CORRUPTION AND ANTI COMPETITION IN FOOD INDUSTRIES

Drs. Munrokhim Misanam, M.Sc, PhD
Commissioner KPPU
Coverage of Corruption

Coverage of Corruption According to Indonesia’s Corruption Law

- Inflict a State Financial Loss
- Bribery
- Gratification
- Position Misappropriation
- Extortion
- Cheating
- Conflict of Interest

Source: Bowles, 2000

Source: Suprapdiono, 2014
Coverage of Anti Competition

KPPU Anti trust Supervision Objects

- Bussinessmen
- Policies and Regulation
- Merger and Acquisition

Anti Competitive

- Abuse Of Dominant Position
- Banned Anti-competitive Contract
- Banned Anti-competitive Activity
UNCAC 2003

- Bribe to government officer, foreign government and private sector officers
- Public and private Misappropriation
- Commercializing authority/influence
- Abuse of Authority
- Ellicit of enrichment
- Corruption-generated money laundering
- Corruption-generated money concealment
- Influencing trial process

Law #31/1999 jo Law #20/2001 about corruption

- Bribe to government officer and to court staff
- Public Misappropriation
- Commercializing authority/influence
- Abuse of Authority
- Ellicit of enrichment
RELATION BETWEEN CORRUPTION AND ANTI COMPETITION

A + B generates:
- State-captured corruption
- State-captured anti competition
Soal Pangan adalah Soal Hidup Matinya Bangsa!

Pidato Bung Karno pada saat peletakan batu pertama Fakultas Pertanian Universitas Indonesia—kelak bernama Institut Pertanian Bogor (IPB), 27 April 1952.
PERMASALAHAN SISTEM TATA NIAGA DI INDONESIA

- Sistem Kuota sebagai awal masalah
- Tata niaga yang tidak sempurna
Import Quota System as the Culprit

DOMESTIC DEMAND

DOMESTIC PRODUCTION

BALANCING PRODUCERS (FARMERS) AND CONSUMER INTEREST

CONTROLLED IMPORT

IMPORT QUOTA
Inappropriate and Challenging Government Regulation

- **ONLY FEW FIRMS CAN FULFILL**
- **ENTRY BARRIER**
- **MARKET CONCENTRATION**
- **ECONOMIC RENT**
- **BIG INCENTIVE TO DO Bribery**

Some government regulations are designed to be outreaching that requires something that actually unnecessary.
One-sided Government Intervention
Inefficiency-protection-driven Corruption

- Lower International Competitiveness
- Tendency of Bankruptcy
- Government Support
- Protection Policies
- Inefficiency Domestic Industry
- Lack of SUPPLY
- Big Economic Rent
- Import with Controlled Price
- SUPPLY
- PROTECTIVE MARKET PRICE
- Big Incentive to Doing Corruption
TRADE BETWEEN FAVORABLE POLICY AND FUTURE POSITION

BIG BUSINESSES

Government Support

- Anti Competition Policy
  - Rent and Sustainability
  - Future Position
  - The Risk of Corrupted
  - Future Establishment
REGULATION-INDUCED MONOPOLY AND CORPORATE CORRUPTION

- Improper Regulation
- MONOPOLY BY AGENT
- CORPORATE BRIBERY
- BIG RENT
REGULATION INTENDED TO FACILITATE CARTEL

THE CASE OF EARLY DELETION OF CHICKEN GPS

- EARLY DELETION OF GPS
- #PS DROPS
- #DOC DROPS
- Price Increase
- RENT
BEBERAPA KASUS PERSAINGAN USAHA DI INDUSTRI PANGAN

- Dalam rentang waktu 2014-2016, tiga perkara tindak anti persaingan usaha terkait kartel telah dijatuhkan oleh KPPU

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<th>No</th>
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Thank You