Annual Report on Competition Policy Developments in Indonesia

-- 2020 --

This report is submitted by Indonesia to the Competition Committee FOR INFORMATION.
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Preface

1. Alhamdulillah (Praise be to God), the Indonesia Competition Commission (KPPU) has been capable of undergoing 2020 exceedingly well, amidst the challenges posed by the global pandemic facing KPPU. KPPU's performance remains optimum despite the existing limitations, both in terms of budget realization and existing outputs. This has proved that KPPU can adapt itself to various hindrances it confronts.

2. Business Competition Index (IPU) in Indonesia for 2020 decreased from 4.72 points in 2019 to 4.65 points in 2020. It means that the level of national competition on average for all indicators decreased in the said year. Therefore, improvement of regulations became one of KPPU’s focuses in 2020, especially in granting ease and simplicity in the law enforcement proceedings and the obligations imposed on business actors, as well as in making self-adjustment during the pandemic and economic recovery. It is indeed undeniable that law enforcement or case handling has decreased in terms of the quantity. In terms of the penalties, KPPU imposed total fines in its decisions of approximately IDR 66 billion, with delayed notifications and bid riggings constituting the highest number of cases. KPPU’s contribution to the Non-Tax State Revenues target was still fulfilled and in excess of the target of up to IDR 37 billion.

3. We understand that during this period of time, law enforcement can be relaxed and support for government efforts in the process of economic recovery takes precedence. Therefore, KPPU gives top priority to preventive efforts through the granting of inputs to the government and advocacy to business actors. Law enforcement is still conducted, but various relaxations will be given to business people. The implementation of Law No. 11 Year 2020 regarding Job Creation will pose its own challenges to KPPU in order to be able to better improve the quality of its law enforcement in the future. KPPU has prepared various instruments in facing such changes, both in the context of regulations and various activities as required.

4. We hope that such change in regulations can better improve the quality of law enforcement and all at once grant ease and support to business actors in complying with business competition law in the future.

1. KPPU at a Glimpse

1.1. Linkage to the Vision and Mission of the President

5. Support for the vision and mission of the President for 2020-2024 in “Materializing Developed Indonesia that is Sovereign, Independent, and having Mutual Cooperation-Based Characters” keeps spurring KPPU to become the frontmost guard in business competition. Furthermore, the vision of the President is materialized through the nine Missions popularly known as the Second Nawacita (Nawacita Kedua) as spelled out in the 2020-2024 National Medium-Term Development Plan (RPJMN) as a strategy in implementing the Nawacita mission and achieving the targets of the Indonesian Vision 2045. KPPU fully supports the directive of the President including human resource development, infrastructure development, simplification of regulations, bureaucracy reform, and economic transformation.
6. KPPU fully supports the seven National development agendas, namely Economic Resilience for Quality and Equitable Growth, Regional Development to Reduce Gaps, Quality and Competitive Human Resources, Mental Revolution and Cultural Development, Infrastructure for the Economy and Basic Services, Environment for Disaster Resilience, and Climate Change, as well as political, legal, defense, and security Stability and Public Service Transformation.

7. KPPU through Law regarding Prohibition of Monopolistic Practices and Unfair Business Competition continually does its utmost to safeguard the public interest and improve efficiency of the national economy as one of the efforts to ameliorate people's welfare. The main objective of fair business competition is to create a conducive business climate as well so as to guarantee the certainty of equal business opportunities for large, medium, and small business actors so that in the long run, it can create effectiveness and efficiency in business activities, justice in doing business, enhance innovation and investment, which will lead to economic growth and even distribution.

8. The year 2020 was admittedly not easy for all walks of life, including the slow economic growth in Indonesia. In line with the said matters and in accordance with the main duty of KPPU in its supervisory and law enforcement functions, KPPU still prioritized support for business actors by guaranteeing legal certainty in doing business, eradicating possible market barriers that are harmful to business actors, or discriminatory conduct addressed to business actors.

9. In the meantime, as one of the efforts of KPPU to support the process of the national economic recovery as a result of the COVID-19 pandemic this year, KPPU issued a regulation regarding relaxation of law enforcement in supporting the national economic recovery program and the implementation of Law Number 2 Year 2020 as well as supporting the performance of the duties of the COVID-19 Handling and National Economic Recovery Committee. Based on the regulation aimed at protecting, maintaining, and enhancing the economic capacity of business actors in running their businesses, KPPU granted some relaxations to law enforcement. Such various relaxations are explained by virtue of Regulation of KPPU Number 3 Year 2020 regarding Relaxation of Law Enforcement of Monopolistic Practices and Unfair Business Competition as well as Supervision of the Implementation of Partnerships in the Context of Supporting the National Economic Recovery Program.

10. There are several forms of relaxation granted by KPPU, namely (1) the relaxation of law enforcement in the implementation of the procurement of goods and/or services using the State Revenues and Expenditures Budget or Regional Revenues and Expenditures Budget; and (2) the relaxation of law enforcement in planned agreements, activities and/or using a dominant position aimed at handling COVID-19 and/or upgrading the economic capacity of business actors in running their businesses. KPPU hopes that such various relaxation provisions may provide ease for business actors during the economic recovery period as a result of the COVID-19 pandemic with due observance of the existing business competition norms.

1.2. Duties and Functions

11. Based on the regulation set forth in Law Number 5 Year 1999 and Law Number 20 Year 2008, the main duties and functions of KPPU are set forth to be:

1.2.1. The Enforcement of Competition Law

12. As the sole competition authority in Indonesia, KPPU has the authorities to pre-investigate, examine, and decide alleged violations of unfair business competition by
business actors based on the Law, as well as impose administrative sanctions on violations of monopolistic practices and unfair business competition.

1.2.2. The Granting of Suggestions and Considerations to Government Policies
13. As set forth in Law Number 5 Year 1999, KPPU can give suggestions and considerations to Government policies having the potential to bring about monopolistic practices and unfair business competition.

1.2.3. The Control of Mergers and Acquisitions
14. As strengthened by virtue of Government Regulation Number 57 Year 2010, KPPU can assess mergers, consolidations, or acquisitions of company shares, including transfers of productive assets.

1.2.4. The Supervision of Partnership
15. Based on Law Number 20 Year 2008 and Government Regulation Number 17 Year 2013, KPPU has the authorities to supervise and enforce the law on the implementation of partnerships among large business actors and MSMEs.

1.3. The Leaders of KPPU
16. KPPU is led by KPPU Members who are appointed by the President of the Republic of Indonesia based on the suggestions of the House of Representatives of the Republic of Indonesia. The circle of leaders of KPPU Members as intended in Decree of the President Number 81/P Year 2018 dated April 27, 2018 regarding the Honorable Discharge and Appointment of Members of the Indonesia Competition Commission is as follows:
   1. Dr. M. Afif Hasbullah, S.H., M.Hum.
   2. Dr. Drs. Chandra Setiawan, M.M., Ph.D.
   3. Dinni Melanie, S.H., M.E.
   4. Dr. Guntur Syahputra Saragih, M.S.M.
   5. Harry Agustanto, S.H., M.H.
   6. Kodrat Wibowo, S.E., Ph.D.
   7. Kurnia Toha, S.H., LL. M., Ph.D.
   8. Ukay Karyadi, S.E., M.E.
   9. Yudi Hidayat, S.E., M.Si.
17. The Chairman and Vice Chairman of KPPU are appointed from among KPPU Members based on a meeting of members every two and a half years. The Chairman and Vice Chairman of KPPU were replaced at the end of 2020, from previously being led by Kurnia Toha and Ukay Karyadi as the Chairman and Vice Chairman of KPPU. The leadership in KPPU is held by Kodrat Wibowo and Guntur S. Saragih as the Chairman and Vice Chairman of KPPU as from December 16, 2020 through April 27, 2023.

1.4. The rank and file of the Secretariat of KPPU

18. In performing its duties and functions, KPPU is assisted by a secretariat. With professional leaders and ranks of staff, the organizational structure of the secretariat of KPPU comprises three pillars, namely the Secretariat General, the Deputy for Law Enforcement, and the Deputy for Studies and Advocacy. These three main functions constitute the greatest support for the leaders so that the wheels of the organization continue rolling in to bring KPPU to keep running and providing benefits and better changes for the country.

Table 1. Duties and Functions of the Management of the Secretariat

<table>
<thead>
<tr>
<th>THE CIRCLE OF MANAGEMENT</th>
<th>DUTIES AND FUNCTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>THE SECRETARIAT GENERAL</td>
<td>Planning and Finance Bureau: Carries out planning, finance, accounting, and control of the implementation of activity programs and budgets</td>
</tr>
<tr>
<td></td>
<td>Legal Bureau: Conducts regulatory drafting, legal assistance, and execution</td>
</tr>
<tr>
<td></td>
<td>Public Relations and Cooperation Bureau: Carries out public relations and inter-institutional both at home and abroad</td>
</tr>
<tr>
<td>Human Resources and General Affairs Bureau</td>
<td>Conducts human resource development, public services, and administration. This Bureau includes two separate units responsible to the Secretary General, namely the Education and Training Unit and the Data and Information Unit.</td>
</tr>
<tr>
<td>Regional Offices</td>
<td>Carry out law enforcement, assessment, and advocacy functions in areas being the areas of the supervision of the Regional Offices. The areas of supervision of Regional Offices are as intended in the next page.</td>
</tr>
<tr>
<td>Internal Supervision Unit</td>
<td>Constitutes an independent unit that is responsible to the Commission in performing the internal supervision function of the performance of the duties and functions of KPPU.</td>
</tr>
<tr>
<td>Expert Staff</td>
<td>Constitutes an expert position in the field of law, institutions, and cooperation, as well as economy, who is responsible to the Commission in providing inputs or other duties to the Commission in accordance with his/her expertise.</td>
</tr>
</tbody>
</table>

**THE DEPUTY FOR LAW ENFORCEMENT**

| Directorate of Investigation | Conducts report clarification, initiative studies based on special assignments of the Commission and pre-investigations and/or examinations of alleged violations of monopolistic practices and/or unfair business competition, both originating from reports and initiative-based researches. |
| Directorate of Mergers and Acquisitions | Conducts the acceptance of notifications, initiative-based researches, pre-investigations and/or examinations of alleged delays in notification of mergers or consolidations or acquisitions; Conducts report clarifications, initiative-based researches, pre-investigations and/or examinations of alleged violations of mergers or or acquisitions that may result in monopolistic practices and/or unfair business competition. |
| Directorate of Partnership Supervision | Conducts report clarifications, initiative-based researches, and supervision of alleged violations of the implementation of Partnership, both deriving from reports and initiative-based researches; Supervision and reporting of the implementation of Warning Letters in the context of the handling of cases of alleged violations of the implementation of Partnership. |
| Directorate of Enforcement | Conducts making into dossiers and prosecutions of alleged violations of monopolistic practices and/or unfair business competition, alleged delays in notification of mergers or consolidations or acquisitions, and alleged violations of the implementation of Partnership; Conducts administrative coordination of the implementation of the Commission Panel hearings with regard to alleged violations of monopolistic practices and/or unfair business competition, alleged delays in notification of mergers or consolidations or acquisitions, and alleged violations of the implementation of Partnership; Monitors and reports the implementation of changes in behaviors in handling alleged violations of monopolistic practices and or unfair business competition; Conducts the handling of remedies against the Commission Decisions be it against the Objection stage, Cassation stage and/or Judicial Review stage. |
| Clerk’s Office | Constitutes an independent unit that is directly responsible to the Commission in providing clerk’s office services in the Commission Panel hearing proceedings. |
Table 2. Coverage of the Work Region of Regional Office

<table>
<thead>
<tr>
<th>Regional Office</th>
<th>Coverage of the Work Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Office I of KPPU domiciled in Medan City</td>
<td>North Sumatra, West Sumatra, Aceh, Riau, and the Riau Islands</td>
</tr>
<tr>
<td>Regional Office II of KPPU domiciled in Bandar Lampung City</td>
<td>South Sumatra, Jambi, Lampung, Bengkulu, and Bangka Belitung</td>
</tr>
<tr>
<td>Regional Office III of KPPU domiciled in Bandung City</td>
<td>Banten, West Java, and DKI Jakarta</td>
</tr>
<tr>
<td>Regional Office IV of KPPU domiciled in Surabaya City</td>
<td>East Java, Central Java, Yogyakarta Special Region, Bali, West Nusa Tenggara, and East Nusa Tenggara</td>
</tr>
<tr>
<td>Regional Office V of KPPU domiciled in Balikpapan City</td>
<td>West Kalimantan, South Kalimantan, Central Kalimantan, East Kalimantan, and North Kalimantan</td>
</tr>
<tr>
<td>Regional Office VI of KPPU domiciled in Makassar City</td>
<td>Gorontalo, Southeast Sulawesi, South Sulawesi, Central Sulawesi, North Sulawesi, West Sulawesi, Maluku, North Maluku, Papua, and West Papua</td>
</tr>
</tbody>
</table>

2. Regulation Reform

19. The Coronavirus disease 2019 (COVID-19) swept over the world and spread in Indonesia in the beginning 2020. The said pandemic resulted in a high mortality rate so the Government issued policies or regulations to cut down the rate of the spread of the COVID-19. The impact of the policies issued by the Government has resulted in a decline in the national economic growth. If the national economic growth weakens, then it can be summed up that production, distribution, and consumption activities are not running in a normal or reasonable fashion. Therefore, KPPU issued various regulations or rules to assist the national economic recovery aimed at scaling public welfare.

20. There are 2 (two) regulations being issued by KPPU to face the COVID-19 pandemic, namely concerning electronic case handling and relaxation of law enforcement. It is to be hoped that such two regulations may continue improving the effectiveness of supervision conducted by KPPU and provide relief or ease for business actors in conducting their business activities and comply with the competition law.

2.1. Regulation of the Indonesia Competition Commission Number 1 Year 2020 regarding Electronic Case Handling (Perkom 1/2020 [Commission Regulation 1/2020])

21. Commission Regulation 1/2020 is a solution to the limited face-to-face meetings in handling competition law cases. The regulation, which was signed on April 6, 2020, is based on Decision of KPPU Number 12/KPPU/Kep.1/IV/2020 regarding Case Handling in a Condition of Emergency of the Coronavirus Disease Outbreak in Indonesia. At the moment, the said regulation helps speed up the handling of cases at the Indonesia Competition Commission. The said KPPU regulation provides a legal basis for KPPU to conduct law enforcement proceedings or other public services electronically. Such processes include, among other things, the assessment of merger and acquisition transactions, supervision of partnerships, pre-investigations, examinations, and panel hearings.

2.2. Regulation of the Indonesia Competition Commission Number 3 Year 2020 regarding Relaxation of Law Enforcement of Monopolistic Practices and Unfair Business Competition as well as Supervision of the Implementation of Partnerships
in the Context of Supporting the National Economic Recovery Program (Perkom 3/2020 [Commission Regulation 3/2020])

22. Commission Regulation 3/2020 which was signed by the Chairman of KPPU on November 9, 2020 contains rules regarding relaxation of law enforcement in order to support the national economic recovery program and the implementation of Law Number 2 Year 2020, as well as in order to support the performance of the duties of the Committee for Handling COVID-19 and National Economic Recovery. The purpose of the rules is to protect, maintain, and improve the economic capacity of business actors in running their businesses. The relaxation includes:

- the relaxation of law enforcement in regard to the implementation of the procurement of goods and/or services using the State Revenues and Expenditures Budget or the Regional Revenues and Expenditures Budget;
- the relaxation of law enforcement in regard to planned agreements, activities, and/or uses of dominant position aimed at handling the COVID-19 and/or scaling up the economic capacity of business actors in running their businesses; and
- the relaxation of 2 (two) periods of obligations of business actors, namely with regard to the obligation to convey notification of mergers and acquisitions and the obligation to convey responses to Written Warnings in the implementation of partnerships.

