



The Republic of Korea is situated in eastern Asia; it is the southern half of the Korean Peninsula bordering the East Sea and the Yellow Sea.

Korea was an independent kingdom for over five millennia. After World War II, a republic was set up in the southern half of the Korean Peninsula while a Communist-style government was installed in the north. South Korea today is a fully functioning modern democracy.

In addition, Korea successfully hosted the G20 Summit in 2010, boosting the country's global image. The Summit marked the first time for a non-G8 or Asian country to host the conference and Korea played a key role as the chair of the Summit, proposing the "Korea Initiative" and contributing to the substantial agreements.

Economy

Since the early 1960s, the Republic of Korea has achieved incredible growth and integration into the high-tech modern world economy. Four decades ago, the gross domestic product (GDP) per capita was less than US\$100. In 2002, it reached per capita GDP of US\$16,950 (purchasing power parity). After the devastating Korean War (1950-1953), Korea has enjoyed substantial economic growth and has become the 11th largest trading economy in the world in 2005.

With the global economic downturn in late 2008, South Korean GDP growth slowed to 0.3 percent in 2009. In the third quarter of 2009, the economy began to recover, in large part due to export growth, low interest rates, and an expansionary fiscal policy.

Thanks further to the government's successful policies, the Korean economy posted a growth rate of 6.2 percent in 2010, its highest mark in eight years, and per capita income returned to the US\$20,000 level. Korea's main export items are semiconductors, wireless telecommunications equipment, motor vehicles, computers, steel products, ships, and petrochemicals.

PROFILE	
Population:	49.78 million***
GDP (Current US\$):	1.116 trillion***
Per Capita Income: (Current US\$)	20,870 (Atlas method)*** 28,230 (at PPP)**
Surface Area:	99,260 sq. km
Life Expectancy:	81 years**
Literacy (%):	97.9% (of ages 15 and above)**
HDI Rank:	15***
<i>Sources:</i> - World Development Indicators Database, World Bank, 2011 - Human Development Report Statistics, UNDP, 2004 (**) For the year 2010 (***) For the year 2011	

Driven by aggressive manufacturing oriented towards exports, South Korean economy rose to become the world's eighth biggest exporter of goods. Clearly considered an advanced economy by international bodies, such as the International Monetary Fund (IMF), Organisation for Economic Cooperation and Development (OECD) and World Bank, South Korea's economic profile has won a string of plaudits, including:

- World's 8th largest exporter: ahead of the UK, Russia and Canada.
- World's trading partner: 3rd largest trader with China and Japan, 7th with the US and 8th with the EU.
- World's largest shipbuilder: including world's largest shipyard run by Hyundai Heavy Industries.
- World's 5th largest automobile manufacturer: including world's largest automobile assembly plant (Hyundai Motors).
- Asia's largest oil exporter.

This seems 'miraculous', considering that Korea's per capita GDP was only US\$82 in 1961. However, government-led economic growth has eventually taken its toll on the Korean economy. In some sectors, the market

❖ This paper has been written (2006-07) by Joseph Seon Hur and updated (January 2013) internally by CUTS International.

structure had become distorted by becoming either monopolistic or oligopolistic. There have been many attempts from as early as the 1960s to adopt a competition law to remedy such distortions. However, the attempts in 1964, 1969, and 1971 failed because of strong resistance from the business sector and emphasis placed on economic growth and capital accumulation.

In 1975, with staggering inflation, the government enacted the Price Stabilisation and Fair Trade Act. The drawback of this Act was that, with more focus on price than fair trade, the Act was closer to price regulation rather than a competition law, even though it also failed to control prices.

Competition Evolution and Environment

Korea has pursued government-led economic development plans since the 1960s. There has been considerable success, but such governmental intervention also had intrinsic limitations. In order to overcome such limitations, Korea relied on a market economy and adopted its competition law when the per capita annual income was only around US\$2,000.

Since then, the Korea Fair Trade Commission (KFTC), which enforces the law, has grown to become a ministerial agency with 484 employees.

