



The Benefits of Competition Policy for Consumers

“ Competition is not only the basis of protection to the consumer, but is the incentive to progress. ” *Herbert Hoover, 31st President of the United States of America*

Competition policy leads to greater consumer sovereignty and welfare.

Companies are under constant pressure to respond to consumer preferences and to offer the best possible quality at reasonable or reduced prices.

As a result of competition, consumers have a wider range of goods and services to choose from.

In other words: With fair business competition, the consumer is king!



The lower-income population are often beneficiaries of government-funded services or infrastructure. With the **elimination of bid-rigging** in public procurement, as one of the core instruments of competition policy:

- ✓ Governments are able to get the best value for money.
- ✓ Economically disadvantaged groups can gain access to affordable electricity, water, financial services etc.

CASE : Mobile phone tariffs in Indonesia

In 2008, the Commission for the Supervision of Business Competition (KPPU) sanctioned a price fixing cartel among six mobile telecommunications operators related to off-net SMS tariffs.

Despite new entrants into the market, the rates had remained excessive, thus limiting the choice for consumers. The KPPU found evidence of an agreement between the operators.

The estimated consumer loss due to the cartel amounted to approx. 2.8 trillion IDR.

Source: ASEAN Handbook on CPL for Business (2013)



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one identity
one community