23. Apart from the pandemic-related regulations above, KPPU also issued a Guideline of the Indonesia Competition Commission in 2020 regarding Guideline for the Assessment of Mergers, Consolidations, or Acquisitions as further elucidations to Regulation of KPPU Number 3 Year 2019 regarding the Assessment of Mergers or Consolidations, or Acquisition of Shares that may result in monopolistic practices and/or unfair business competition. The purpose of the guideline which has been put into effect since October 6, 2020 is to overcome differences in the interpretation in the implementation of Commission Regulation 3/2019.

24. Internally, KPPU took part in adjusting its strategic plan in facing the pandemic by virtue of Regulation of the Indonesia Competition Commission Number 2 Year 2020 regarding the 2020 – 2024 Strategic Plan of the Indonesia Competition Commission (Perkom 2/2020 [Commission Regulation 2/2020]). The Commission Regulation is in line with the implementation of the Government's programs through Law Number 2 Year 2004 regarding the National Development Planning System in order to meet the targets of the national strategic plan by 2024.

3. Law Enforcement

25. 2020 was an arduous year. The outbreak of the COVID-19 pandemic since the first quarter affected almost all business sectors not only in Indonesia but also across the globe. The economic slowdown could not be avoided by all countries, including Indonesia. Various countries had responded through responsive, adaptive, and anticipatory policies in an effort to minimize the impacts caused by the pandemic. The Indonesian government was also well-disposed to responding to this problem by issuing a structured and measured policy, especially in anticipating the spread of the virus through the stipulation of the National Disaster Management Agency (BNPB) on the status of the state of emergency for 91 days as from February 29 through May 29, 2020. In line with such Government policy, KPPU by virtue of a Decision of the Chairman of KPPU temporarily stopped law
enforcement activities at KPPU. KPPU also issued a policy to stop notifications and merger and acquisition assessment processes so that such period was not taken into account in calculating the effective date of notifications, nor the period for assessing merger and acquisition transactions.

26. However, law enforcement proceedings impossibly stop just like that even though the pandemic continues striking. KPPU issued Regulation of KPPU Number 1 Year 2020 regarding Electronic Case Handling on April 6, 2020. Following the issuance of such regulation, law enforcement proceedings were conducted again with due observance of the prudential principle and avoiding face-to-face meetings. The notification processes and assessments of mergers and acquisitions that were not previously taken into account in calculating the effective date were taken into account again. Although 2020 was full of challenges, KPPU remained agile in adapting to changes, as proved by the law enforcement proceedings that continued running effectively in case handling, litigation processes, notification and assessment of mergers and acquisitions, and supervision of partnerships.

3.1. Case Handling

27. 2020 served as a year of change for the implementation of competition law enforcement. In the midst of the COVID-19 pandemic, there were 15 cases being decided by KPPU throughout 2020, with 11 cases were decided as guilty and 4 other cases were decided as not guilty with case registers in 2019 and the total amount of fines deriving from decisions imposed of IDR65,911,000,000 (sixty-five billion nine hundred and eleven million rupiah). Out of the said 15 case decisions, there were 9 cases of delayed notifications of Mergers and Acquisitions (M&A), 5 cases of tenders, and 1 case of pricing and cartel. Viewed from the source of cases, 13 cases were registered on the basis of initiative (including M&A delays) and 2 cases derived from the reports made by the public.

![Figure 2. Type of cases decided](image-url)

28. KPPU conducted 148 report clarification activities throughout 2020. Out of the 148 report clarification activities, there were 92 reports being received and registered in 2020 and 56 reports were report clarification activities received and registered in 2019, the clarification process of which had not been completed yet and continued until 2020. As for the details of the acceptance of reports of the 148 report clarification activities conducted in 2020 may be seen in the graph below:
29. Not all the reports made by the public could be followed up to the pre-investigation stage. Reports on Clarification Results followed up to the pre-investigation stage must meet the requirements for the completeness of report administration, clarity of the alleged violation of the article of the Law violated, the conformity to the absolute competence of the Commission and there is at least one instrument of proof. The handling of reports not meeting the said requirements is stopped. As for the results of the report clarification activities up to December 31, 2020 are as follows:

- 22 reports were continued to the Pre-investigation stage;
- 59 reports were under process;
- 67 reports were stopped.

30. Besides stemming from reports made by the public, KPPU may examine business actors based on their own initiatives deriving from the Initiative Case Research. KPPU has conducted 35 Initiative Case Research activities in the form of research of cases of alleged violations in tenders and non-tenders throughout 2020. Out of the 35 Initiative Case Research activities in 2020, not all the research activities were research activities registered in 2020, but some Initiative Case Research activities were continued Initiative Case Research activities from the previous year (carryover from 2019) because the research processes had not been completed yet until the end of 2020. The results of the Initiative Case Research activities for the 35 activities up to the end of 2020 are as follows:

- 10 Researches were continued to the Pre-investigation stage
- 15 Researches were under process
- 10 Researches were stopped

31. The total number of pre-investigation activities throughout 2020 was 109. This figure was an increase as compared to the pre-investigation activities in 2019, amounting to 87 pre-investigation activities. Pre-investigation activities in 2020 increased by 24% or there was an increase of 21 pre-investigation activities if compared to the number of pre-investigation activities in 2019 as may be seen in the following table:
Table 3. Comparison of Number of Pre-investigations

<table>
<thead>
<tr>
<th>No.</th>
<th>Pre-investigation Year</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Year 2020</td>
<td>109 Pre-investigations</td>
</tr>
<tr>
<td>2.</td>
<td>Year 2019</td>
<td>87 Pre-investigations</td>
</tr>
</tbody>
</table>

32. Viewed from the litigation proceedings in 2020, there were 2 (two) cases still being in objection proceedings in District Court, there were 15 cases still being in cassation proceedings in Supreme Court, and there were 20 cases having already has a permanent legal force. As from 2000 through 2020, the total amount of Non-Tax State Revenues (PNBP) from the penalties for unfair business competition violations received by KPPU was IDR444,085,939,335 (four hundred and forty-four billion eighty-five million nine hundred and thirty-nine thousand three hundred and thirty-five rupiah).

33. There is still a total of IDR419,908,986,146 (four hundred and nineteen billion nine hundred and eight million nine hundred and eighty-six thousand one hundred and forty-six rupiah) outstanding receivables of the total receivables (51%), namely amounting to IDR863,984,922,815 (eight hundred and sixty-three billion nine hundred and eighty-four million nine hundred and twenty-two thousand eight hundred and fifteen rupiah). Whilst Non-Tax State Revenues (PNBP) for the 2020 period deriving from the fines for violations of unfair business competition is IDR37,369,898,638 (thirty-seven billion three hundred sixty-nine million eight hundred and ninety-eight thousand six hundred and thirty-eight rupiah). As for the summary in a table is as follows:

Table 4. Summary of Litigation and Execution Activities

<table>
<thead>
<tr>
<th>No.</th>
<th>Data</th>
<th>Total/Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Number of Decisions having had a permanent legal force per December 31, 2020</td>
<td>168 Decisions</td>
</tr>
<tr>
<td>2.</td>
<td>Number of Reported Parties with Decisions having had a permanent legal force per December 31, 2020</td>
<td>595 Reported Parties</td>
</tr>
<tr>
<td>3.</td>
<td>Number of Decisions not yet Executed per December 31, 2020</td>
<td>100 Decisions</td>
</tr>
<tr>
<td>4.</td>
<td>Amount of Receivables having had a permanent legal force per December 31, 2020</td>
<td>IDR863,984,922,815</td>
</tr>
<tr>
<td>5.</td>
<td>Amount of Revenues per December 31, 2020</td>
<td>IDR444,085,939,335</td>
</tr>
<tr>
<td>6.</td>
<td>Amount of Revenues for December 31, 2020 period</td>
<td>IDR2,810,250,217</td>
</tr>
<tr>
<td>7.</td>
<td>Amount of Revenues for January through December 31, 2020</td>
<td>IDR37,369,898,638</td>
</tr>
<tr>
<td>8.</td>
<td>Accounts Receivable Balance per December 31, 2020</td>
<td>IDR419,908,986,146</td>
</tr>
</tbody>
</table>

34. There were 36 cases being registered in 2020. Whilst there were 39 cases running in 2020 the registration years of which were 2019 & 2020. Based on the type of violations, out of the said 39 cases, there were 11 cases being related to delayed notification of M&A, 11 cases being related to bid rigging, 9 cases being related to partnerships, 7 cases being related to market control, and 1 case being related to an exclusive agreement.
3.2. Focus of Attention of Law Enforcement

The focus of attention of law enforcement cases in 2020 was the special app-based ride-hailing services case related to the provision of the Grab App software application operated in the Greater Jakarta areas (Jakarta, Bogor, Depok, Tangerang, and Bekasi), Makassar, Medan, and Surabaya. The parties involved in this case under registration number 13/KPPU-I/2019 were PT Solusi Transportasi Indonesia (GRAB) as Reported Party I and PT Teknologi Penggawai Indonesia (TPI) as Reported Party II.

The said case stemmed from KPPU’s initiative-based research and was followed up to the pre-investigation stage with regard to an alleged violation of vertical integration (Article 14), tying-in (Article 15 paragraph 2), and discriminatory practices (Article 19 sub-article d). As we all know that GRAB, in this case as the application provider, had entered into a cooperation agreement with TPI, a company engaged in special transportation rental services. In the hearing proceedings, the Commission Panel judged that the purpose of the cooperation agreement between GRAB and TPI was to control the market of the special...
app-based ride-hailing provision services in Indonesia. This agreement had opened an exclusive channel that could make GRAB partners registered with TPI more easily get customers as compared to non-TPI driver partners. This could reduce the number of orders for non-TPI driver partners, which could indirectly incur losses to non-TPI driver partners as well as close down their businesses.

37. The Commission Panel judged that there was no tying-in effort being made by GRAB towards the services provided by TPI. However, the Panel judged that there had been discriminatory practices being committed by GRAB and TPI against independent driver partners as compared to TPI partners, such as the granting of priority orders, suspends period, and other facilities. Such practices had resulted in monopolistic practices and unfair business competition against non-TPI driver partners or independent driver partners as previously elucidated. If GRAB and TPI were in control of the upstream part to downstream part, then it would have an impact in the form of incurring losses to other parties, namely partners outside the TPI. Whilst in this context, GRAB is an alternative employment opportunity for the general public.

38. Given various facts and findings in the hearings, the Commission Panel decided that GRAB and TPI were legally and convincingly proved to have violated Article 14 and Article 19 sub-article “d” on July 2, 2020, but were not proved to have violated Article 15 paragraph (2) of Law Number 5/1999. For such violation, the Commission Panel imposed a sanction in the form of fine on GRAB amounting to IDR7.5 billion for the violation of Article 14 and IDR22.5 billion for the violation of Article 19 sub-article “d”. Meanwhile, TPI was subject to a sanction in the form of fine amounting to IDR4 billion for the violation of Article 14 and IDR15 billion for the violation of Article 19 sub-article “d”. The Commission Panel also ordered that the Reported Parties pay for the fines by no later than 30 days after the Decision has had a permanent legal force.

39. The Commission Panel also specifically recommended that KPPU give suggestions and considerations to the Ministry of Transportation to conduct an evaluation with regard to the implementation of the quota policy of such special ride-hailing services with due observance of the principles of fair business competition; as well as to the Ministry of MSMEs and Cooperatives to give advocacy service to MSME drivers with regard to the implementation of the agreements between drivers and app providing companies, and the agreements between drivers and special app-based ride-hailing companies. The status of the case decided in Jakarta is still going on at the moment at the Supreme Court.

3.3. Mergers and Acquisitions

40. KPPU received a significant increase in the number of notifications in 2019. One of the underlying reasons for such significant increase in the number of notifications was the issuance of Regulation of KPPU (Perkom/Commission Regulation) Number 3 Year 2019 regarding the Assessment of Mergers or Consolidations or Acquisitions of Company Shares that may result in Monopolistic Practices and/or Unfair Business Competition. The Commission Regulation revokes several KPPU regulations with regard to mergers, as well as supplements a new provision wherein the transfer of assets is treated as the same as the acquisition of shares so that if meeting the criteria, the same must be notified to KPPU. The change in such increase continued in 2020.

41. Based on the number of reports submitted by the parties, if compared to that of in 2019, the number jumped to 195 Notifications in 2020. The value of transactions reported in 2020 likewise shot up to approximately IDR2,639,442,583,325,380 (two thousand six hundred and thirty-nine trillion four hundred forty-two billion five hundred eighty-three million three hundred and twenty-five thousand three hundred and eighty rupiah). Such
significant increase in the reporting transaction value was not only brought about by the increased number of notifications, but also due to the type of transaction and scope of transnational transactions which increased pretty significantly in 2020.

42. The transactions reported generally consist of acquisitions, mergers, and consolidations. As stipulated in Regulation of KPPU Number 3 Year 2019, the transfer of assets is treated as the same as acquisition of shares and this adequately adds the number of notifications to the type of notification. In addition to the above, KPPU also received notifications with regard to planned transactions to be conducted by business actors and to be recorded as consultations.

Figure 6. Type of Notifications and Consultations

43. The countries of origin of those reporting their transactions in 2020 became pretty various. There were at least 23 countries of origin of the companies reporting their transactions to KPPU. The awareness of the business actors to conduct company notifications is increasing, not only the business actors domiciled in Indonesia, so long as having the potential to have impacts on the national market, then they are obligated to notify KPPU as a form of compliance with competition law in Indonesia.
44. Unlike the condition in 2018 or 2019, the players of merger and acquisition transactions were more dominant in the processing industry. The construction, property, and tourism sectors were recorded to shoot up in 2020. This surely was also influenced by the issuance of provisions regarding asset transfers which must also be notified to KPPU by virtue of Regulation of KPPU Number 3 Year 2019.

45. 2020 was a quite arduous year in light of the COVID-19 pandemic which also affected activities being the performance supporting factors. KPPU did understand that in any conditions whatsoever it would still be demanded to perform its works to the utmost as a form of maintaining the business climate in terms of providing legal certainty for
acquisition, merger, or consolidation transactions notified by business actors whether there were allegations of monopolistic practices and/or unfair business competition or not.

46. KPPU managed to complete at least 209 notifications in 2020, including multiyear notification reports so that there were several notifications in the previous year that were completed in the current year.

3.4. Supervision of Partnership

47. Based on Regulation of the Indonesia Competition Commission Number 4 Year 2019 regarding Procedures for the Supervision and Handling of Partnership Cases, KPPU has conducted law enforcement proceedings in the supervision of partnerships stemming from reports made by the public or initiatives undertaken by KPPU. KPPU will conduct clarification processes, preliminary examinations, submission of warning letters, continued examinations, and decision stipulation that must be conducted by a Reported Party involved in a partnership supervision case up to a maximum period of 30 business days following the acceptance of the Extract and Copy of the decision by the Reported Party. KPPU may impose a sanction in the form of fine of up to IDR10 billion or KPPU may recommend the revocation of the business license of the business actor involved in the violation in the said decision.

48. There were 2 partnership cases in 2019 still being continued to law enforcement proceedings in 2020 with 1 case in the distribution and agency system in the logistics sector and one case in the nucleus-plasma system in the oil palm plantation sector. In terms of law enforcement proceedings of partnership supervision during 2020, there were 11 pre-investigations ranging from various sectors, namely 1 livestock sector, 2 online transportation sectors, 1 logistics sector, and 6 oil palm plantation sectors. They all constituted Stage I Partnership Preliminary Examination activities and were then continued to Stage II Partnership Preliminary Examination registered as Partnership Cases. There are 8 Partnership Cases at the moment, namely 2 profit sharing cases in the online transportation sector and 6 nucleus-plasma system cases in the oil palm plantation sector.

