



“Strengthening Regulations Enforcement for Fair Digital Transformation”

SMERU 2022 Policy Forum on Poverty and Inequality
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The ICC's Regulation

Competition Law

Law number 5 Year 1999 about Anti Monopoly Practice and Unfair Business Competition

Law Number 5 Year 1999 **must be renewed**, why?

The law about business competition has been enacted in Indonesia for two decades since 1999. The contents of the article do not clearly regulate the digital economy market in Indonesia.

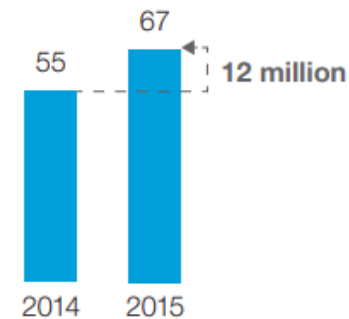
There are many challenges for the Agencies in facing the digital economy market.

Digital Revolution has arrived in Indonesia

Mobile Internet

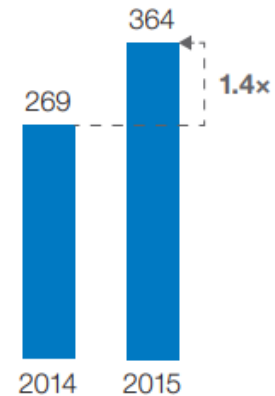
Total mobile Internet users, million

73% of total Internet users access via mobile



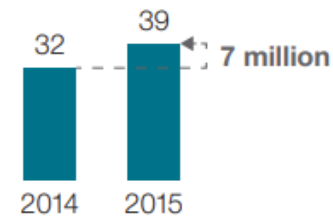
Cloud technology

Total cloud services vendor revenues,¹ \$ million



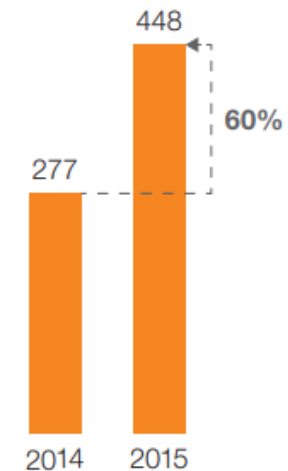
Internet of Things

Total connected devices, million units



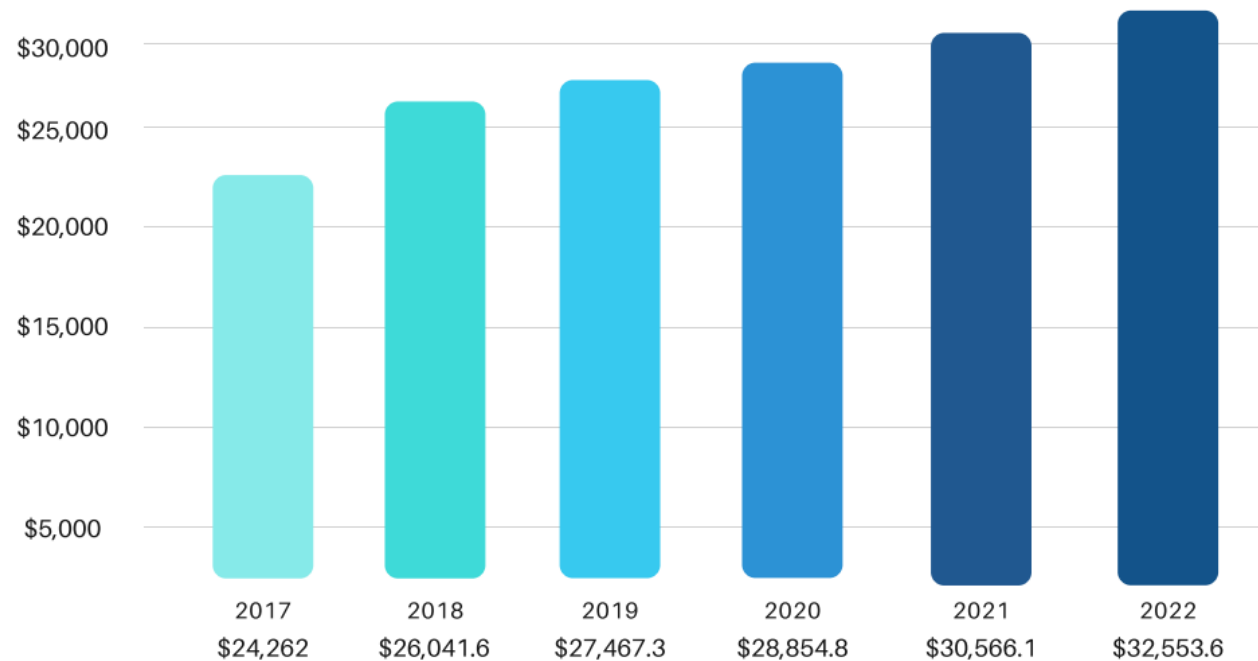
Big data and advanced analytics

Internet protocol traffic per month, petabyte



Sumber: WCIS, Machina, IDC worldwide public cloud services and cloud IT infrastructure tracker, World Robotics report dalam Unlocking Indonesia's digital opportunity, Mckinsey Indonesia.