Given the high industrial concentration in Korea, the government treats competition issues very seriously. It is for this reason that the KFTC Chairman enjoys the status of a cabinet level minister. The KFTC is also considered to be one of the key governmental agencies by the general public and scholars.

The KFTC has played a crucial role in enhancing efficiency in the economy. Korea, having the experience of introducing competition in a government-interventionist economy at a relatively early stage of development, can be seen as a good “bridge” between the more experienced and young competition authorities. The KFTC plays an important role in international discussions on competition policy. For example, it is a member of the OECD Competition Committee and a Steering Group Member of the International Competition Network (ICN).

Furthermore, the KFTC provides many technical assistance programmes, such as the Seoul Competition Forum and the International Workshop on Competition Policy, not to mention programmes provided in conjunction with the Korea International Cooperation Agency (KOICA) and the OECD Asia Regional Centre for Competition.

Competition Law

In 1980, Korea’s Constitution was amended for the eighth time and the new amendment included an article stipulating the proper regulation and control of harm from monopolies. There was also a strong public desire to regulate the monopolistic market. With support from both the

Constitution and the public, the Korean government finally enacted the Monopoly Regulation and Fair Trade Act (MRFTA) in 1980 and established the KFTC under the then Economic Planning Board (EPB). MRFTA subsequently underwent several revisions since its enactment, in order to regulate monopolistic or oligopolistic practices and promote fair and free competition in markets, being the very basic principle of market-oriented economic system. The year 2011 also witnessed several changes and amendments to the MRFTA, the main law governing antitrust matters in Korea, and various notifications published by the KFTC, which included introduction of a consent decree system, amendment to a review standard and rules applicable to merger notification filings and changes to the cartel leniency programme.

The fact that the competition law has been amended more frequently than other laws during the same period of time indicates that the competition law has been applied and enforced as much in Korea and efforts have been made to make the competition law more responsive to changing market conditions.

The significance of the MRFTA is that it is a comprehensive competition law covering all markets. The MRFTA in 1980 aimed to:

1. prevent anticompetitive practices by market-dominant enterprises;

Box 1: Zespri fined \$500K for Anti-competitive Behaviour

Zespri International, the world’s largest marketer of kiwifruit, has been fined half a million dollars for anticompetitive behaviour in the Korean market.

The KFTC fined the company for hindering the domestic sale of kiwifruit.

The Commission found Zespri signed a sales contract with E-Mart, the nation’s number one supermarket chain, not to sell cheaper Chilean kiwis. A similar deal was made with Lotte Mart, Korea’s number three supermarket player.

According to KFTC, the distribution of cheaper Chilean kiwis at major retail chains would prompt price competition within the industry.

Instead, the Zespri contracts resulted in New Zealand kiwifruit price rising by 13 percent in the Korean market.

Zespri confirmed it had adjusted “certain business practices in Korea” and it was found to have “wrongly sought favourable positioning in the Korean market.”

Source: *The New Zealand Herald*, November 18, 2011

2. prevent business combinations, which can create monopolistic market structures;
3. prevent cartels including price, product and quota fixing;
4. prevent anticompetitive practices by business associations;
5. involve prior consultations with the KFTC when enacting competition restrictive regulation;
6. revise and correct competition-restrictive international contracts; and
7. prevent unfair trade practices (UTPs) including resale price maintenance, refusal to sell and discriminatory price.

It is interesting to note that the KFTC also enforces other regulatory laws apart from the MRFTA. For example, there is the Fair Subcontract Transaction Act (1984), and a number of consumer protection related laws, which are detailed later.

The Fair Subcontract Transaction Act was enacted against the backdrop of the increasing importance of subcontract transactions in the national economy. However, the transactions were often not mutually beneficial, where the contractor would take advantage of their superior position. The Act was enacted to regulate unfair subcontract transactions, thereby establishing a level playing field that would develop mutually beneficial relationships and promote sound economic growth.

