

## Indonesia: KPPU bids to influence policy-making

### In brief

Aiming to prevent anti-competitive policies being issued by various governmental institutions, on 31 March 2023 KPPU - the Indonesian Competition Commission, issued **KPPU Regulation No. 4 of 2023 on the Provision of Inputs and Suggestions for Government Policies in relation to Monopolistic and/or Unfair Business Practices ("KPPU Reg 4/2023")**. In the past, various governmental policies, particularly on imports, quotas and commodities, have caused market distortion and resulted in KPPU issuing orders against other governmental institutions. Members of the public, including business entities, are welcome to provide input to KPPU if they become aware of a potentially anti-competitive governmental policy.

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### Preventing future disharmony

In the past, KPPU caused a controversy by declaring that the Ministry of Trade was violating Article 24 (anti-competitive conspiracy to reduce market availability) of the Anti-Monopoly Law (Law No. 5 of 1999 on the Prohibition of Monopolistic and Unfair Business Practices) in its decision on the **Garlic Cartel Case**. KPPU also declared numerous procurement units in various governmental institutions to be violating Article 22 (bid-rigging) of the Anti-Monopoly Law.

The different level of understanding in these governmental institutions as to the value of fair competition is often the problem. Under KPPU Reg 4/2023, it seems that KPPU is trying to take a more structured approach to engaging various governmental institutions at central and regional levels in a bid to influence their policy-making and to prevent future disharmony.

### Taking public input

Members of the public may proactively reach out to KPPU and provide their assessments of potentially anti-competitive governmental policies. KPPU will look at those assessments and consider preparing its own commentary to challenge the governmental policies. Although KPPU cannot force its view on the relevant governmental institution, it may escalate the concern to the relevant supervising institution or make the commentary public. This would at least provide an additional perspective to the relevant governmental institution to weigh and reassess their policy.

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