



**Asia-Pacific  
Economic Cooperation**

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**2012/SOM1/CPLG/017**

Agenda Item: 8

## **Recent Developments in Indonesia**

Purpose: Information  
Submitted by: Indonesia



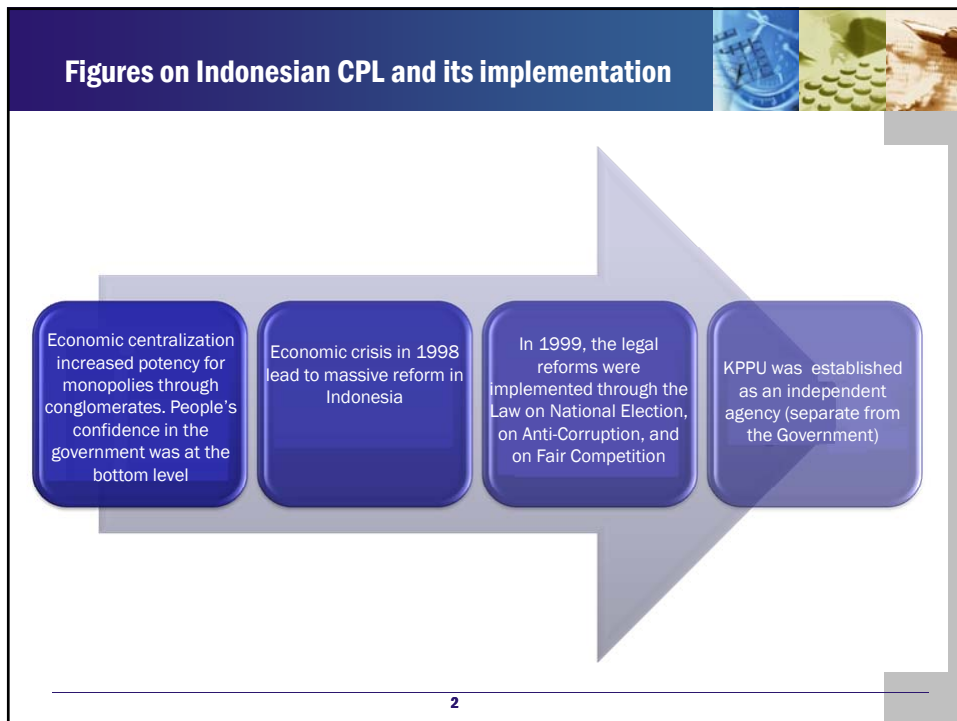
**Competition Policy and Law Group Meeting  
Moscow, Russia  
12-13 February 2012**



Commission for the Supervision of Business Competition, Republic of Indonesia

**RECENT DEVELOPMENT IN INDONESIA**  
for APEC CPLG Meeting, 12-13 February 2012

**Figures on Indonesian CPL and its implementation**



Economic centralization increased potency for monopolies through conglomerates. People's confidence in the government was at the bottom level

Economic crisis in 1998 lead to massive reform in Indonesia

In 1999, the legal reforms were implemented through the Law on National Election, on Anti-Corruption, and on Fair Competition

KPPU was established as an independent agency (separate from the Government)

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## About the Commission

### KPPU in brief

Our agency is an independent and single authority to supervise the implementation of competition law in Indonesia. This agency is fully equip with two major missions, namely to supervise and enforce competition law; and to create sound competition policy through policy recommendations.