49. One law enforcement pertaining partnership that may serve as a model is a behavior change in the implementation of the partnership between PT Golden Blossom Sumatra (PT GBS) and the Cooperative as its Partner in respect of the development of oil palm plantations. The problem stemmed from the alleged violation committed by PT GBS of Article 35 Paragraph (1) of Law Number 20 Year 2008 regarding Micro, Small, and Medium Enterprises. The article states that "Large Enterprises shall be prohibited from owning and/or controlling Micro, Small, and/or Medium Enterprises as their business partners in implementing partnership relationships ...".

50. The said article in the prohibition of control elucidates that business actors are prohibited from controlling or directing or determining all decisions related to micro, small, and medium enterprises, while their partners do not have the capability to refuse or oppose the decisions made by large business actors. This serves as one proof of the inequality of business actors in acting as partners.

51. KPPU found in the law enforcement proceedings that the cooperative acting as partner of PT GBS had suffered losses due to the actions taken by PT GBS to unilaterally take measures outside the content of the agreement concurred, without giving its partner the right to consider in a decision making. Based on the finding, KPPU gave several suggestions for improvements based on the clauses contained in the cooperation agreement regarding the development and management of oil palm plantations.
52. PT GBS has made improvements through the making of schemes or plans for plasma plantation businesses and their projections and the purchase of Fresh Fruit Bunches (FFB) from plasma farmers in accordance with Government regulations, namely on the basis of the planting age and the granting of the proceeds from selling FFB directly to the Cooperatives acting as its Partners.

4. Studies and Advocacy

4.1. Market Assessment

53. Within one year, KPPU managed to conduct 5 market studies in health, finance, digital, food, and plantation sectors, namely with regard to hospitals, banking, digital economy, coffee, and oil palm.

54. KPPU began analyzing market structure and behaviors of business actors of hospital industry in 2020. The hospital service provider industry in Indonesia is characterized by high entry barriers, the interdependence of one hospital with another, and the mutually substituting services produced. However, the HHI index of Public Hospitals and Private Hospitals in general is 752.93, wherein this figure is categorized as low. Whilst based on service buyers, the health industry market in Indonesia has the characteristic of near monopsony because buyers of hospital services are already joined in the National Health Insurance/JKN program.

55. In addition to the above, KPPU also conducted analysis with regard to the behavior of the banking industry in providing KPR (Home Ownership Credit) products. The market structure based on the assessment indicates an oligopoly system having the potential to have market power and become a price setter. In the meantime, the vertical bank conglomerate taking place has the potential to very strongly lead to anti-competitive behavior. The practices alleged to have been perpetrated, at the macro level, may result in an inefficient resource allocation and may bring about potential losses to the communities.

56. The studies of KPPU for the digital economy sector in 2020 focused on studying the factors and consumer behaviors that affect the determination of the relevant market in that sector. Based on the studies conducted, KPPU found that business competition in online platforms, especially e-commerce, is supported by two interrelated main factors, namely data control and the existence of information networks. This means that companies that are strong in data control will find it pretty easy to establish an information network. Whilst companies that control the information network will find it much easier to collect huge amounts of data.

57. Such network control is done mostly by maximizing the role of the social media and search engines. This influences the actions that need to be taken by KPPU in law enforcement in such sector, especially in order to always pay attention to the two factors above. In determining the relevant market in this sector, the geographical aspect in determining the relevant market may no longer be determined by traditional methods because the geographical aspect of the e-commerce is extremely determined by shipping costs, price of goods, and delivery times.

58. Based on the studies conducted, KPPU in a broad outline found various factors as follows:

- The main food for thought in choosing e-commerce companies is customer credibility
- Price and delivery time serve as the main food for thoughts of consumers to choose merchants
- Consumers consider switching from merchants when there is a 10% price difference
- Delivery time tolerance accepted by consumers for delivery within the city is 0-3 days
- Consumers still better give top priority to domestic e-commerce, the choice of the foreign e-commerce occurs if there are no products available in the local e-commerce or if foreign providers charge cheaper costs.

59. Whilst in terms of market concentration, KPPU found based on its studies that e-commerce in Indonesia is sequentially and consistently controlled by Shopee, Tokopedia, Lazada, Blibli, and Bukalapak.

60. Coffee-related studies were focused on the coffee business value chain ranging from farmers to end consumers. In addition to the above, the studies also examined the cost structure and price forming factors at each level of the coffee commodity supply chain. Indonesia is the fourth largest coffee bean producer in the world after Brazil, Vietnam, and Colombia. Indonesia is capable of producing 700 thousand tons per year on average or approximately 9% of the world coffee production. Even based on the BPS source in 2018, Indonesian was capable of exporting coffees to foreign countries such as the United States, Germany, Malaysia, Italy, and Russia. However, apart from exporting, Indonesia also imports coffees and this is due to the rapid growth of the national coffee consumption as compared to the coffee land and coffee production in Indonesia.

61. In a broad outline, based on the coffee commodity-related studies, the following various facts have been found:
   - In general, the parties involved as actors in the coffee commodity supply chain are farmers, collective traders (small-large), exporters, the coffee bean processing industry (small-large), and coffee shops. The supply chain flow established in the coffee commodity trade system varies in every region.
   - All actors in the supply chain taking place domestically are price takers, wherein they do not have the power to set the price. The price is formed in the international market and domestic players use such price as the basis for setting the purchase price of coffee (base price).
   - The market structure established at each level is an oligopsony, wherein the sellers do not have the power to set the price, but the price is set by the buyers. This market structure is formed due to the characteristics and behavior of the actors in the coffee commodity supply chain.

62. Whilst in the oil palm-related studies, KPPU focused on working partnership through the nucleus-plasma program in the palm oil industry sector. The following facts were found in the results of the studies:
   - There is a systematic change taking place in the Long term in private-driven partnership schemes, wherein this may not be separated from a shift in the macroeconomic regime.
   - The partnership scheme as intended in articles 57 and 58 of Law Number 39 Year 2014 providing for that the facilitation of smallholder plantation development of at least 20% and various financing schemes for the implementation of such facilitation will hopefully create independent (self-help) plasma farmers.
• The comparison of farmers’ welfare with the previous partnership period, the ratio of income (take-home pay) received by farmers after the implementation of the KKPA partnership system & plantation revitalization is smaller than the previous partnership system, so it may be said that the condition of farmers with the existing partnership system is less prosperous if compared with the previous period. Based on the results of the studies, we provided several suggestions, especially partnerships in the oil palm sector, namely policy regulation regarding partnership cooperation system (between nucleus and plasma) that is not running well, so the government, both the Ministry of Agriculture and the Ministry of Agrarian Affairs and Spatial Planning/Head of the National Land Agency (ATR/BPN) may conduct more in-depth supervision, so that licensing and the implementation of partnership system between the nucleus and plasma may run well. Furthermore, the improvement of commitments of government agencies and the necessity for the existence of an institution to oversee the violations committed by entrepreneurs and regional officials with regard to the implementation of the granting of facilitation to smallholder plantations of at least 20% in oil palm plantations in Indonesia.

4.2. Competition Policy

63. For two decades as from 2001 to 2020, KPPU has issued 248 letters of suggestion and letters of consideration in various sectors/industries to the Central Government and regional governments with an addition of 25 letters of suggestion and letters of consideration in 2020.

Figure 9. The 2001-2020 Outputs of Letters of Suggestion and Letters of Consideration on the Basis of Sector

64. In 2020 alone, most of the 10 letters of suggestion and letters of consideration issued were in respect of the Procurement, Management, Construction, Property sectors. It was then followed by the Manufacturing, Textile, Chemical sectors with 4 letters of suggestion and the Trans/Infra Trans sector was with 4 letters of suggestion. Afterwards, the Agriculture, Livestock, Forest & Fishery sector was with 2 letters of suggestion, the Energy, Mineral Resources and Mining sector is with 1 letter of suggestion, the Trade, RT,
Electronics, Automotive sector was with 1 letter of suggestion, the Public, Education, Population, Manpower sector was with 1 letter of suggestion, and the Tourism and Sports sector was with 1 letter of suggestion.

65. On the whole, the following are the development of the number of the annual letters of suggestion and letters of consideration submitted by KPPU for the last two decades.

Figure 10. Number of the 2001-2020 Letters of Suggestion and Letters of Considerations

66. Based the data above, we may see that letters of suggestion and letters of consideration have the tendency to increase, although they declined for a time in 2018. In the same year, KPPU also conducted 10 analyses towards Government policies and 2 studies of business competition in Indonesia. Such various analyses and studies consist of:

- BMTP (Import Duty of Safeguard Measure) Policy Plan Analysis for Yarns, Fabrics, and Curtains
- BMTP (Import Duty of Safeguard Measure) Policy Plan Analysis for Carpets and Floor Coverings
- Policy Plan Analysis for the Extension of Anti-Dumping Import Duty for Biaxially Oriented Polyethylene Terephthalate (BMAD BOPET)
- BMTP (Import Duty of Safeguard Measure) Policy Plan Analysis for Fructose Syrup
- Policy Analysis for the Procurement of Government Goods/Services through E-Catalog
- Policy Analysis for Sugar Industry
- PPP Auction Plan Policy Analysis for the MLFF System on the Toll Roads
- Policy Analysis for Exports of Non-Pigmented Baby Lobsters
- SOEs Synergy Policy Analysis
- Fruit Import Policy Analysis
- Business Competition Studies in Pancasila Economy
- Studies of the Role of Business Competition in Boosting Industrialization
67. KPPU also established harmonization team relationships with a number of Ministries/Institutions in 2020 as policy regulators by joining in as Partner in the Working Group for the National and Regional Inflation Control Team, joined in as Member of the National Interests Advisory Team at the Ministry of Trade, joined in as member of the Sustainable Procurement Team at the Coordinating Ministry for the Economy, joined in as a member of the Domestic Content Level Team at the Coordinating Ministry for Maritime Affairs, joined in as Member of the Tariff Team in the process of the imposition of the Import Duty of Safeguard Measure (BMTP) and Anti-Dumping Import Duties (BMAD), as well as joined in as BPH Migas Partner in the supervision of business competition in the downstream oil and gas industry. The contribution of KPPU in a number of these policy harmonization teams is acting as party giving inputs with regard to policies on business competition aimed at preventing monopolistic practices and unfair business competition from arising.

68. KPPU also keeps implementing the AKPU Checklist (Checklist of Business Competition Policy Assessments) as an effort of KPPU to become a supervisory institution that takes part in overseeing policy regulations issued by the Government and is directed to business actors so as not to violate fair business competition.

4.3. Advocacy Efforts of Stakeholders

69. KPPU continued promoting competition advocacy efforts in 2020 as part of the economic recovery process conducted by the Government during the pandemic through the competition and partnership advocacy programs. The programs conducted by KPPU were among other things business competition advocacy, partnership advocacy, preparation of advocacy modules, preparation of surveys concerning competition and partnership advocacy, and the provision of information.

70. During this pandemic, KPPU continues actively conducting online advocacy/dissemination activities towards stakeholders. KPPU was recorded throughout 2020 to have conducted 20 online advocacy/dissemination activities towards business actors, with various topics such as the provisions concerning notification of mergers and acquisitions, evidentiary challenges in cartel cases, cooperation agreements among business actors, and compliance with competition law (competition compliance).

71. KPPU understands that fair business competition needs to become a collective value system of the nation so as to be able to support the Indonesian economy to continue growing and developing in a sustainable fashion. To this end, the internalization and instilling of fair business competition values need to be conducted towards all stakeholders through consistent and sustainable advocacy activities. The stakeholders engaged in the business competition advocacy program include Business Actors, Ministries/Institutions, and Academics at Higher Education.

72. One of the activities conducted was the 2020 KPPU Article Competition entitled "Fair Competition and Supervision of MSME Partnerships for Developed Indonesia". The purpose of this competition is to enhance stakeholders’ understanding of competition law and partnership supervision, as well as a forum for writing and analyzing issues of business competition and MSME partnerships which may serve as inputs and new outlook for KPPU. The activity was held during the October to December 2020 period. There were 95 participants taking part in the activity, among other things coming from students, lecturers, journalists, practitioners, and the general public throughout Indonesia. Acting as the jury were by the KPPU Commissioner element, representative of the economists/academics, and representative of the journalists.
73. In enhancing the compliance of business actors, KPPU also prepared a FAQ (Frequently Asked Questions) published in the KPPU website (www.kppu.go.id). The FAQ contains a list of most frequently asked questions by stakeholders, especially business actors, in the consultation/information sharing processes. Through the FAQ, the stakeholders are expected to get more concise and easy to understand explanations.

74. KPPU also conducted surveys with regard to the advocacy of competition and partnership towards stakeholders concerning Business Competition Compliance with Business Actors, Partnership Compliance Index, and Information Provision Satisfaction. Lastly, KPPU has conducted information provision for 434 times for the one-year period, both through face-to-face method and online one. Such provision of information includes 107 times with regard to the provisions of Law Number 5 Year 1999, 307 times with regard to mergers and acquisitions, and 20 times with regard to MSMEs, for the stakeholders of KPPU.

75. KPPU succeeded in completing 12 advocacy of partnerships with regard to the plantation, livestock, e-commerce, food, and transportation and logistics sectors through the partnership advocacy program in 2020. KPPU also focused on the preparation of the relevant advocacy modules for stakeholders so that the provisions of competition law may be understood more easily. The modules made are concerning Mergers and Acquisitions, Guidelines for Compliance with Law Number 5 Year 1999, and the Implementation of Partnership Compliance for Business Actors. Hopefully, the modules prepared may serve as source of information about the provisions and regulations in competition law, as well as a guideline for business actors and other stakeholders to eliminate and avoid potential violations of competition law in running their business activities.

76. One of the examples of the focus of the competition advocacy program administered by KPPU is concerning the Pre-Employment Card by intensively establishing coordination with the Ministry of Manpower. The Pre-Employment Card is one of the work programs of the Government to support the growth and development of the Indonesian
economy during the pandemic period through the distribution and procurement of the National Pre-Employment Cards. The selection of the Digital Platforms as Training Institutions for the Pre-Work Card recipients was conducted by the Coordinating Ministry for the Economy. Every Pre-Employment Card beneficiary obtained a training fee assistance package that could be used to purchase various trainings in digital platforms provided by partners. There are eight digital platforms being directly appointed and stipulated by the Implementing Management of the Pre-Employment Card Program or better known as PMO as partners in the implementation of the pre-employment card program. KPPU did its utmost to ascertain the implementation of this program remains pursuant to the principles of fair business competition.

4.4. The 2020 Business Competition Index

77. KPPU conducted research on Business Competition Index (IPU) in 34 provinces in 2020, and obtained a national IPU score of 4.65 points. KPPU is the only competition authority in the world that conducts research on IPU and becomes a reference for other countries to prepare a similar index. KPPU has developed IPU since 2015, constituting a comprehensive competition level measure in providing an indication of whether a certain sector or region has a high or a low level of business competition.

78. IPU was prepared using the SCP (Structure, Conduct, and Performance) paradigm and also took into account the market dimensions (demand and supply conditions), regulatory dimensions, and institutional dimensions (respondents' understanding of business competition institutions and policies). The method used by KPPU in calculating the weight for each dimension is Principal Component Analysis (PCA) and the qualities are the same. The use of the same qualities to add up the scores for all dimensions is conducted so that the comparison of the annual business competition index score may be done. Based on the survey and calculations conducted, the IPU scores based on the overall dimensions were 4.50 points (PCA weight) and 4.65 points (same weight). Whilst the IPU score based on the SCP dimension was 4.39 points (PCA weight) and 4.26 points (same weight). If compared to the previous year, the IPU in 2020 (overall dimensions and with the same weight score) decreased from 4.72 in 2019 to 4.65 in 2020.