Institutions and their Competencies

The KFTC is a ministerial-level central administrative organisation under the authority of the Prime Minister and also functions as a quasi-judiciary body. The Commission formulates and administers competition policies and deliberates, decides and handles antitrust cases. The KFTC performs its roles and duties independently without any intervention from an outside organisation.

The KFTC is committed to four main mandates: promoting competition, strengthening consumers' rights, creating a competitive environment for SMEs and restraining concentration of economic power. To that end, the Commission enforces 12 laws including the MRFTA.

The KFTC defines competition advocacy as activities undertaken by the Competition Authority to influence the government's decisions and regulations, for the purpose of creating a more competitive market structure and encouraging competition-oriented corporate behaviour.

The KFTC advocates competition in two areas. First, it advocates competition within the government. It does so by using prior-consultations, and participating in the Regulatory Reforms Committee. Another area is to win public support. A good example is the Clean Market Project (CMP). Not only did the KFTC investigate in designated markets, but also examine and reform anticompetitive

practices in the markets concerned. In winning public support, it is important to raise the awareness of consumers on the benefits of competition law enforcement.

In terms of advocacy, interfacing with other regulatory agencies, and their laws, has also become important. There are on-going discussions concerning this issue in the electricity, telecommunication and broadcasting industries. The KFTC believes that competition law should be comprehensively applied to regulatory sectors, whereas the regulatory agency should remain focused on more industry-specific technology and expertise intensive matters. For this purpose, the KFTC is reviewing various ways to divide the roles between the regulatory and competition authorities, including the conclusion of an MOU and other integrated consultation channels.

The introduction of the competition law was difficult enough. But for relatively inexperienced competition authorities, proving its existence is even more difficult. In this sense, the KFTC has been very successful. Such institutional growth has been possible because the KFTC and its law enforcement mechanism have evolved as the economic environment and demand for competition law enforcement have changed. This is an important point to note for developing and transition economies that are undergoing rapid economic development.

There are two main reasons for KFTC's success. First, the KFTC proved its worth by strongly enforcing the MRFTA in traditional antitrust areas, such as mergers and cartels, as well as other UTPs. Second, the KFTC established its stature by actively advocating competition within the government and to the public.

Since 2008, the KFTC has been carrying out the Market Study and compiling the results into its Competition Policy Report to thoroughly analyse monopolistic or oligopolistic industries where competition and market principles did not work well and to introduce improvement measures.

Anticompetitive Business Practices

Cartel Investigations

Cartel is probably the worst violation of competition law, as it amounts to taking money out of consumers' pockets. The successful detection and sanction of a cartel will result in increased consumer benefits. This will, in the end, give rise to dynamic economic efficiency, and a boost in the support for competition authority.

Article 19-1 of the MRFTA stipulates that no enterprise shall agree with another enterprise by contract, agreement, resolution or by any other means for activities, as defined below:

- 1) fix, maintain or alter prices;
- 2) determine terms and conditions for trade/payment of cost/compensation;

Box 2: Cement producers investigated for price fixing

The KFTC has started an investigation into major cement companies including Ssangyong Cement Industrial and Hanil Cement for suspected price fixing. The companies had notified ready-mixed concrete operators that they would raise their cement prices by 9-10 percent in 2012.

On April 09, 2013 the Commission sent investigators on a two day probe to seven cement producers: Ssangyong Cement Industrial, Hanil Cement, Tongyang Cement, Sungshin Cement, Lafarge Halla, Asia Cement and Hyundai Cement.

An industry source said, “Lately cement producers and ready-mixed concrete operators are at loggerheads over cement prices. It appears that the KFTC is looking closely into the matter. In 2003, the commission had imposed penalties of US\$22.5m for restricting the supply of cement to ready-mixed concrete makers in order to prevent them to use slag powder in place of cement.”

Source: www.globalcement.com, 10.04.13

- 3) restrict production, shipment, transportation, and provision of services;
- 4) restrict the territory of trade or consumers;
- 5) hinder or restrict the establishment/expansion/installation of facilities;
- 6) restrict the type or specification of goods;
- 7) establish a corporation with the aim of joint conduct; and
- 8) hinder or restrict business activity, or the nature of business of another enterprise.