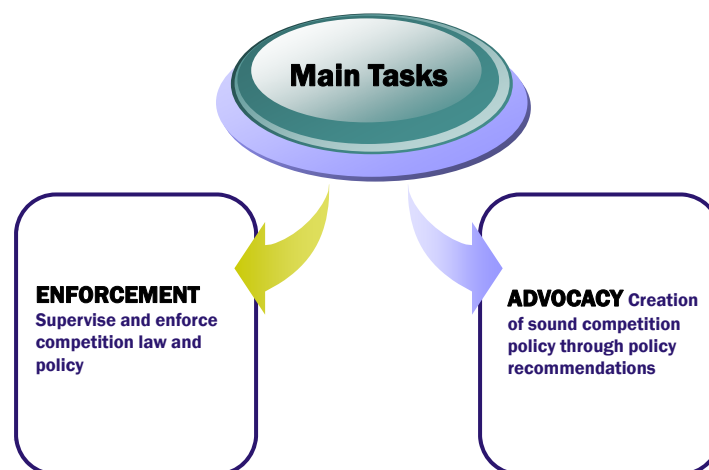
Our agency is consisted of 11 (eleven) Commissioners that work in collegial manner. Chairman is elected annually amongst Commissioners. In short, we are “the police, the prosecutor, and the judge” at the same roof. To assist the Commissioners, the Secretariat is established.

### Objectives

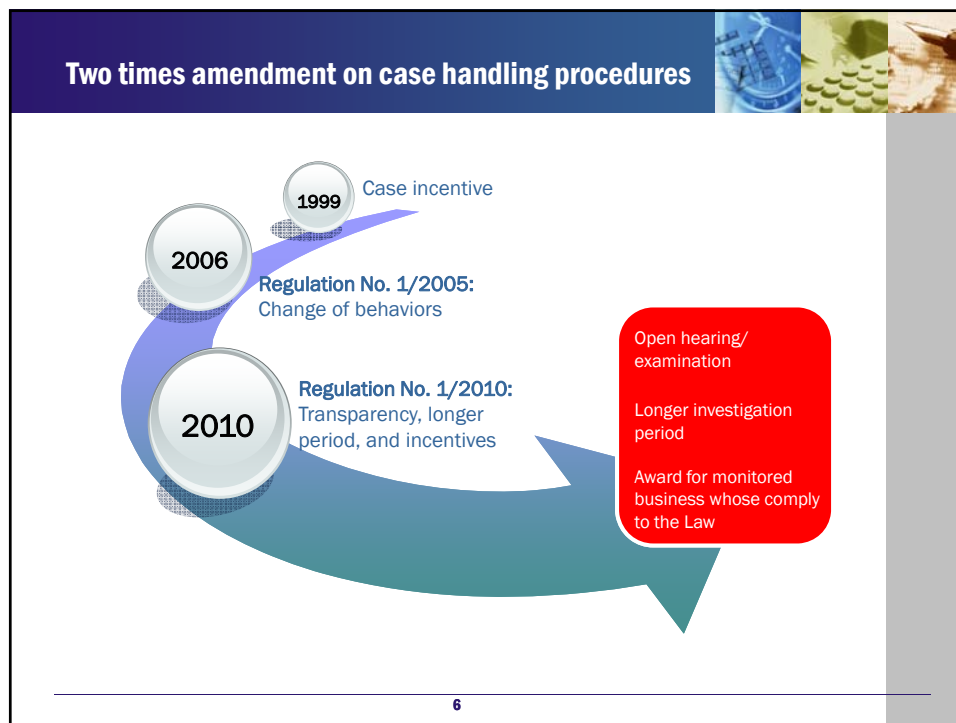
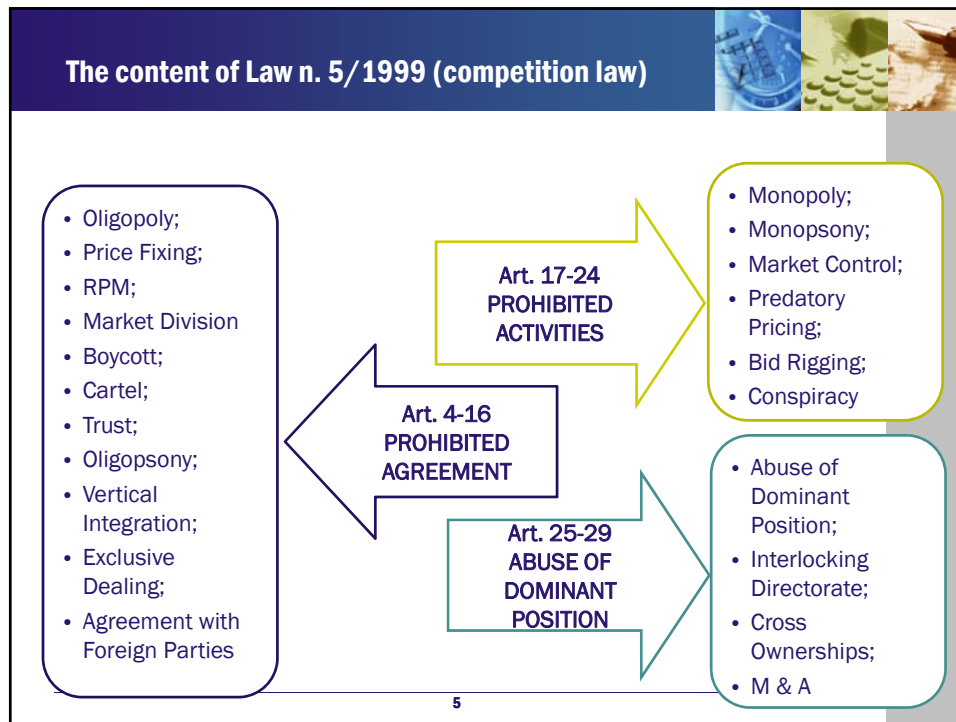
1. Public interest and national efficiency for people prosperity
2. Equal opportunity
3. Prevent monopolistic practices and unfair competition
4. Effective and efficient business