79. By taking the various dimensions above into account, the regulatory dimension has the highest index score, namely 6.12. This shows that the existing regulations in the regions have led to or supported the conditions for fair business competition. Viewed from the the SCP dimension aspect, the dimension of behavior (conduct) has the lowest index score as compared to the structural dimension and performance dimension. This shows that viewed from business actor behavior, business competition has not led to high business competition and there is still market control by several business actors, there is still potential cooperation in determining the outputs and prices, as well as other matters that lead to low business competition. Viewed from the market side, the supply dimension has an index score that is not high enough to lead to high competition. The institutional dimension has an index score of 4.61, which indicates that there are indications that the stakeholders of KPPU do not have adequate understanding of the institutional and regulatory umbrella for business competition in Indonesia yet. The demand dimension for 2020 has the lowest score as compared to other dimensions in terms of environmental factors, this is in line with the general conditions faced with regard to the COVID-19 pandemic.

80. In the meantime, KPPU also finds based on its survey that the economic sector which has the highest business competition is the accommodation provision and food and beverage sector. The high score in the accommodation provision and food and beverage sector may not be separate from the development of the tourism sector and the regional infrastructure development in recent periods. The sectors that are generally controlled or
managed by the Government show a low business competition index score, such as the electricity and gas procurement sector, as well as the water treatment, garbage and waste processing sectors. The mining and excavation sector also has a relatively low score as a result of the natural constraints brought about by huge capital to start a business in that sector. Nationally, the IPU may be seen in the graph below.

**Figure 12. Score of Dimension of Business Competition Index**

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<thead>
<tr>
<th>SCP Dimension Score</th>
<th>Overall Dimension Score</th>
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<tbody>
<tr>
<td>Structure</td>
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<tr>
<td>Performance</td>
<td>Supply</td>
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<tr>
<td>Index Value</td>
<td>Index Value</td>
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<tr>
<td>with PCA</td>
<td>with the Same</td>
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<tr>
<td>Weight 4.39</td>
<td>Weight 4.26</td>
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<tr>
<td></td>
<td>Index Value</td>
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<td>with the Same</td>
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<tr>
<td></td>
<td>Weight 4.65</td>
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81. The graph below also indicates the provinces that have the highest business competition index score based on the overall dimensions such as DKI Jakarta with a score of 5.53 (same weight) and 5.28 (PCA weight), North Sulawesi 5.38 (same weight) and 5.21 (PCA weight), East Java 5.22 (same weight) and 5.09 (PCA weight), Central Sulawesi 5.21 (same weight) and 5.07 (PCA weight), Central Java 5.11 (same weight) and 5.00 (PCA weight). Whilst the provinces that have the lowest business competition index score based on the overall dimensions are Bengkulu 3.36 (same weight) and 3.34 (PCA weight), Papua 3.47 (same weight) and 3.44 (PCA weight), West Papua 3.91 (same weight) and 3.73 (PCA weight), Gorontalo 4.24 (same weight) and 3.93 (PCA weight), Maluku 4.03 (same weight) and 4.01 (PCA weight) and West Sulawesi 4.23 (same weight) and 4.05 (PCA weight).

**Figure 13. Score of Entire Dimension Per Region**
82. The results of the average business competition index scores per dimension based on the overall dimensions are also contained in the graph below, wherein this graph indicates that the regulatory dimension has the highest average score. In terms of the SCP dimension, the conduct dimension has the lowest average score as compared to the structural dimension and the performance dimension with the SCP scores are 4.34, 3.58, and 4.86 respectively. These results indicate that there is market control by several business actors, there is potential cooperation in determining the output and prices and so on, leading to low business competition. Viewed from the market side, the demand and supply dimensions have an index that is also not high enough to lead to high competition. The regulatory dimension has an index score of 6.12, which indicates that there are indications that the current regulations are considered as providing the impetus for fairly high competition.

83. Furthermore, 5 sectors that have the highest business competition index scores above average based on the overall dimensions either with the same weight or PCA weight are among other things accommodation provision and food and beverage; wholesale and retail trade, automobile and motorcycle repairs; financial and insurance services; education services; and company services. Whilst the sectors that have the lowest scores below the average using both PCA and equal qualities are the construction sector; Mining and excavation; Water Supply, Waste Management, Waste and Recycling; and Procurement of Electricity and Gas.

**Figure 14. Average Score of Business Competition Dimension**

84. As for the results of the business competition index scores per province using the SCP dimension either with the same weight or PCA weight are as follows.
85. The graph above shows that the provinces that have the highest business competition index scores based on the SCP dimension using PCA weight are DKI Jakarta (5.73), Banten (5.11), North Sulawesi (5.07), Central Java (5.01), and East Java (5.03). Based on the same weight, DKI Jakarta (5.75), D.I. Yogyakarta (5.00), North Sulawesi (4.92), Central Java (4.91), and Banten (4.91) constitute the provinces with the highest business competition index scores. Based on the SCP dimension, Bengkulu (3.21), Papua (3.48), West Papua (3.49), North Kalimantan (3.73), and Maluku (3.69) constitute the provinces that have the lowest business competition index scores. Based on the same weight, Bengkulu (3.18), Papua (3.34), West Papua (3.39), North Kalimantan (3.56) and Maluku (3.57) constitute the provinces with the lowest business competition index scores.

86. The results of the average business competition index scores per dimension based on the SCP dimension are as follows.

**Figure 15. Score of Dimension of SCP Per Region**

[Diagram showing the scores of each region per dimension based on SCP]

**Figure 16. Score of Business Competition Index Per Dimension**

[Bar chart showing the scores for Performance, Behavior, and Structure]
87. Viewed from the SCP dimension, the industry behavior dimension has the lowest average scores as compared to the market structure and industry performance dimensions with each SCP dimension has scores 4.34, 3.58, and 4.86 respectively. This indicates that viewed from the business actor behavior, business competition in regions has not yet led to high business competition, which also indicates that there is potential cooperation in determining the outputs and prices and so on, leading to low business competition.

88. Furthermore, 5 sectors that have the highest business competition index scored above average based on the SCP dimension of PCA weight are among other things accommodation provision and food and beverage; wholesale and retail trade, automobile and motorcycle repairs; financial and insurance services; education services; and the real estate. The five sectors that have the highest business competition index scores above average based on the same weight are among other things accommodation provision and food and beverage; wholesale and retail trade, automobile and motorcycle repairs; financial and insurance services; company services; and the real estate. Then 4 sectors that have the lowest scores above the average using both PCA and same weight are construction sector; Mining and excavation; Water Supply, Waste Management, Waste and Recycling and; Procurement of Electricity and Gas.

4.5. KPPU Award 2020

89. KPPU granted KPPU Awards for the first time in 2020 to several Ministers of the Developed Indonesia Cabinet and Regional Heads to appreciate commitments and initiatives of the Government and Regional Governments in implementing the principles of competition and partnership in the policies they make. The award was presented as part of the Dissemination and Awarding of the Business Competition Policy Adaptation and Ideal Partnership System in Government Policies held in Jakarta on December 15, 2020.

Figure 17. Ambience of the Presentation of the KPPU Award 2020
90. **KPPU Award** constitutes a form of appreciation for the supports and efforts made by the government in boosting competition values, especially through the best contributions of KPPU based on its two main roles, namely as a business competition supervisor and a partnership implementation supervisor. Such form of appreciation is aimed at promoting the values of business competition constituting an important part of the economic policy that is in line with the principles of fair business competition as intended in Law Number 5 Year 1999 regarding the Prohibition of Monopolistic Practices and Unfair Business Competition, as well as efforts to develop an ideal partnership system based on Law Number 20 Year 2008 regarding Micro, Small, and Medium Enterprises.

91. For Provincial Governments, there are three main variables being assessed, namely first the initiative of the Provincial Governments to boost business competition in their regions by establishing coordination and consulting KPPU, initiating and implementing cooperation, as well as organizing various activities such as discussions/seminars or other forums with regard to business competition and partnerships. Second, the contribution of the Provincial Governments, either directly or indirectly is to facilitate various agendas of KPPU in their regions. Whilst, the third variable concerns the direct engagement of KPPU as part of the team in the implementation of the competition supervision and partnership oversight.

92. Whilst for Ministries/Institutions, the assessment is emphasized on the efforts to engage KPPU in every policy formulation so as to be in line with Law Number 5 Year 1999 and Law Number 20 Year 2008, responses to suggestions and considerations that have been conveyed, as well as other positive interactions. The following is the complete list of the 2020 KPPU Award recipients:

**Table 5. Complete List of KPPU Award Recipients**

<table>
<thead>
<tr>
<th>No.</th>
<th>Category</th>
<th>Ranking</th>
<th>Recipient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regional Level Business Competition</td>
<td>Utama</td>
<td>Lampung Provincial Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Madya</td>
<td>West Java Provincial Government</td>
</tr>
<tr>
<td>2</td>
<td>Regional Level Partnership</td>
<td>Pratama</td>
<td>East Java Provincial Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>North Sumatra Provincial Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Utama</td>
<td>West Java Provincial Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Madya</td>
<td>Lampung Provincial Government</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Madya</td>
<td>Pratama</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Jambi Provincial Government</td>
</tr>
<tr>
<td>3</td>
<td>Central Level Business Competition</td>
<td>Utama</td>
<td>Coordinating Ministry for the Economy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Madya</td>
<td>Ministry of Finance</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ministry of Trade</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pratama</td>
<td>Coordinating Ministry for Maritime Affairs and Investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ministry of Public Work and People’s Housing</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Ministry of State-Owned Enterprises</td>
</tr>
<tr>
<td>4</td>
<td>Central Level Partnership</td>
<td>Utama</td>
<td>Ministry of Transportation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Madya</td>
<td>Ministry of Agriculture</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Pratama</td>
<td>Ministry of Cooperatives and Small and Medium Enterprises</td>
</tr>
</tbody>
</table>

Notes: Utama = Large; Madya = Medium; Pratama = Small
5. Institutional Coordination, Public Communication, and Legal Assistance

5.1. National and International Institutional Coordination

93. Globalization and economic growth slowed down in 2020 due to the protracted COVID-19 pandemic. In the aspect of international cooperation relations, competition authorities from various countries exchange information and their best experiences with one another in dealing with the impacts of the COVID-19 on the climate of business competition in their respective countries, including discussing how law enforcement and the implementation of business competition policies may help restore the economic conditions. Various routine sessions, meetings, and negotiations of international trade agreements are still held using the virtual media, including bilateral discussions for exchange of information in handling cross-border cases.

94. The implementation of domestic cooperation forged in the previous years has also slowed down during the pandemic period, but efforts to develop cooperation networks with strategic partners are still running by using online communication media and a desk-to-desk agreement signing system. In order to answer the needs of institutions during the pandemic period, KPPU also establishes cooperation that is badly needed for institutional business processes such as the use of digital signatures applied thanks to cooperation with the State Cyber and Codes Agency (BSSN) and the Electronic Certification Agency (BSrE).

95. There were 33 collaborations being made between KPPU and its partners throughout 2020, both in the form of Memorandum of Understanding and Cooperation Agreement. The following is the classification of cooperation generated that year.

Figure 18. Domestic Formal Cooperation

96. The detailed cooperation list made in 2020 is as shown in Attachment 1 to this annual report. KPPU developed a monitoring application for the management and implementation of cooperation called SIKERMA in the same year. This application will not only help internal parties to know the development of KPPU’s cooperation network, but
may also be used by external parties in delving deeply into information on KPPU’s cooperation and in filing applications for cooperation with KPPU.

97. An MoU has been signed on the implementation of competition law between the Taiwan Economic and Trade Office (TETO) and the Indonesia Economic and Trade Office (IETO) on a desk to desk basis in the context of developing foreign cooperation relations. As for the scope of the MoU is a notification, information exchange, and technical assistance. The forms of the implementation of this MoU throughout 2020 are: (i) Video Conference between the Chairman of KPPU and the Chairperson of the TFTC regarding competition law and policy between the two authorities as well as the implementation procedures for the MoU and (ii) KPPU presents a speaker from TFTC in a webinar regarding merger notification regime.

98. Aside from formal cooperation in the form of MoU, KPPU also established close informal bilateral cooperation with USFTC, US DOJ, DG Competition European Commission, and Malaysia Competition Commission throughout 2020, especially in organizing webinars, exchanging information on cross-border case pre-investigations and discussion regarding leniency program.

5.2. Competition in International Agreement

99. KPPU has an important role as the Lead Negotiator for Chapter Competition negotiations in all international trade agreements covering competition-related issues. KPPU is also included as a member of the permanent negotiating team of the Government of the Republic of Indonesia in the Draft Presidential Regulation of the Republic of Indonesia regarding Amendment to Presidential Regulation Number 82 Year 2017 regarding International Trade Agreement Negotiation Team being finalized by the Ministry of Law and Human Rights.

100. KPPU was focusing on negotiating the business competition chapter with the European Union (Indonesia - European Union Comprehensive Economic Partnership Agreement) in 2020, especially on the issue of subsidy arrangements in the field of service as proposed by the European Union to be included in the Subsidies Section. In conducting negotiations on this issue, the Cooperation Division had also conducted virtual domestic consultations with the related Ministries/Institutions.

101. In the meantime, with regard to the negotiation of free trade agreements in the region, KPPU and the related Ministries/Institutions are currently negotiating the inclusion of consumer protection issues in the business competition chapter of the ASEAN-Australia New Zealand Free Trade Agreement (AANZFTA). In addition to the above, the Ministry of Transportation also asked KPPU for their inputs for the ASEAN-European Union Comprehensive Agreement on Air Transport (ASEAN-EU CATA) negotiations, especially on competition-related articles.

102. KPPU has successfully completed the negotiations for five international trade agreements, especially in the business competition chapter until 2020, namely:

1. Regional Comprehensive Economic Partnership (RCEP), signed on November 15, 2020,
2. Indonesia Australia Comprehensive Economic Partnership Agreement (IACEPA), signed on March 4, 2019,
3. Indonesia European Free Trade Association (EFTA) Comprehensive Economic Partnership Agreement (IEFTA CEPA), signed on December 16, 2018,
4. ASEAN Australia New Zealand Free Trade Agreement (AANZFTA), signed on February 27, 2009,

103. In the future, there will be several international trade agreements to be signed and the Government of the Republic of Indonesia are presently exploring such agreements by also engaging KPPU in the drafting processes of the Frameworks/Scoping Papers, namely:
   1. Indonesia – Eurasian Economic Union (EAEU) Free Trade Agreement,
   2. Indonesia – MERCOSUR (Brazil, Argentina, Paraguay, Uruguay) Free Trade Agreement,
   3. Indonesia Canada Comprehensive Economic Partnership Agreement,
   4. ASEAN Canada Free Trade Agreement, and
   5. ASEAN European Union Free Trade Agreement. Besides, KPPU is also engaged in the preparation of the Draft Presidential Regulation for the Indonesia Mozambique Preferential Trade Agreement.

5.3. RCEP in a Nutshell

104. Following getting through the negotiation processes for more than seven years, the Regional Comprehensive Economic Partnership (RCEP) often referred to as the Mega-Free Trade Agreement (Mega FTA) was eventually signed on November 15, 2020. This agreement is an international trade agreement involving 10 ASEAN member countries and 5 FTA partner countries, namely Brunei Darussalam, the Philippines, Indonesia, Cambodia, Lao PDR, Malaysia, Myanmar, Singapore, Thailand, Vietnam, Australia, People’s Republic of China, Japan, Korea, and New Zealand. RCEP itself is called Mega FTA because the the entire countries make up 29% of the world population, 29% of the world GDP, and 27% of the world trade.