The MRFTA uses the presumption clause, which means that parallel behaviour would be presumed to be a result from an agreement, even in the absence of an explicit agreement or compelling evidence.

The detection of cartels comes before investigation. In order to facilitate detection, the KFTC adopted a leniency programme in 1996 and gave it a major facelift in 2005, adopting more certainty and transparency. What is unique to Korea is that the KFTC not only grants amnesty to those who cooperated in the investigation, but also rewards the informant. Although detection of cartels has improved by the leniency programme, deterring cartels would be the best solution. In other words, there needs to be an optimum level of sanction to deter cartels. Currently, the surcharge on cartel is 10 percent of related sales, following an amendment promulgated in December 2004 and notified in April 2005.

On July 20, 2011, the KFTC revised the Notification on Exempting or Mitigating Corrective Measures under the Leniency Programme (Leniency Notice). The Leniency Notice stipulates the possible reasons for which the KFTC may cancel the status of a leniency applicant for reasons, such as failure to provide full cooperation, submission of falsified documents, ongoing participation in the reported cartel, the coercion of other members to participate in the cartel and providing insufficient evidence so that the cartel cannot be proven. In addition, the Leniency Notice amended the Amnesty Plus system, under which a company that has applied for leniency in a cartel case may receive additional mitigation of or exemption from the corrective measure or surcharge of such a cartel case by reporting its involvement in another cartel.

Surcharges for cartels were first imposed in 1988 and since then, the KFTC has succeeded in curbing cartel activities. Surcharges under the MRFTA are imposed on the entity rather than on an individual. A surcharge is distinguished from a fine, which is a criminal sanction. Under the MRFTA, a fine can only be imposed after being directed by the Court. The KFTC has the discretion to decide whether to impose a surcharge, and if so, how much. The KFTC does not need a court order to decide on a surcharge penalty.

Box 3: Graphite Electrodes Cartel and Vitamin Cartel

These two cases mark an important achievement by the KFTC, as they are the first extra-territorial applications of Competition Law.

In 2002, the KFTC imposed a total of US\$7.3mn in surcharges on six graphite electrode producers from three countries. In the following year, the KFTC levied a total of US\$2.9mn on six vitamin producers from five different countries.

Source: www.unctad.org, April 19, 2012

Merger Reviews

Merger review is another important area of antitrust policy. It is vital to have a merger review regime that is transparent and objective. In this respect, the MRFTA of Korea is consistent with the Guiding Principles and the Recommended Practices of the ICN.

As markets expand and become more active, more and more mergers take place. Mergers reviewed by the KFTC are increasing annually. On June 15, 2011, the KFTC published the Guidelines on Merger Remedy (Merger Remedy Guidelines), which sets forth the criteria and considerations for imposing remedies against anticompetitive mergers.

Box 4: KFTC sanctions airlines for abuse of market position

On March 10, 2010, the KFTC imposed significant sanctions on Korean Air and Asiana Airlines, the two leading Korea-based carriers, for business practices that the KFTC found to have been abusive of their local market-dominating position and designed to suppress competition from low-cost carriers. In issuing a corrective order, and imposing administrative fines of KRW 10.4 billion (approx. US\$10mn) on Korean Air and KRW 640 million on Asiana, the KFTC concluded that the carriers engaged in unfair practices tending to exclude competitors, and that Korean Air conducted resale price maintenance, in violation of the MRFTA.

In a key part of its decision, the KFTC found that Korean Air and Asiana threatened travel agencies with retaliation in various forms in case they dealt in low-cost carrier tickets, such as allocating to the travel agencies fewer seats during peak periods or fewer seats for major routes, or offering them smaller price discounts.

What makes the decision especially notable, however, is the analysis given to Korean Air's practice of rebates for "loyal" travel agencies. This, Korean Air argued, was a volume-based incentive programme of a kind widely used in the industry, including by Asiana (which was not subject to a similar finding).