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## Main tasks of the Commission



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## Merger control 2010

### Legal background:

- The Law No. 5/1999, Article 28 and 29;
- The Government Regulation No. 57/2010 concerning Mergers that may cause Monopolistic Practice and Unfair Business Competition.
- Commission Regulation No. 1/2009 concerning Pre-Merger, Acquisition, and Take-over Notification.

### Scope of Mergers in the merger regulation:

- Merger;
- Consolidation;
- Acquisition of share.

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## Merger control 2010

### Thresholds

- Any merger causing merged asset value over IDR 2.5 trillion and/or sales value over IDR 5 trillion must be notified within 30 days after the merger is effective by law/regulation
- For banking sector, the threshold is IDR 20 trillion.

### Sanctions

- For not notifying, business can be imposed administrative fine for IDR 1 billion each due day, with IDR 25 billion maximum.

### Other

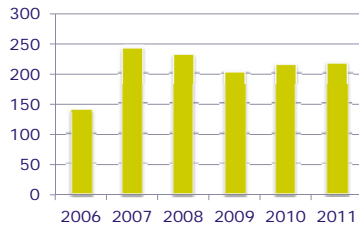
- Notification is not applicable to merger between affiliated companies.
- Analysis will be made based on market concentration, market entry, potential anti competitive behavior, efficiency, bankruptcy, or other tools necessary.

In 2011, KPPU received 47 merger reports, which includes 4 Consultations and 43 Notifications.

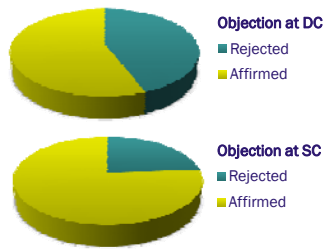
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## Statistics on enforcement

Complaint



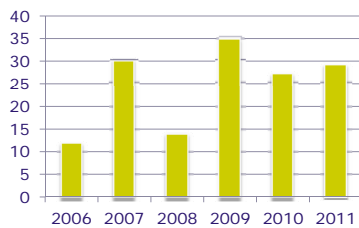
During 2006 – 2011, KPPU handled 205 Cases which result on 166 Decisions dan 39 Orders. From 166 decisions, 140 of which are negative decision, while 21 are negative. From 39 Orders , 28 of which are not proved to violated competition law, and 11 indicated changes of behavior.