105. One of the chapters covered in the RCEP is Competition Chapter and in this regard the party playing a role as the Lead Negotiator from Indonesia since the beginning of the Competition Chapter negotiation process is the Indonesia Competition Commission (KPPU). There are several opportunities and benefits being generated from the regulating of business competition issues in RCEP, which apply not only individually to each member country, but also to the regional competition regimes in the RCEP region. Some of such opportunities and benefits are among other things:
   1. The strengthening of the competition regime in RCEP member countries, where RCEP requires each member country to have an independent, competent, and credible competition law regime and competition authority. This is surely a positive driving force for the development of business competition authorities towards a better direction and for the implementation of business competition laws and policies that they undertake.
   2. The Capacity building in terms of enforcing competition law and implementing business competition policies, especially for new member States or member States not yet have business competition authority. This certainly may help narrow the gap in terms of the experiences and knowledge among the ASEAN member countries that have just implemented their business competition law and policies and ASEAN member countries and FTA partners the implementation of business competition law and policies of which is already more developed.
3. The coordinating of the handling of cross-border cases involving 2 or more RCEP member countries. This surely may not be denied that RCEP will increase the concentration of cross-border trade in the region. This also brings a potential increase in cross-border competition law violations perpetrated by business actors from RCEP member countries. In responding to this, the RCEP Competition Chapter is armed with several mechanisms that its member States may take in handling cross-border competition cases, such as mechanisms for exchanging both non-confidential and confidential information notification mechanisms, and coordination mechanisms for competition law enforcement activities.

4. The strengthening of the consumer protection regime, the role of which is also extremely important in ensuring the welfare of consumers in RCEP member countries, especially for consumers in ASEAN member countries, most of whom do not yet fully understand their rights as consumers and the mechanisms they may take when these rights are breached by business actors.

5. The deliberation mechanism in coping with competition issue-related matters that affect the national interest of its member States. This mechanism is surely more “friendly” as compared to the dispute resolution mechanism through the international arbitration and the Competition Chapter of RCEP adopts it through a consultation mechanism to discuss business competition issues that affect the national interest of its member countries, both the trade and investment issues that are cross-cutting in nature.

5.4. Public Communication and Information

106. As an independent institution established to oversee the implementation of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition, KPPU needs to upgrade and maintain the awareness of stakeholders with regard to programs and needs to publicize KPPU’s activities to the Public. One of the information channels pertaining to KPPU’s activities and policies is through the mass media. It is through the mass media that public perceptions will be shaped. Therefore, it is important for KPPU to conduct media monitoring of various news reports of KPPU in various mass media.

107. Based on the media monitoring, the news reports of KPPU in the mass media both print media and electronic media throughout 2020 amounted to 5,335 items of news with various tonnages. There were 4,204 items of news with positive tonnage (79%), 1,062 items of news with neutral tonnage (20%), and 69 items of news with negative tonnage (1%).

108. As an evaluation of the public relations function of KPPU in performing its publications, researches were conducted in 2020 by collecting stakeholder satisfaction index measurements on the quality of the publications of KPPU from both internal and external stakeholders. Furthermore, the satisfaction index towards these publications may be measured. The survey results serve as inputs and references for KPPU in formulating and improving its public communication strategy to the public both internally and externally. In addition to the above, the survey results also serve as a basis for KPPU to continue building its reputation and good relations with stakeholders. The respondents of the survey were the internal stakeholders and working partners/external stakeholders of KPPU.

109. The respondents include:

a. The Public Internally
   Constitutes the parties within KPPU. Internal respondents comprise various layers
and sections in KPPU, namely the leaders and structural officials of KPPU (Commissioners, Echelon 1 and Echelon 2 Officials), as well as all other internal layers including the staff of KPPU.

b The Public Externally
Constitutes the parties outside the environment of KPPU, namely the samples from each category of clusters included as partners of KPPU. External respondents comprise samples or representatives of the mass media clusters (print and online), academics, legal practitioners, ministries/institutions or policy-making partners, up to business actors/associations.

110. The survey data generally shows that the Stakeholder Satisfaction Index on the Quality of the Publications of KPPU may be declared as good or satisfactory and almost excellent. This is evident in the value of the satisfaction quality with a score limit of 5.5 and almost all dimensions of the satisfaction index on the quality of the publication reach that value.

5.5. The Birth of KOMPID

111. 2020 constituted a momentum for the 20th anniversary of the establishment of KPPU and KPPU launched a new mascot named KOMPID constituting an acronym for "Business Competition Without Discrimination". The said name was taken as the visualization of the role and hope of KPPU in materializing a competitive, quality, and highly competitive business world, both in Indonesia and overseas without any discrimination against other business actors. The face of Kompid has a line of eyebrows and eyes that are firm and sharp to see the truth, with a beak sticking forward that signifies assertiveness and boldness by promoting humanistic aspects.

112. The sharp-eyed Kompid is a sign of taking a wise attitude and seeing clearly all the events in front of it, possesses a lot of understanding in its struggle to enforce the competition law and partnership in Indonesia. The wings of Kompid have a combination of red, blue, and yellow as the color of the Commission's identity. Red has a strong and bold energy philosophy. Blue has a philosophy of trust and wisdom and yellow has a warm and optimistic philosophy. The wings of Kompid may flap afar which symbolizes firmness, but also elastic which symbolizes the humanistic aspect. Kompid dons a light brown vest as its humanistic identity but remainsl warm and trustworthy and firm. Dark blue shorts also symbolize the adaptability and agility in making correct decisions based on truth-based facts.
Figure 19. Mascot of KPPU

KOMPID: Business Competition Without Discrimination

5.6. Legal Assistance

113. KPPU conducted legal assistance activities in 2020 in the form of legal assistance against Tort Lawsuits filed by 2 automatic scooter consumers to the Central Jakarta District Court under case number 526/PDT.G/2019/PN.Jkt. Pst. Theses lawsuit proceedings have been going on since 2019 and is still continuing in 2020. In their lawsuit, the Plaintiffs argue that KPPU has committed a tort because it has violated Article 47 paragraph (2) sub-paragraph f of Law Number 5 Year 1999 without imposing sanctions in the form of the stipulation of compensation payments to consumers against the cartel perpetrated by Honda and Yamaha in accordance with Decision of KPPU Number 04/KPPU-I/2016.

114. With regard to this matter, KPPU views that the Plaintiffs have not yet fully understood the procedures for handling cases of monopolistic practices and unfair business competition, especially in terms of how KPPU may impose sanctions in the form of the stipulation of compensation payments as provided for in Article 47 paragraph (2) sub-paragraph f. In addition to the above, the Plaintiffs’ lack of understanding in respect of the authority of KPPU that may only impose sanctions in the form of the stipulation of compensation payments to Reported Parties in the event that there are certain parties being harmed as a result of the violation of Law Number 5 Year 1999 and the same is reported in writing to KPPU as well as during the hearing proceedings at KPPU, is capable of proving the losses suffered as a result of the behavior of Reported Parties. This is as provided for in Article 38 paragraph (2) of Law Number 5 Year 1999. Outside this matter, KPPU may not impose sanctions in the form of the stipulation of compensation because the losses that may be stipulated by KPPU are actual damages so that there must be a party proving the real losses experienced by the party suffering from losses.

115. In addition to the above, the case decided by KPPU under Decision of KPPU Number 04/KPPU-I/2016 is a case initiated by KPPU and not a case handled based on reports made by business actors or the public. The Plaintiffs are not parties to the case, either. Therefore, KPPU does not have the authority to impose sanction in the form of the stipulation of compensation payments to Honda and Yamaha.

116. This case was decided on July 9, 2020 by the Central Jakarta District Court with the following orders of decision:
   a. Grant the objection of Defendant I and Defendant II;
   b. Declare that the Central Jakarta District Court does not have the authority to adjudicate the case a quo;
117. Based on the decision of the Central Jakarta District Court, the Plaintiffs filed a remedy, namely an appeal at the DKI Jakarta High Court. The examination proceedings of such remedy at the appeal level is still ongoing until the end of 2020.

6. Institution and Resources

6.1. Budget Management and Performance

118. The description of the Long-Term Development Plan (RPJP) in the 2020-2024 National Medium-Term Development Plan (RPJMN) towards Indonesia's Vision in 2025 to become an independent, fair, and prosperous country serves as the basis for the preparation of the Strategic Plan of the Indonesia Commission Competition (KPPU's Strategic Plan). The preparation of KPPU's Strategic Plan begins with evaluating KPPU’s achievements in 2015-2019 and is continued with drafting concepts that support the 2020-2024 RPJMN. The KPPU’s 2020-2024 Strategic Plan was ratified on June 11, 2020 through the promulgation of Regulation of the Indonesia Competition Commission Number 2 Year 2020 regarding the 2020-2024 Strategic Plan of the Indonesia Competition Commission (State Gazette of the Republic of Indonesia Year 2020 Number 602).

119. The Indonesia Competition Commission (ICC/KPPU) is an independent institution that oversees business competition, established by virtue of Law Number 5 Year 1999, hence, it assumes the mandate as a law enforcement and competition advocacy institution. The duties and authorities of KPPU continue developing, both in the context of business competition policy, and in establishing synergy with the prevailing laws and regulations. Since 2000, the implementation of Law Number 5 Year 1999 has been conducted by cultivating the existing competition culture and taking the conditions and developments of the situation faced by business actors and the needs of the communities into account.

120. KPPU has always supported government policy programs since 2000 as well in order to materialize sustainable development as intended in the Government's Long-Term Development Plan (RPJP). In principle, the purpose of the economic development is inclusive economic growth by boosting economic independence, social sustainability, and public welfare as well as reducing the gaps among regions by safeguarding the people's sustainable economic policy and strategy.

121. The objective of KPPU in the 2020-2024 Strategic Plan period is fair business competition and partnership that boosts equitable and sustainable national economy in order to improve people's welfare to materialize the vision and mission of the President and the Vice President, i.e.: "Developed Indonesia that is sovereign, independent, and has a characteristic based on mutual aid." This objective is in line with the main duties and functions of KPPU in the organizational structure as provided for by virtue of Regulation of the Commission Number 1 Year 2019 (Commission Regulation Number 1/2019) as follows:

1. Improve the certainty of competition law enforcement in order to guarantee a sound investment climate by advocating fair business competition values, competition law enforcement, and supervision of the implementation of fair partnership;

2. Improve the quality of both internal and external management services.

122. The Strategic Plan of KPPU has been in line with the focus of the development agendas in the 2020-2024 RPJMN, other than already describing the strategic measures of...
KPPU as well based on the principles of business competition in accordance with Law Number 5 Year 1999 that assumes a noble objective as intended in Article 3. The targets to be achieved in the 2020-2024 period are conducted through the set programs and activities to materialize the vision, mission, and objective. The strategic targets of KPPU to be achieved at the end of the 2020-2024 Strategic Plan period are spelled out as follows:


<table>
<thead>
<tr>
<th>Vision</th>
<th>“Developed Indonesia that is sovereign, independent, and has a characteristic based on mutual aid”</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission</td>
<td>The improvement of the quality of the Indonesian people; Productive, independent, and competitive economic structures; Evenly distributed and equitable development; Achieve a sustainable environment; Cultural development that reflects the national characteristic; The corruption-free, dignified, and trustworthy enforcement of legal system; Protection for the entire nation and the granting of sense of security to all citizens; Clean, effective, and trustworthy governance; and The synergy of regional governments within the framework of the Unitary State.</td>
</tr>
<tr>
<td>Objective</td>
<td>Improve fair business competition and partnership in order to boost an equitable and sustainable national economy to improve people’s welfare.</td>
</tr>
<tr>
<td>Strategic Targets</td>
<td>ST-1 The materialization of the certainty of competition law to guarantee a sound investment climate by advocating the values of fair business competition, enforcing competition law, and supervising the implementation of fair partnership. ST-2 The materialization of the quality of both internal and external management services through e-government.</td>
</tr>
</tbody>
</table>

Table 7. Indicators of Performance of Strategic Target

<table>
<thead>
<tr>
<th>No.</th>
<th>Strategic Targets (ST)</th>
<th>Performance Indicators (ST)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>The materialization of the certainty of competition law to guarantee a sound investment climate by advocating the values of fair business competition, enforcing competition law, and supervision of the implementation of fair partnerships.</td>
<td>1.1. The level of fair business competition is in accordance with the principles of Law Number 5 Year 1999 (Business Competition Perception Index, scale 1-7). 1.2. The percentage of the completion of the competition law enforcement proceedings that is in accordance with applicable regulations.</td>
</tr>
<tr>
<td>2.</td>
<td>The materialization of the quality of both internal and external management services through e-government.</td>
<td>The e-government utilization effectiveness level index. (The acceleration and ease of services, transparency of services, the certainty of time and data security, scale 1-100).</td>
</tr>
</tbody>
</table>

123. The achievement of such Strategic Targets where one of the targets serving as the Performance Indicator of Strategic Targets becomes the Main Indicator of KPPU, viz. the Business Competition Perception Index.

124. KPPU has prepared instruments to define the performance of KPPU in Strengthening the Economic Resilience for Quality Growth. The measurement of performance both in terms of law enforcement and competition advocacy leads up to the result of the Business Competition Index, which serves as one of the indicators in the Medium-Term National Development Plan (RPJMN) IV. The result of the index measurement is planned to be usable as a navigation for the government to determine
appropriate economic policies in a certain industrial sector. In addition to the above, the navigation may also be utilized by business actors to boost the improvement of competitiveness at the national level.

125. Small- and medium-scale business actors are increasingly benefiting from sound competition as well, because KPPU is also mandated to supervise the implementation of Law Number 20 Year 2008. The creation of sound competition is not only needed by large-scale business actors, but small- and medium-scale business actors also need to benefit from the creation of fair business competition, therefore, KPPU is also mandated to supervise the implementation of Law Number 20 Year 2008 regarding Micro, Small and Medium Enterprises.

126. KPPU has received the mandate since 2017 to support the national priorities, thus, notwithstanding the emergence of new cases in the 2020-2024 Strategic Plan period, KPPU sets the direction of policies and strategies which in principle constitute efforts to enforce competition law in accordance with the Law Number 5 Year 1999 in a complete manner through the stipulation of the Direction of Enforcement of Competition Law, Utilization of Competition Checklists, Cultivation of Sound Competition Culture, Preparation of Guidelines for Articles in Law Number 5 Year 1999 (clear competition rule) and Institutional Strengthening.

Figure 20. Development Mandate in the 2020-2024 National Medium-Term Development Plan

Source: The 2020-2024 Medium-Term National Development Plan (RPJMN), National Development Planning Board (Bappenas), 2020

127. Based on the Development Mandates in the 2020-2024 Medium-Term National Development Plan (RPJMN) as intended in the figure above, 7 development agendas are set to become the National Priorities (PN). KPPU contributes to the first National Priority/PN (PN-1), namely the Economic Resilience for Quality and Equitable Growth. In achieving the PN-1 target successfully, KPPU has synergized with other related Ministries/Institutions. The Priority Program (PP) as a technical guideline for the Ministries/Institutions will be begotten from the PN-1. The PN-1 itself is divided into 8 Priority Programs (PPs).

