN for Business.
- Developing new **task-force in regional advocacy**, that specifically aims at regional website for AEGC and regional strategy for competition advocacy.
- Developing **regional core competencies**, that consist of best practice on how to promote, establish, and implement competition policy and law. Most of which will interact with the ICN and OECD practices.

About the Speaker

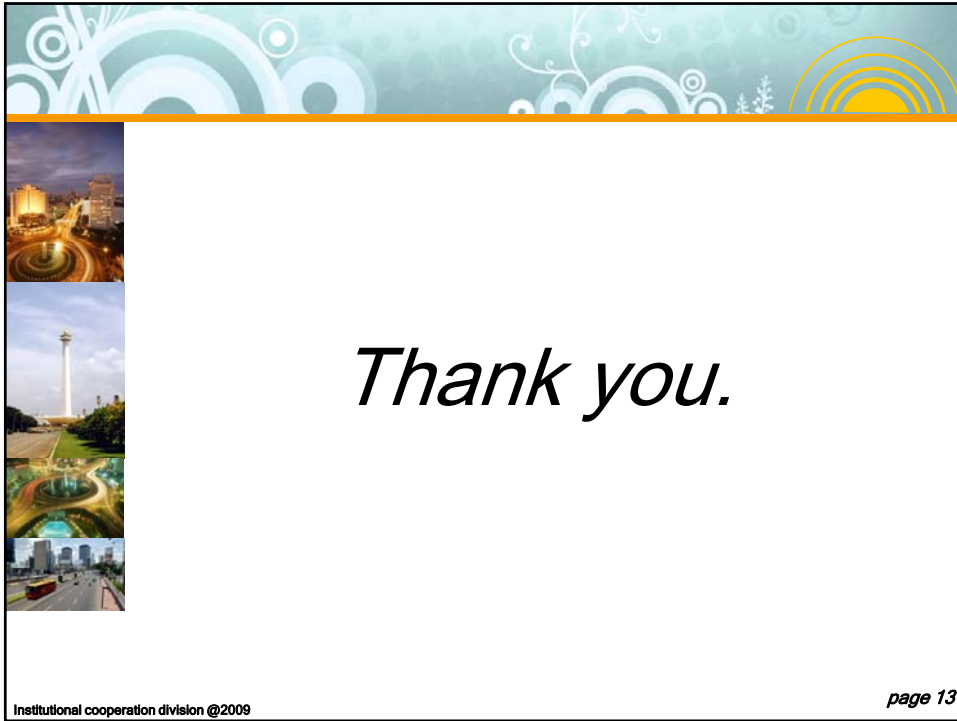


Dr. Anna Maria Tri Anggraini is one of the Commissioners of the Indonesian Commission for the Supervision of Business Competition (KPPU).

Since 1990, she was a full time lecturer at Trisakti University in Jakarta. She has been active in writing articles, publishing scientific papers, and attending scientific seminars. She published Economic Law in Indonesia, funded by USAID, University of Washington School of Law (Seattle). She holds a Bachelor Degree in Law from Gadjah Mada University (1987), Master of Law from Tarumanagara University (1995) and Doctor on Economic Law from the University of Indonesia (2003)

Contact:

anna.maria@kppu.go.id and trianggraini@yahoo.com



Thank you.

Institutional cooperation division @2009 page 13