Until 2011, there are 86 Objections to the District Court (DC) and 58 Cessations to the Supreme Court (SC). At DC level, 56% or 48 Objections are in favor of KPPU. At SC level, 76% or 44 Decisions are in favor the Commission.

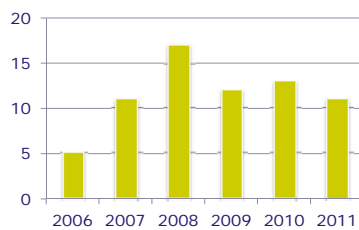
## Statistic on policy and prevention

Monitoring

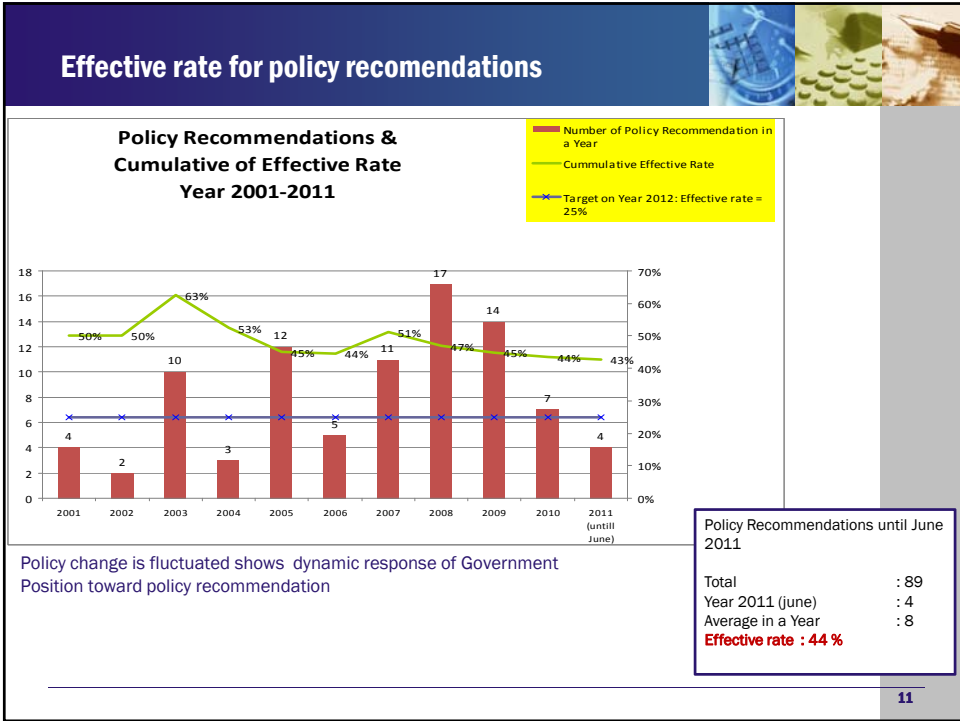


During 2006 –2011, KPPU has conducted 147 monitoring activities, both conducted by head and representative offices.

Policy Recommendations



From 2006 to 2011, KPPU has submitted 69 policy advices and recommendations to the government. The recommendations included advice on procurement of Hajj uniform, draft of procurement law, and involvement of association in cement industry.



### Other products in 2011

Outputs	Total	Types
Guideline	11	Discriminatory practices, price fixing, predatory pricing, resale price maintenance, share ownership, etc.
Industrial related research	8	Competition index, fast moving consumer goods, two-sided market, etc.

## International affairs

No	Indicators	2010	2011
1	Speaker's invitations	25	31
2	Consultations	8	11
3	Audiences	8	11
4	Hosting international related events	12	13
5	Written contributions	1	4
6	National coordination	16	63

KPPU is chairing ASEAN Experts Group on Competition in 2011 and initiated several important initiatives, including the establishment of the ASEAN Competition Conference which hosted in 15-16 November 2011 in Bali.

Currently taking part in Indonesia-EFTA free trade negotiation, and potential Indonesia-Korea agreement.



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