128. The PN-1, which in its subordinate provisions through the stipulated Priority Program, states that KPPU has received an assignment mandate in the 2020-2024 Medium-
Term National Development Plan (RPJMN) for 2 Priority Programs (PPs), namely Priority Program 5: The strengthening of Entrepreneurship and Micro, Small, and Medium Enterprises (MSMEs), and Cooperatives and Priority Program 6: The improvement of Added Value of Employments and Investment in the Real Sector and the Industrialization Sector. The elucidation of KPPU's contribution in National Priority (PN)-1 as well as the elucidations thereof in National Priority 5 and National Priority 6 to achieve the target assignments in reaching the indicators will be described in the following figure:

**Figure 21. Explanations of Contribution of KPPU in PN-1 (National Priority-1) in the 2020-2024 National Medium-Term Development Plan**

Based on the figure above, in respect of the assignment of the achievement of the PN-1 target to KPPU, especially in the PP-5, KPPU has synergized with approximately 8 (eight) Ministries/Institutions where the role of KPPU is to support the achievement of outputs following the establishment of the Micro, Small Industry (IMK) partnership, wherein the expansion of the partnership will become the target of the relevant technical Ministry/Institution. KPPU will ensure that the established partnership is conducted in accordance with the principles of sound and mutual benefit partnership for the parties establishing the partnership pursuant to the mandate of Law Number 20 Year 2008 regarding Micro, Small, and Medium Enterprises. Whilst the achievement of the targets in the PP-6 becomes one of the main indicators of KPPU in the 2020-2024 Strategic Plan of KPPU as spelled out in the Strategic Targets.

The said Strategic Plan of KPPU contains important strategic targets, namely the materialization of the certainty of the enforcement of competition law and the advocacy of
competition policies in order to create a sound business climate in an effort to support investment growth. In order to achieve the objectives of Law Number 5 Year 1999 and the strategic objectives in the strategic plan of KPPU, KPPU has made an indicator in the form of business competition index that may indicate the achievement of KPPU in fulfilling the objectives of the making of Law Number 5 Year 1999 and the Strategic Plan of KPPU. The said business competition index constitutes an index based on perceptions built to see a sound business competition climate that boosts the efficiency of the national economy.

131. The perception-based business competition index built constitutes an aggregation of the business competition indexes in each province in Indonesia. This business competition index also captures 15 main sectors in Indonesia the business competition of which is generally determined by the market. Furthermore, the dimensions that make up the business competition index comprise dimensions that fulfill the element of the 4 objectives of the making of Law Number 5 Year 1999 and the strategic objectives as set forth in the Strategic Plan of KPPU. The dimensions of the establishment of the business competition index comprise the structural, behavior, performance dimensions, regulatory dimension, demand dimension, supply dimension and institutional dimension.

132. With regard to the suitability between the dimensions of the formation of the business competition index and the objectives of Law Number 5 Year 1999 and the Strategic Plan of KPPU is that every dimension forming the business competition index may become an appropriate indicator to see the achievement of KPPU in meeting the objectives of the formation of Law Number 5 Year 1999 and the Strategic Plan of KPPU. Take for example, the objective of Law Number 5 Year 1999 to prevent monopolistic practices and/or unfair business competition caused by business actors may be measured by using the performance of the structural dimension, behavioral dimension, and industrial dimension. All the dimensions in the business competition index are used for indicators of the achievement of the Strategic Plan of KPPU with regard to the materialization of the certainty of the enforcement of competition law and the advocacy of competition policies to create a sound business climate in an effort to support the investment growth.

133. Based on the strategic role as set forth in the 2020-2024 RPJMN and the Government Work Plan, KPPU needs to be supported by a credible and accountable Secretariat, consequently, it is necessary that efforts for strengthening the institutional status of the KPPU Secretariat be made. The institution of the KPPU Secretariat must be adjusted to Law Number 5 Year 2014 regarding State Civil Servants (ASN) that serves as the umbrella for the regulating of the State Civil Servants to guarantee the performance of the KPPU Secretariat in budgeting, organization management, and Human Resource management.

134. Therefore, in order to create a credible and accountable KPPU Secretariat, an amendment scheme/Amendment to Law Number 5 Year 1999 is conducted. KPPU is overseeing the Amendment process to Law Number 5 Year 1999 at present. The following 2 schemes are conducted for the purpose of materializing a credible and accountable KPPU:

1. Conducted the second revision to Presidential Decree Number 75 Year 1999 regarding Indonesia Competition Commission as amended by Presidential Regulation Number 80 Year 2008.

2. KPPU is currently safeguarding the amendment process to Law Number 5 Year 1999.

135. The Strategic Plan of KPPU that has been launched in the beginning of 2024 saying that the Secretariat of KPPU has obtained the certainty of the legal status of the institution to become Echelon 1 with the formulation of the Organizational Structure of the KPPU Secretariat General is led by the Secretary General and is assisted by several deputies for
technical matters, has become professional and competent human resources by implementing bureaucratic reform through e-government-based institutional management.

6.2. Budget Performance of Fiscal Year 2020

136. In accordance with the mandate of Presidential Regulation Number 61 Year 2019 regarding the 2020 Government Work Plan (RKP) Number … issued on September 25, 2019, the 2020 Government Work Plan contains one-year national policy directions constituting the Government's commitment to granting the certainty of policy, funding, regulatory framework, public service framework, and investment in implementing sustainable national development. KPPU in the 2020 RKP supports the achievement of the PN-3, namely the Added Value of the Real Sector, Industrialization, and Employment Opportunities. The support of KPPU for the implementation of the 3rd PN is broken down in the Priority Program (PP-1), namely the Strengthening of Entrepreneurship and MSMEs and PP-2, namely the Improvement of Added Value and Investment in the Real Sector and Industrialization. In order to support the achievement of the PN-3 and the two PPs, KPPU contributes through the implementation of the Business Competition Supervision Program, which receives a budget allocation with an initial ceiling of IDR130,338,589,000 (One hundred thirty billion three hundred and thirty-eight million five hundred and eighty-nine thousand rupiah).

137. Furthermore, in order to implement Presidential Instruction Number 4 Year 2020 regarding the Refocussing of Activities, Budget Reallocations, and Procurement of Goods and Services in the context of Accelerating the Handling of the Corona Virus Disease 2019 (COVID-19) dated March 20, 2020, and Letter of the Minister of Finance S.302/MK.02/2020 dated April 15, 2020, the Ceiling of KPPU for the 2020 Fiscal Year has been adjusted to IDR103,087,521,000 (One hundred and three billion eighty-seven million five hundred and twenty-one thousand rupiah).

138. With due observance of the budget adjustment in the 2020 Fiscal Year, KPPU made a reduction of outputs, while still taking the priority scale of activities and the condition of the COVID-19 pandemic into account. The activities that serve as KPPU's priorities in Fiscal Year 2020 are the activities in support of the National Priorities, namely:

- Investigation of Alleged Violations of Business Competition
- Enforcement of Violations of Business Competition
- Handling of Business Competition Cases
- Assessment of Mergers and Acquisitions
- Partnership Supervision
- Government Policy Analysis
- Advocacy of Business Competition & Partnership
- Monitoring and Assessment of Business Actors
- Supervision of Business Competition in the Work Regions of the Regional Offices

139. The total utilization of Non-Tax State Revenues (PNBP) that may be used by KPPU deriving from the revenues from penalties for violations in the field of business competition with a total ceiling of IDR9,777,000,000, so that the final ceiling of KPPU becomes IDR114,053,530,000 (One hundred and fourteen billion fifty-three million five hundred and thirty thousand rupiah) with the realized budget absorption amounting to IDR113,520,064,768 (One hundred thirteen billion five hundred twenty million sixty-four
thousand seven hundred and sixty-eight rupiah) or amounting to 99.53% of the final ceiling of the 2020 Fiscal Year.

Figure 22. Budget Trends!

140. Seeing the budget trend for the last 5 years, there was a decrease in the budget ceiling of approximately 2.98% in 2017 from the 2016 budget ceiling. The budget of KPPU decreased again in 2018 to IDR134,795,052,000, but from the percentage of KPPU’s budget realization from 2017 of 94% to 95% in 2018. Following the increased realization in 2018, the 2019 budget ceiling of KPPU also increased to IDR136,631,030,000 with a fairly high percentage of budget realization, namely amounting to 99%.

6.3. Accountability of Institution

141. In the context of materializing clean, effective, and trustworthy governance, KPPU has obtained the Unqualified Opinion designation (WTP) for the KPPU’s Financial Statements for the last 8 years, especially as from 2012 to 2019. This may not be separated from the solid synergy between the Internal Supervisory Unit as the Reviewer and the Planning and Financial Bureau as the Compiler of Financial Statements of KPPU. Such collaboration helped the implementation of the review of the financial statement very much so that there were no significant barriers being found to materialize financial statements that were in accordance with the Government Accounting Standards (SAP). The number of findings in the audit of Financial Statements of KPPU conducted by the State Audit Board of the Republic of Indonesia (BPK-RI) has decreased since the last 2 years, even in 2019 there were no findings with regard to the compliance with legislation. The minimal number of findings in KPPU’s financial audits constitutes the result of routine internal development and supervision activities conducted through audits, reviews, and evaluations of budget implementation at KPPU.

142. The percentage of the completion of findings with regard to the results of the audit of financial statements up to 2019 is 92%. This constitutes KPPU’s commitment to making corrections to the weaknesses found by the State Audit Board (BPK) so that there will be no repeated findings in the coming years.
6.4. Human Resource Management

143. Based on the history of the establishment of KPPU, it has been evident that there is urgency to improve the economic conditions through the materialization of a sound business competition climate. Prof. Jimly Asshiddiqie in his book entitled “The Development and Consolidation of Post-Reform State Institutions” (“Perkembangan dan Konsolidasi Lembaga Negara Pasca Reformasi”) (2006) states that “one of the considerations for the establishment of KPPU is to safeguard the implementation of democracy in the economic field ...”. Unfortunately, the atmosphere of the discussions and the rushed duration have left over homework up to now, namely the legality of the secretariat and the status of KPPU's employees. Based on the minutes of discussions of the drafting (Memorie van Toelichting) of Law Number 5 Year 1999, it is evident that the discussions of the KPPU secretariat issue have not been completed yet, nor the status of its employees. Based on the content of the document, the Government makes a response that the secretariat is actually not simple administrative staff, but it may already cover certain areas that will oversee the substance issues, although they are supportive in nature of the commission's duties. The not yet thoroughly finished discussions of the secretariat have been reflected in the formulation of Article 34 of Law Number 5 Year 1999 which does not regulate the echelon status and the status of its employees. This has become the source of dispute in terms of the interpretation between KPPU and the government to date.

144. With due observance of the role of KPPU as a pillar of reform in the economic sector and law enforcement institution in the domains of administrative law, the absence of the legitimacy of the secretariat and the status of KPPU’s employees so far obviously constitutes an "ironic and alarming" condition. This condition for KPPU serves as a serious obstacle in developing the capacity and credibility of the institution and employees. The implementation of Law Number 5 Year 2014 regarding State Civil Servants (ASN), along with its implementing regulations, has further narrowed the room to maneuver for institutional development. The real impact that continues and will keep going on from this condition is the arising of anxiety of employees which triggers the emergence of employee “demotivation” and “turnover” or resignation for not obtaining recognition, warranty, protection, financial rights, rights to career and competence development as well as the absence of legal certainty. It is evident in the graph of the development of the number of KPPU employees for the last 5 years which has totally increased. However, the number of employees slightly decreased by 2.7% in 2020.
This condition will obviously disrupt the guarantee of the sustainability and performance as well as development of KPPU. Whilst for the government, it is clear that they are increasingly losing opportunities to optimize and effectively play the role of KPPU in assuming the mandate of the Law. This is because the government does not have a “checks and balances” role in organizational and employee management which surely has implications on the effectiveness and accountability of the working procedures and budget use.

6.5. Personnel Status of the Secretariat of KPPU

The leaders of KPPU have made various efforts to convince the government to immediately legitimize the secretariat as the secretariat general and the shift of the status of KPPU employees to be ASN. The Ministry of State Secretariat invited KPPU, Ministry of Finance, Ministry of State Apparatus Empowerment and Bureaucratic Reform, Ministry of Law and Human Rights on April 14, 2016 to attend a meeting to discuss the secretariat issues of KPPU. The following measures were agreed upon in the meeting to resolve the secretariat issues of KPPU:

- To make a limited amendment to the provisions of Article 34 of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition; or
- To file a petition for judicial review to the Constitutional Court with regard to the provisions of Article 34 of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition; or
- To request a fatwa/edict from the Supreme Court regarding the interpretation of the provisions of Article 34 of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition.

The measures for resolving the personnel of the KPPU Secretariat are set forth in Letter of the Minister of State Secretariat Number B-368/M.Sesneng/D-1/HK.03.00/04/2016 dated April 27, 2016 regarding the Secretariat Issues of the Indonesia Competition Commission and was sent to the Chairman of KPPU as well as carbon copies.
were forwarded to the President of the Republic of Indonesia, the Minister of State Apparatus Empowerment and Bureaucratic Reform, and the Minister of Law and Human Rights.

148. With regard to the measures taken to make a limited amendment to the provisions of Article 34 of Law Number 5 Year 1999, the House of Representatives (DPR) took the initiative as from 2010 to 2019 to revise/amend Law Number 5 Year 1999 in the context of improving the duties, functions, and authorities of KPPU in preventing and enforcing business competition law as well as strengthening the institution of KPPU Secretariat. However, the revision/amendment process of such Law Number 5 Year 1999 has not been hitherto ratified yet.

149. Furthermore, with regard to the next measure, namely requesting a fatwa/edict from the Supreme Court regarding the interpretation of the provisions of Article 34 of Law Number 5 Year 1999, this was conducted by the Minister of State Apparatus Empowerment and Bureaucratic Reform by virtue of Letter Number B/355/MKT01/2017 dated June 21, 2017 regarding Request for Legal Opinion and was replied by the Vice Chief of the Supreme Court for Judicial Affairs as set forth in Letter Number 20/Wk.MA.Y/VIII/2017 dated August 31, 2017 regarding Legal Opinion on the Interpretation of Article 34 of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition. The content of the letter of reply explained that:

1. As an independent authority that is outside the executive powers, KPPU is prohibited from meddling in the affairs of the development of the State Civil Apparatus which includes the appointment, transfer, and discharge of officials as intended in Law Number 5 Year 2014 regarding State Civil Apparatuses.

2. The provisions of Article 34 paragraph (4) of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition containing the same provisions in Article 12 paragraph (2) and Article 13 paragraph (3) of Presidential Decree Number 75 Year 1999 regarding the Indonesia Competition Commission has expressly stated that matters provided for by a KPPU Decision are the organizational structure, duties, and functions of the Secretariat and working groups, hence, KPPU Decision constituting the delegation of Law Number 5 Year 1999 and Presidential Decree Number 75 Year 1999 ought to be only regulate the matters that have been delegated in a limitative fashion. In the meantime, matters related to filling of Human Resources and their requirements and the development aspects thereof must be subject to the laws and regulations relating to such matters such as the State Civil Apparatus who fills the secretariat of the KPPU, consequently, the aspect of the development of the State Civil Apparatus at the secretariat of KPPU is subject to Law Number 5 Year 2014 regarding State Civil Apparatus and Government Regulation Number 11 Year 2017 regarding Civil Servant Management and KPPU Decision does not have the authority to regulate matters that have been provided for by existing and prevailing laws and regulations.