Digital Oppurtunities in Indonesia



Sumber: Frost & Sullivan Indonesia Digital Market Overview dalam pemaparan Prof Bambang Brojonegoro P.hd

Challenges in Digital Market



In general, there are several ways in which new business models in digital markets create regulatory uncertainty and challenges to competition authorities:

Dual- and multi-role of platforms

Geographical Boundaries

Horizontal and vertical integration

Partnership with service providers

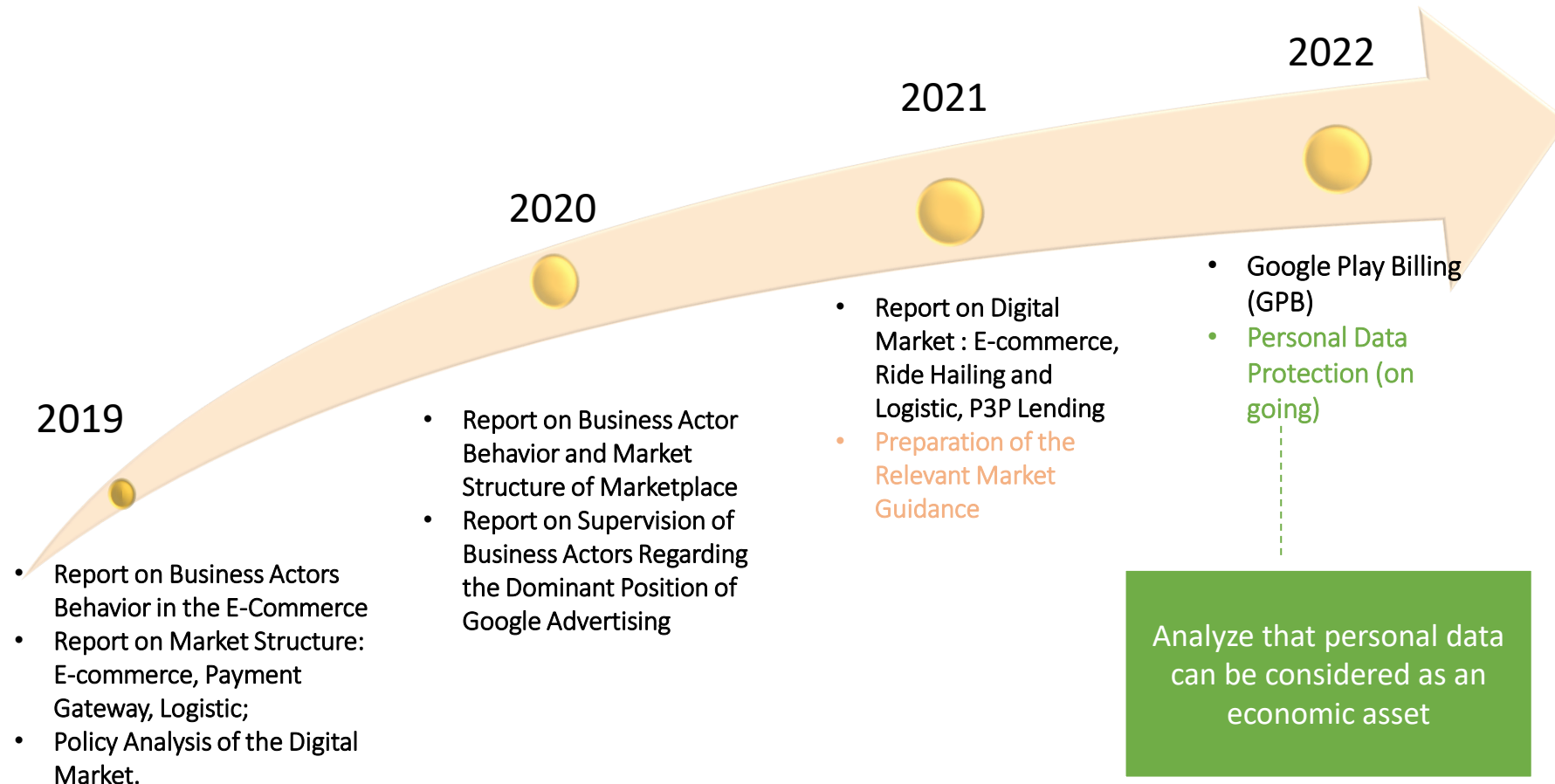
“Free” services

Use and control of data



Advocacy

Digital Market Studies





Enforcement in Digital Market

The Grab Case

ICC issued a decision on PT Solusi Transportasi Indonesia or widely known as GRAB and PT Teknologi Pengangkutan Indonesia or TPI in 2 Juli 2020. This case was related to the suspected vertical integration and discriminatory practices done by GRAB using their application on special rental transportation services operated in the Greater Jakarta areas (Jakarta, Bogor, Depok, Tangerang, and Bekasi), Makassar, Medan, and Surabaya, where its affiliation, TPI operated.

ICC Commission Council imposed penalties on **GRAB amounting to IDR7.5 billion for vertical integration and IDR22.5 billion for the discriminatory practices**. Meanwhile, TPI is subject to a fine of IDR4 billion for the violation of Article 14 and IDR15 billion for the discriminatory practices.

Conclusion

- Governments must ensure their competition and regulatory frameworks evolve along with market changes, providing a solid foundation for sustained competition, investment, and innovation that benefits consumers, businesses, and institutions alike.
- Competition authority can't work alone to sustain fair competition environment in this market. There is the need of collaboration between competition authorities and related agencies, like consumer agency and regulators, to oversee this market.
- ICC should improve studies and research related to the digital economy not only in Indonesia but globally.



Information on ICC can be obtained through our website <http://eng.kppu.go.id>, social media, or e-mail us at infokom@kppu.go.id