The KFTC decided that, whatever the ostensible rationale, Korean Air's rebate programme was designed to curb expansion by competitors, and also to stem discounts to customers in an act of resale price maintenance. The rebate programme was the basis for KRW 9.8 billion (about 90 percent) of Korean Air's total fine.

Thus, a rebate system that Korean Air insists is a legitimate and commonplace marketing tool, has been classed by the KFTC as an unfair business practice.

Source: <http://antitrustasia.com/sites/default/files/bkl-ANTITRUST.pdf> (2010)

The Guidelines on Merger Notification Review (the Merger Review Guidelines) published by the KFTC was amended, effective as of December 28, 2011. The main purposes of the amendment were to expand types of mergers that are eligible for the simplified review process, to supplement the current standards for determining anticompetitiveness of a merger and to have a separate chapter on the factors that can mitigate the anticompetitive concerns.

With an increasingly globalised world economy, a merger that takes place outside the jurisdiction of a country can have a significant effect on the domestic market. For this reason, the KFTC has begun to receive merger notifications for overseas mergers since July 2003. The KFTC's notification system for overseas mergers is often quoted as an exemplary implementation of the ICN Recommended Practices for Merger Review Notification and Procedures.

As the name of Korea's competition law, the MRFTA, suggests, the KFTC also places importance on a fair trading order in the market. This area of KFTC's work is covered by Article 23 (Unfair Business Practices) of the MRFTA. Article 23 sees unfair business practices as:

- Refusal to deal;
- Exclusive dealing;
- Undue luring of customers;
- Abuses of bargaining position;
- Transactions based on Restrictive Conditions; and
- Undue support to specially related persons or company.

Although the concept 'fairness' may not be directly related to competition, the regulation of unfair business practices has helped the KFTC to prove its worth in the public eye and establish itself as a competition authority.

Sectoral Regulation

Energy Sector

The objectives of the Republic of Korea's energy policy are coherent with the International Energy Agency's (IEA) shared goals. They are to:

- maintain a stable energy supply;
- increase market efficiency through competition; and
- establish environment-friendly energy systems.

Since the IEA's last in-depth review in 1994, Korea's energy policies have changed significantly. The government has promoted greater use of natural gas, encouraged the development of nuclear capacity and initiated steps to launch renewable energy markets. Emergency oil reserves have now expanded.

To increase the efficiency of the energy market, the government has begun to withdraw gradually from direct management of the energy sector through capital ownership, licences and control, leaving the market free to allocate resources for investment. The petroleum sector has been deregulated; the electricity sector has been restructured; reforms of the gas sector have begun; and a new regulatory framework is emerging for electricity and gas.

There are no binding rules to deal with the overlap between the KFTC and sectoral regulators. However, the KFTC regularly engages in a dialogue with regulators with its position that the competition law should be comprehensively applied to the regulated sectors, whereas the regulators should remain focused on the technology aspects and areas requiring subject matter expertise.

The KFTC has jurisdiction to apply the MRFTA to activities in electricity sector. Competition legislation makes abuse of market dominant position, UTPs and other unfair business practises are illegal in the electricity sector, as in other sectors. The competition law does not apply to conduct that is authorised by other regulation; thus, the application of competition law is limited because the Ministry of Trade Industry and Energy oversees Korea Electric Power Corporation (KEPCO) – which completely dominates the electricity system in Korea.

Telecommunication Sector

The Korean government established the Telecommunication Business Act (revised in 2010) to promote public welfare by encouraging sound development of the telecommunications industry and ensuring convenience to the users of telecommunications services through proper management of such business. The Act divided telecom operators into three:

- 1) *Facility-based telecom business*, which holds a license to install line facilities and provide telecom services;
- 2) *Specific telecommunications business*, which leases line facilities from facility-based telecom operators to provide services and installs line facilities in premises designated by the Ministry of Information and Communication; and

- 3) *Value-added telecom business*, which leases line facilities from facility-based telecom operators to provide services not described above.