3. In the preparation of KPPU Decision regarding the organizational structure, duties, and functions of the Secretariat and the working group as the substance as ordered by Article 34 paragraph (4) of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition and Article 12 paragraph (2) and Article 13 paragraph (3) of Presidential Decree Number 75 Year 1999 regarding the Indonesia Competition Commission, KPPU must adhere to the provisions in the prevailing laws and regulations regarding the secretariats of organizations of non-structural institutions.
150. The last measure was the petition for judicial review to the Constitutional Court on the provisions of Article 34 of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition as set forth in the petition letter to the Constitutional Court Number 129/PAN.MK/2020 dated July 6, 2020 with the following demands:

1. Not obtaining recognition, warranty, protection, fair legal certainty, and equal treatment before the law and is free from discriminatory treatment as a result of the coming into effect of Article 34 paragraphs (1), (2), and (3) of Law Number 5 Year 1999;

2. Not obtaining legal certainty for self-development in striving for rights to collectively developing the community, nation, and state through the enforcement of competition law for the sake of the materialization of democracy in the economic sector as a result of the coming into effect of Article 34 paragraphs (1), (2), and (4) of Law Number 5 Year 1999;

3. The norms of Article 34 paragraphs (1), (2), and (4) of Law Number 5 Year 1999 are contradictory to Article 28C paragraph (2), Article 28D paragraph (1), Article 28I paragraph (2), and Article 33 paragraph (4) of the 1945 Constitution, hence, posing constitutional losses;

151. Following up the demands of the petitioners, the Constitutional Court issued Decision of Constitutional Court Number 54/PUU-XVIII/2020 based on the judgement of the facts and the law subsequently came to the conclusion:

1. The Court has the authority to adjudicate the petition a quo;

2. The Petitioners have the legal standing to file the petition a quo;

3. The subject matter of the petition is legally groundless for its entirety.

152. And issued an Order of Ruling to adjudicate "Rejecting the petition of the Petitioners for its entirety." The resolution of the legitimacy of the secretariat as the Secretariat General and the shift of the status of KPPU's employees as Civil Servants (ASN) is in the hands of the President. It is high time that the President as the holder of government powers materialized his promise and declaration of stance by issuing a Presidential Regulation or Government Regulation. There is no other reason for the President to reject this demand, so long as the commitment is to place KPPU as the guardian of the implementation of democracy in the economic field and to empower it as a guardian of the enforcement of "competition law" in Indonesia. The government together with KPPU must forthwith resolve this problem.

6.6. Competence Upgrading

153. In supporting the development of internal competence of KPPU, KPPU collaborates with related external parties in the organization of human resources education and training.

154. KPPU has managed to conduct 31 online training activities with 150 participants and 25 offline training activities with 120 participants in 2020. The total number of participants was 270 people, out of which 210 people managed to earn good grades (77.7%).

155. Such number of participants was far in excess of the target of 100 employees. This was because in 2020 due to the conditions of the COVID-19 Pandemic, most of the training activities were conducted online, hence, allowing the number of participants to be even
more. The organization of such education and training has been running well as evidenced by the majority of the education and training participants (73.8%) who gave good assessments in the survey on the organization of the education and training.

6.7. Innovation in Information System

156. In order to support the performance of KPPU in the domains of technology, KPPU keeps developing itself and creating innovations. Various innovations were conducted in the Information System in 2020 to specifically support the administration of KPPU during the COVID-19 pandemic as follows:

- Providing technical support in the organization of online hearings, webinars, online FGDs, and the like.
- The use of the sub domain https://e-sertifikat.kppu.go.id in delivering e-certificates to the participants taking part in webinars organized internally by KPPU.
- The development of Information System related to the Handling of Simple Cases.
- The use of Electronic Signature in Official Documents within the Indonesia Competition Commission and preparation of guidelines for the use of the eSign Panter Application from the Electronic Certification Center, State Cyber and Codes Agency.

157. KPPU still needs development very much in the future, especially given the score of KPPU's Information Security Index which is still at 200 (on a scale of 1-645) as well as improvement in internal satisfaction with the functions, which currently still reaches 3.5 (on a scale of 1-5).

7. Improving Competition at Regional Level

7.1. Issues and Performance of Competition in Regional Office I

158. The Regional Office I overseeing the regions of Aceh, North Sumatra, West Sumatra, Riau, and Riau Islands received 18 Complaint reports made by the public in 2020, with details of 15 reports on tenders and 3 non-tender reports. In addition to the above, the Regional Office I also conducted 2 initiative researches related to tenders, which following the examination, the two researches were continued to the pre-investigation stage. 4 pre-investigation activities were conducted in 2020, 3 of which were related to tenders and 1 was non-tender. Following the pre-investigation proceedings, 2 pre-investigations had been approved to enter the making into dossiers stage (where one of them was returned from the making into dossiers and subsequently the handling thereof was stopped), 1 pre-investigation was stopped (so that the total became 2 following the addition with that returned from the making into dossiers) and the handling proceedings of 1 pre-investigation activity is still under way to January 2021.

159. There were 2 cases being under way in the Regional Office I in 2020 and based on the schedule of the panel hearings will still continue until 2021. With the issuance of Commission Regulation (Perkom) Number 4 Year 2019 regarding Procedures for the Supervision and Handling of Partnership Cases, the Regional Office I of KPPU supervises the implementation of partnership agreements by focusing on the presence or absence of the behavior to own and/or control, especially in partnerships in the Oil Palm Plantation Sector, considering that Oil Palm is a leading sector in the Work Region of the Regional Office I. There were 3 reports on partnership supervision in 2020, which following the
clarification of the reports, the handling of one report was stopped and the handling of 2 reports was continued to the preliminary examination of the Phase I of the partnership.

160. In the field of prevention in an effort to improve the AKPU Checklist, the Regional Office I of KPPU (KPPU Kanwil I) has tested the use of AKPU against policies issued by regional governments. As for the Regional Government Policy Evaluation Activity conducted by Kanwil I in 2020 was concerning the Draft Regulation of the North Tapanuli Regent regarding the Standards and Guidelines for the Procurement of Construction Services through Providers within the North Tapanuli Regency Government. KPPU is of the view that the Draft Regulation of the North Tapanuli Regent is not contradictory so long as it is implemented with due observance of the principles of fair business competition as provided for in Law Number 5 Year 1999. However, the implementation of the “prioritized” clause must be conducted meticulously so that the tender process will not become a source of unfair business competition, such as a barrier to entry, a source of discriminatory treatment or other forms of unfair business competition. In addition to the above, there was also one concerning the Policy on the Restriction of Swine Traffic in Riau Islands Province. KPPU gave suggestions and considerations to the Food Security, Agriculture, and Animal Health Service Office of the Riau Islands Province:

- Not to appoint certain business actors in Policy on the Restriction of Trade in the Riau Islands Province.
- To give equal opportunities to business actors outside the Riau Islands Province in terms of importing swine into the Riau Islands so long as they meet strict and tested requirements in accordance with the existing laws and regulations.

161. In the context of conducting Assessment/Mapping of Market Structure and Business Behavior in the Strategic Industry Sector for 2020, Kanwil I conducted assessments covering 3 sectors, as follows:

- Assessment of Oil Palm Commodity Industry in North Sumatra Province
- Assessment of Coffee Commodity Industry in Aceh Province and North Sumatra Province
- Assessment of the Development of the Lake Toba Region

162. The Regional Office I conducted a series of advocacy activities in the work region of the Regional Office I in 2020. The purpose of such advocacy activities was to establish communication and good relationship with regional governments as the stakeholders. There were 8 (eight) Advocacy Activities and 25 Dissemination Activities being conducted by the Regional Office I in 2020. In terms of the dissemination of the values and principles of business competition, the Regional Office I conducted journalist Forum activities, Disseminations to business actors, public lectures and webinars, and discussion forums and FGDs. In addition to the above, in accordance with the mandate of the President of the Republic of Indonesia, KPPU is also expected to play an active role in controlling inflation at the national and regional levels and the Regional Office I of KPPU had very actively carried out this mandate by being involved in the Regional Inflation Control Team (TPID) and the Food Task Force. There were 14 TPID Meeting Activities and 2 Food Task Force Activities held.

7.2. Issues and Performance of Competition in Regional Office II

163. The Regional Office II (Kanwil II) with the work region of South Sumatra, Jambi, Lampung, Bengkulu, and Bangka Belitung, conducted several studies/mappings of market structures and business behavior in the strategic industrial sector in the work region of
Kanwil II in 2020. Some of such studies include among other things the mapping of coffee industry, food commodities and the cassava industry. The results of the studies were concluded, among other things, as follows:

1. For coffee industry, KPPU concludes that there is a need for full control and supervision of the Lampung Provincial Government of coffee production; the fulfillment of the needs of coffee business actors (both from Lampung and from other provinces and/or countries); the distribution; and the price of farmer coffees.

2. For cassava industry, KPPU sees several problems in the industry, namely the absence of regulations providing for the calculation of refactie (price cut); the absence of limitation guidelines for calculating the refactie (price cut); differences in calculation methods and different standards between manufacturers; and measurement of refactie (price cut) that is not objective and rational. In this regard, KPPU concludes that there is a need for given standards and guidelines for calculating refactie (price cut) from the central government (Ministry of Agriculture/Ministry of Trade).

164. In terms of Law Enforcement, there were 13 Reports on Alleged Violations of Business Competition received and handled by the Regional Office II of KPPU throughout 2020. Out of that number, 12 of them constituted reports on violations of business competition and 1 report on violation of partnership. The follows-up to all the reports are as follows:

Table 8. Follows-up to Reports on Alleged Violations of Competition

<table>
<thead>
<tr>
<th>No.</th>
<th>Follow-up</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Reports were Closed</td>
<td>69%</td>
</tr>
<tr>
<td>2.</td>
<td>Reports were followed up with Pre-investigation</td>
<td>23%</td>
</tr>
<tr>
<td>3.</td>
<td>Reports were followed up with Examination</td>
<td>8%</td>
</tr>
</tbody>
</table>

165. The Regional Office II of KPPU handled 7 Pre-investigations and 1 Preliminary Examination I deriving from Reports made by the Public and Initiative Research in 2020. Based on the type of violation, 6 Pre-investigations were concerning Bid Rigging, 1 Pre-investigation was concerning Predatory Pricing, and 1 Preliminary Examination I was concerning Violation of Partnership Cooperation.

7.3. Issues and Performance of Competition in Regional Office III

166. 2020 constituted a year full of challenges for all of us, including the Regional Office III (Kanwil III) of KPPU in carrying out business competition supervision in the work region of the Regional Office III, namely DKI Jakarta, Banten, and West Java. However, this year gave us motivation to continue working and striving in materializing the development of the Nation and State. The COVID-19 pandemic did not stop all the activities in 2020, but the Regional Office III always did its best so that the development of fair business competition could be controlled.

167. The Regional Office III received 5 Reports on alleged Violations of Business Competition in 2020. In addition to that, there was 1 Initiative Research conducted under registration number 07-248/DH/KPPU-I/IV/2020 regarding Alleged Violations of Law Number 5 Year 1999 in Sales Services of the Application-Based Local Train Tickets. Whilst the registered Pre-investigation in 2020 was concerning Alleged Violations of Law Number 5 Year 1999 in Payment Services of the Application-Based Urban Train Tickets, under registration number 22-248/KPPU.LID.I/V/2020.
168. In terms of prevention, the Regional Office III (Kanwil III) also actively conducted internalization activities to regional governments. Kanwil III conducted 7 internalization activities to Regional Government throughout 2020, especially concerning the following substances:

- Legal Opinion of KPPU regarding the Control of the Provincial Government of DKI Jakarta over PT. Jaya Development;
- Assistance to the Joint Agreement between the West Java Provincial Government and PT. Brilliant Ecommerce Glorious regarding the Utilization of the e-Marketplace Platform to Improve the Quality of Public Service;
- Review of the Memorandum of Understanding between the Regional Government of Bogor City and Grab Indonesia regarding Cooperation Plan for Transportation Arrangements and Improvement of Public Service in Bogor City;
- Review of Joint Agreement concerning the Optimization of Use of Information and Communication Technology in Tourism Development and e-Marketplaces as well as Cooperation Agreement between the Regional Government of West Java Province and 4 Travel Companies regarding the Use of Reservation Application System and Online Ticket Purchase for Official Travels within the West Java Provincial Government in the context of Policy Advocacy efforts;
- Assistance to the West Java Provincial Government on Requests for Legal Opinions concerning the Distribution of West Java Provincial Government Assistance for people whose economy is affected as a result of the 2019 coronavirus disease (COVID-19) pandemic;
- Assistance to PT Agro Jabar concerning KPPU’s Request for Opinion on the appointment of PT Agro Jabar as the sole sub-provider of Vitamin C; and
- Request for opinion on the Draft Regulation of the Mayor of South Tangerang regarding the Facilitation of the Region’s Local Products.

169. In coping with the impacts of the COVID-19 pandemic on the economy, the Central Government and Regional Governments established several teams wherein KPPU through Kanwil III was involved in such teams. The Regional Office III took part in the COVID-19 Impact Management Acceleration Team and was involved in several discussions on the economic stability.

7.4. Issues and Performance of Competition in Regional Office IV

170. Since the beginning of 2020 up to the beginning of 2021, the Indonesian State and the Indonesian Nation and even the world have undergone unavoidable situations and conditions, namely the global COVID-19 pandemic (Corona Virus Disease) in which all lines of human life experience crisis and recession that have an impact on economic growth and monetary policy. This pandemic has also influenced various plans and programs of the Government through the Regional Office IV (Kanwil IV) of KPPU in order to achieve the sudden change in target to be reached. Difficulties in materializing a program breakthrough are always encountered in any existing Supervision planning.

171. During 2020, Kanwil IV, the work region of which covers East Java, Central Java, Yogyakarta, Bali, West Nusa Tenggara, and East Nusa Tenggara, has handled 16 pre-investigations concerning alleged violations of Law Number 5 Year 1999 regarding Prohibition of Monopolistic Practices and Unfair Business Competition and 1 pre-investigation concerning Alleged Violation of Partnership as provided for in Law Number
20 Year 2008 regarding MSMEs. The 17 pre-investigations stemmed from 13 Reports made by the Public and 4 Initiatives of KPPU. The pre-investigations handled by the Regional Office IV of Surabaya were dominated by Tender Cases with the following breakdowns: 11 tender cases, 5 non-tender cases, and 1 Partnership case.

Table 9. Pre-investigations Based on Type of Violation

<table>
<thead>
<tr>
<th>No.</th>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Alleged Bid Rigging</td>
<td>65%</td>
</tr>
<tr>
<td>2.</td>
<td>Alleged Violations of Non-Bid Rigging</td>
<td>29%</td>
</tr>
<tr>
<td>3.</td>
<td>Alleged Violations of Partnership</td>
<td>6%</td>
</tr>
</tbody>
</table>

172. The Regional Office IV of KPPU completed five studies in 2020. Such studies were conducted to know the market structure and behavior of business actors that would have an impact on unfair business competition. The said studies include (i) import duty of temporary safeguard of textile products in Java; (ii) Kanal C mild steel products in East Java; (iii) sugar industry in East Java; (iv) the Java-Bali-Loombok ferry shipping; and (v) the availability and prices of face masks as well as the cost of using the COVID-19 rapid or swab test.

173. In addition to the above, the Advocacy and Assessment Team for Regional Office IV of KPPU gave suggestions and considerations with regard to several regulations and draft regulations that will be made by the Regional Government in the work region of the KPPU Regional Office IV. Based on the aspect of fair business competition, it is hoped that some suggestions given to the government should be implemented because they will have a good impact on the community. Such suggestions include:

- Suggestions and Considerations to the Government of Kulon Progo Regency regarding the participation of Regional Government-Owned Enterprises (BUMD) in the tender process;
- Draft Suggestions and Considerations to the Provincial Government of East Java regarding the calls for the use of medical device products made by the East Java BUMDs in East Java Regional Hospitals;
- Suggestions and Considerations to the East Java Provincial Government concerning the detection of affiliated tender participants in the process of the procurement of goods or services in East Java.

7.5. Issues and Performance of Competition in Regional Office V

174. The work region of the Regional Office V (Kanwil V) of KPPU covers the entire Kalimantan Island comprising five provinces and 56 regencies/cities, with the sources of driving force of the economy are the natural resources sector in the field of mining, oil and gas, plantation, trade, and construction services. The island of Kalimantan constitutes one of the largest producers of coal and palm oil in Indonesia, therefore, there are many regencies the economies of which rely heavily on these two commodities. When the prices of these two commodities fall, the impacts will be felt directly by the communities. Although there are also some regions that still have oil and gas drilling, but the number continues decreasing in line with the shrinking existing oil and gas reserves.
175. The issue of business competition that arises most frequently in the Regional Office V is concerning bid rigging in government or private tenders in the mining and plantation sectors as well as the potential abuse in the food distribution. Therefore, as the competition law enforcing authority, Kanwil V of KPPU continues striving to advocate the related stakeholders as a preventive measure. The advocacy is conducted in the form of the dissemination/internalization as well as promoting the making of related regional regulations to maintain a fairer business climate as well as remaining firm in enforcing the law if alleged violations are found.

176. The number of reports on alleged violations of business competition received by Kanwil V in 2020 was 7 reports. Out of the 7 reports, 4 reports among them were violations of business competition in tenders and 3 were non-tender violations.

177. As we all know that Kalimantan is one of the largest coal, oil palm, and rubber producing regions in Indonesia, where in its practice the plantation management is often in the form of a partnership system. The partnership system involves large business actors and cooperatives as their medium-scale partners. Other than the plantation sector, there are also several regencies in South Kalimantan Province and West Kalimantan Province that also have partnerships in the poultry farming sector.

178. Kanwil V conducted dissemination activities with the related stakeholders (cooperatives, plantation service office, cooperatives service office, and plantation companies) in 2020 in an effort to take preventive measures. During and in the process thereof, we had received plenty of complaints from the cooperatives regarding the partnerships they establish. Therefore, Kanwil V advised the plasma smallholders to make a report.

179. The next problem is that not all plasma smallholders in the partnership agreement are bound by virtue of a formal agreement (black and white), if any, the plasma smallholders do not get a copy of the agreement. In fact, one of the elements in the supervision of the partnership agreement conducted by the KPPU is a partnership bound by an agreement.

180. The problem taking place is concerning the trade system, the supply chain for rubber commodities involves two to three levels of intermediaries or collective traders. This condition is also aggravated by collective traders who arbitrarily set prices, which results in the price received by farmers is low and not profitable. Therefore it is necessary to promote partnerships for this sector in Kalimantan. However, it needs close supervision because there are several factors that have caused the decline in the current price of rubber, namely due to the low quality of rubber. With the partnership system, farmers obtain guidance from companies to improve the quality and the quality of rubber, besides that, partnership also boosts companies and farmers to act as partners both in planting and selling rubber products so that the chains of speculators and middlemen who play prices in the market can be cut. Therefore, Kanwil V has stipulated the related technical service offices to provide assistance in making regulations so as to create a partnership agreement system in the Rubber plantation sector so that the purpose of empowering micro, small, and medium enterprises, in an effort to increase, protect, and ensure micro, small and medium enterprises may be achieved.

7.6. Issues and Performance of Competition in Regional Office VI

181. 2020 was a new journey for the Indonesian people, we have been hit by the global pandemic, namely the Corona Virus Disease 2019 or often called the COVID-19 throughout that year. Not only one or two sectors were affected, even almost all the sectors. Large-scale social restrictions have also been applied in several regions in Indonesia,
especially the regions that have more alertness in this pandemic. In the status of public health emergency facing the COVID-19 outbreak, the Government eventually chose to impose large-scale social restrictions supported by a regulation namely Law Number 6 Year 2018 regarding Health Quarantine or Government Regulation (PP) Number 21 Year 2020 regarding Large-Scale Social Restrictions in the Context of the Acceleration of the Handling of the COVID-19.

182. The Regional Office VI of KPPU, the work region of which includes Gorontalo, Southeast Sulawesi, South Sulawesi, Central Sulawesi, North Sulawesi, West Sulawesi, Maluku, North Maluku, Papua, and West Papua handled 19 Reports on Alleged Violations of Business Competition and 1 Initiative Research throughout 2020. There were 19 Pre-investigation Proceedings running in 2020. One of the 19 pre-investigations constituted a breach of partnership in the oil palm sector.

183. Out of all regions of Indonesia, one of the provinces that becomes the center of salt production is South Sulawesi. There are 4 regencies in this province where some of the people whose livelihoods depend on salt production, namely Jeneponto, Pangkajene Islands (Pangkep), Takalar, and Selayar. Although salt production in this province is not as much as that of Cirebon and Sampang, but the existence of such four regencies as salt producing regions co-supports the national salt production. This is evidenced by the attention of the government to build 18 National Salt Warehouses (GGN) with a capacity of 2,000 tons, two of which are located in Pangkep and Jeneponto, South Sulawesi.

184. The identification of problems contained in this study is how the salt commodity trade system in South Sulawesi is and how the mapping of the salt absorbing industry in South Sulawesi is. As for the salt commodity trade system in South Sulawesi may be described in the following graph:

**Figure 24. Salt Commodity Trade System in South Sulawesi**

185. Based on the discussions conducted by Kanwil VI in this study, the conclusions of the Salt Commodity Sector Study in South Sulawesi have been formulated as follows:

1. There are three main trade system institutions in the salt commodity trade system in South Sulawesi, namely farmers, traders, and absorbing/using industries with
their respective functions and roles. The distribution system thereof is quite concise. Based on the research conducted, there is no lengthy middleman chain found. The salt commodity is only traded by collective traders and the farmers themselves who have access to markets or industries.

2. The low price of salt is caused by the overstock condition in the production. Such condition occurs because the quality of the salts produced by farmers is low, hence, the absorbing industry is also limited as well. Therefore, there is a need for another distribution channel, namely the entry into high-tech industries. This may be done by way of the following:

- building a washing industry to improve the quality of farmers' salts so as to be capable of meeting industry standards; and
- improving the quality of salts from the farmers themselves by changing the production method thereof the purpose of which is to be capable of reducing production costs in the washing industry in order to be able to provide competitive price with that of large salt producing companies from Java.

8. Conclusions

186. KPPU issued various regulations or rules in 2020 to assist the the national economic recovery aimed at improving the well-being of the community. There were two regulations being issued, namely concerning electronic case handling and concerning the relaxation of law enforcement. KPPU hopes that these two regulations can continue improving the effectiveness of supervision by KPPU and providing reliefs or easies for business actors in conducting their business activities and complying with competition law.

187. The COVID-19 pandemic does not make law enforcement proceedings at KPPU halt. KPPU issued Regulation of KPPU Number 1 Year 2020 regarding Electronic Case Handling on April 6, 2020 in order to implement the existing law enforcement proceedings by constantly giving top priority to prudential principles and avoiding face-to-face meetings. It was proven that throughout 2020, KPPU could conduct 148 report clarification activities stemming from public reports as well as 35 research activities stemming from initiative cases, both in the form of research of cases of alleged violations of tenders and non-tenders. The said two things have led to the total pre-investigation activities throughout 2020 in the amount of 109 (one hundred and nine) pre-investigation activities. The said figure was an increase of 24% as compared to that of in 2019 amounted to 87 pre-investigation activities.

188. During the said period, there were 15 cases being decided by KPPU based on the record, with 11 cases were decided guilty and 4 cases were decided not guilty. The total amount of fines imposed by KPPU on various decisions in 2020 reached IDR65,911,000,000 (sixty-five billion nine hundred and eleven million rupiah). The said decisions comprised 9 cases of delayed notification of Mergers and Acquisitions (M&A), 5 tender cases, and 1 price fixing and cartel case.

189. In terms of execution, the total amount of state revenues earned from the execution of KPPU decisions in 2020 reached IDR37,369,898,638. Therefore, in total, as from 2000 through 2020, the total amount of Non-Tax State Revenues (PNBP) earned from the revenues deriving from fines for unfair business competition violations received by the KPPU had reached IDR444,085,939,335. There is still a total amount of state receivables worth IDR419,908,986,146 deriving from business competition fines yet to be collected out of the total amount of the state receivables amounting to IDR863,984,922,815.
190. The number of merger and acquisition notifications in the field of merger and acquisition shot up to 195 notifications in 2020, with a total transaction value of approximately IDR2,639,442,583,325,380. Most of the merger and acquisition transaction players who conducted merger and acquisition notifications were dominated by the manufacturing, construction, property, and tourism industries.

191. KPPU had increasingly become more active in conducting law enforcement proceedings for partnership violations in the field of supervision of partnership of micro, small, and medium enterprises (MSMEs). This had been proven that there were 11 pre-investigations being conducted in respect of partnerships in various sectors, namely in livestock, online transportation, logistics, and oil palm plantation sectors in 2020.

192. Advocacy constitutes one of the mainstays of KPPU during the pandemic period, along with the relaxation of law enforcement proceedings. In this context, KPPU had conducted five market studies in health, finance, digital economy, food, and plantation sectors for the last one year, namely in respect of hospitals, banking, digital economy, coffees, and oil palms. KPPU still gave suggestions and considerations to government policies as well. There were 25 letters of suggestion and letters of consideration being conveyed to the government last year, most of them were in procurement, management, construction, and property sectors. Therefore, KPPU has issued 248 letters of suggestion and letters of consideration in various sectors/industries to the central Government and regional governments for the last two decades.

193. KPPU also conducted harmonization activities with a number of Ministries/Institutions in 2020 as policy regulators by joining forces as Partners in the Working Group for the National and Regional Inflation Control Team, becoming Members of the National Interests Advisory Team at the Ministry of Trade, joining as Member of the Sustainable Procurement team at the Coordinating Ministry for the Economy, becoming a Member of the Domestic Content Level team at the Coordinating Ministry for Maritime Affairs and Investment, joining as Member of the Tariff Team in the process of putting into effect of Import Duty of Safeguard Measure (BMTP) and Anti-Dumping Import Duty (BMAD), as well becoming Partner of BPH Migas in the supervision of business competition in the Downstream Oil and Gas Industry.

194. KPPU succeeded in settling 12 partnership-related advocacies with regard to plantation, livestock, e-commerce, food, transportation, and logistics sectors in the partnership advocacy program last year. KPPU had been active in providing consultations for 434 information applicants as well. Such granting of information had been conducted 107 times including with regard to the provisions of Law Number 5 Year 1999, 307 times with regard to mergers and acquisitions, and 20 times with regard to MSMEs.

195. KPPU was still able to calculate Business Competition Index (IPU) in 34 provinces last year. The last year IPU score based on overall dimensions was 4.50 points (PCA weight) and 4.65 points (same weight). Meanwhile, the IPU score based on the SCP dimensions was 4.39 points (PCA weight) and 4.26 points (same weight). The IPU in 2020 (overall dimensions and with the same weight score) as compared to the previous year decreased from 4.72 points in 2019 to 4.65 points in 2020.

196. There were five sectors having the highest business competition index score above the average based on the overall dimensions either with the same weight or PCA weight. They were among other things the provision of accommodations and food and beverage; wholesale and retail trade, auto and motorcycle repairs; financial and insurance services; education services; and corporate services. Subsequently, the sectors that had the lowest score below the average using both PCA weight and same weight were the construction
sector; Mining and Excavation; Water Supply, Garbage, Waste Management, and Recycling and; Procurement of Electricity and Gas.

197. For the purpose of bolstering public awareness and policy makers, KPPU granted KPPU Awards to several Ministers of the Developed Indonesia Cabinet and Regional Heads for the first time in 2020 for appreciating their commitments and initiatives in implementing the principles of competition and partnership in the policies they made. In line with such intent, KPPU also launched the mascot of KPPU named KOMPID constituting an acronym of “Kompetisi Usaha Tanpa Diskriminasi” (“Business Competition Without Discrimination”).

198. There were 33 domestic collaborations being made between KPPU and partners, both in the form of Memorandum of Understanding and Cooperation Agreement in the institutional dimension throughout 2020. KPPU at the international level also facilitated a MoU between the Taiwan Economic and Trade Office (TETO) and the Indonesia Economic and Trade Office (IETO) in the field of business competition and completed international agreement negotiations on the Regional Comprehensive Economic Partnership (RCEP) containing a meeting of minds or a chapter regarding business competition in 2020.

199. There were 5,335 news reports on KPPU with various tonnages in public communication throughout 2020, most of them, namely 4,204 news reports were with positive tonnage (79%), while others, namely 1,062 news reports were with neutral tonnage (20%), and 69 news reports were with negative tonnage (1%).

200. KPPU conducted the said various activities in 2020 by way of effectively utilizing the IDR114,053,530,000 budget ceiling and the realization of the budget absorption was IDR113,520,064,768 or amounting to 99.53%. This budget use has been surely implemented based on a high accountability because KPPU continues making every effort to maintain the Unqualified Opinion (WTP) rank it has obtained for 8 (eight) consecutive years since 2012.
Annex to the 2020 Annual Report COOPERATION LIST GENERATED IN 2020

Cooperation with Ministries and Institutions:
- Memorandum of Understanding with the State Cyber and Code Agency (BSSN)
- Memorandum of Understanding with the Ministry of Agrarian Affairs and Spatial Planning/Head of the National Land Agency
- Cooperation Agreement with the Directorate General of Population and Vital Records of the Ministry of Home Affairs
- Cooperation Agreement with the Electronic Certification Center (BSrE)
- Memorandum of Understanding with the Financial Services Authority (OJK).

Cooperation with Law Enforcers:
- Memorandum of Understanding with the National Police Force of the Republic of Indonesia (POLRI)
- Memorandum of Understanding with the Corruption Eradication Commission (KPK)

Cooperation with Regional Governments:
- Provincial Government of Yogyakarta Special Region
- Memorandum of Understanding with the City Government of Yogyakarta
- Memorandum of Understanding with the Regency Government of Bantul
- Memorandum of Understanding with the Regency Government of Semarang

Cooperation with Business Actors/Association:
- Memorandum of Understanding and Cooperation Agreement with Indonesia Stock Exchange (BEI).

Cooperation with Universities:
- Memorandum of Understanding with Universitas Sumatera Utara (University of North Sumatra)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Gadjah Mada (Gadjah Mada University)
- Cooperation Agreement with Institute Teknologi dan Bisnis Ahmad Dahlan (Ahmad Dahlan Institute of Technology and Business)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Mulawarman (Mulawarman University)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Kristen Maranatha (Maranatha Christian University)
- Memorandum of Understanding with Universitas Diponegoro (Diponegoro University)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Economics and Business of Universitas Syiah Kuala (Syiah Kuala University)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Sawerigading (Sawerigading University)
- Memorandum of Understanding with Universitas Pembangunan Nasional Veteran Jakarta (University of Pembangunan Nasional Veteran, Jakarta)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Mataram (Mataram University)
- Memorandum of Understanding with Universitas Nusa Cendana (Nusa Cendana University)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Islam Indonesia (Islamic University of Indonesia)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law and the Faculty of Economics of Universitas Borneo Tarakan (Borneo Tarakan University)
- Cooperation Agreement with the Faculty of Law of Universitas Muhammadiyah Purwokerto (University of Muhammadiyah Purwokerto)
- Memorandum of Understanding with Universitas Pendidikan Ganesha (Ganesha University of Education)
- Memorandum of Understanding with Universitas Udayana (Udayana University)
- Memorandum of Understanding and Cooperation Agreement with the Faculty of Law of Universitas Indonesia (University of Indonesia)
- Memorandum of Understanding with IAIN Syekh Nurjati Cirebon (State Islamic Institute of Syekh Nurjati Cirebon)
- Memorandum of Understanding and Cooperation Agreement with Institut Manajemen Koperasi Indonesia/Indonesian Cooperative Management Institute (IKOPIN)
- Memorandum of Understanding with IAIN Jember (State Islamic Institute of Jember)
- Memorandum of Understanding with Universitas Islam Bandung (Bandung Islamic University).