In order to develop solid competitive telecommunication markets, from 1987-2002, the Korean government divested and privatised the state-owned incumbent, KTA, later renamed KT. In addition, the Ministry of Information and Communication (MIC) amended the Telecommunication Business Act in January 2001 to issue regulations of local loop unbundling (LLU), which led to the opening and sharing of KT's copper line and network.

Consumer Protection

Consumer protection laws enforced by the KFTC include:

- Adhesion Contract Regulation Act (1986);
- Fair Labelling and Advertising Act (1999);
- Door-to-Door Sales Act;
- Installment Transactions Act (Enforcement authority transferred from the Ministry of Commerce, Industry and Energy in 1999);
- Consumer Protection Act on Electronic Commerce (2002); and
- Fair Franchise Transaction Act (2002).

Further, the KFTC has implemented policies to help consumers regain their due rights, which had been neglected during the period of supply-oriented growth and help consumers to be a driving force for competition.

The *Consumer Protection Act* has been a basic yet fundamental law in the area of consumer protection since its enactment in 1980. The Act seeks to:

- define the duties of the State and local governments, and businesses and the role of consumer organisations, in order to protect the fundamental rights and interests of consumers;
- stipulate the establishment and function of the Korea Consumer Protection Board (KCPB); and
- make the general provisions of planning and implementation of the policies for consumer protection.

As the Consumer Protection Act was overhauled and renamed as the Framework Act on Consumers in September 2006, the KFTC's role in consumer issues further expanded to include the areas of consumer information in addition to consumer protection in business transactions, and the Korea Consumer Agency was brought under the KFTC.

In 2008, the KFTC became the sole competent authority in consumer policy as part of the government's effort to eliminate operational and budgetary redundancy within the government organisations. As a result, the KFTC took over the role of operating the Consumer Policy Committee and making a framework for consumer policy plan, as well as the jurisdiction of the Framework Act on Consumers, the Product Liability Act and the Consumer's Cooperative Union Act.

Box 5: South Korean Networks Warned – Banned from Signing Up New Customers

South Korea's telecoms regulator, the Korea Communications Commission (KCC) – which is the successor of the MIC since March 2008 – has warned the mobile network operators that it could restrict mobile operations for three months (maximum) if a recent escalation in competition continues.

The mobile handset subsidy on the Galaxy S3 ranged from W140,000-300,000 from September 01-06, but jumped to W600,000 on September 07.

According to the Telecommunications Business Act revised in 2010, a carrier that violates the subsidy limit (W270,000 per handset) three times could be restricted from signing new subscribers.

Competition has been more intense than the market expected. As such, there is concern the telcos may not meet the profit improvement expectations. The Korea Investment and Securities wrote in an analyst note that it believes competition will cool as the KCC will look into the subsidy matter.

The KCC's determination to put a lid on competition should be a catalyst for the telcos' share prices.

Source: www.cellular-news.com/story/56331.php - September 11, 2012

As part of its consumer protection initiatives, the KFTC proactively responded to unfair transactions that cause consumer damage and improved its consumer damage relief process for more systematic remedies.

Further, the Consumer Protection Act on Electronic Transaction (CPAET) was amended on March 31, 2005 to newly adopt the escrow system for Internet transaction and registration system for consumers. The amendment of the CPAET has been driven by the increasing threat of Internet fraud and growing complaints from consumers about ‘spam’ e-mail.

For the purpose of mediating disputes between consumers and businesses, a quasi-judicial body, the Consumer Dispute Settlement Commission (CDSC) has been established under the KCPB. The CDSC mediates the dispute cases referred to it by investigating facts and deliberating on the case. When both the parties involved in the dispute accept the decisions of the CDSC, it has the same effect as the judicial compromise in a court. Through this mediation method, consumers are able to claim compensation relatively easily, without going through the legal system. In order to strengthen the effectiveness and expertise of the CDSC, which is one of the alternative dispute settlement bodies, the government revised the *Consumer Protection Act* (July 2001) to increase the number of the Committee members from 9 to 30, thus facilitating participation of experts in various fields.

Furthermore, there is an active consumer movement in Korea, spearheaded by the Citizens’ Alliance for Consumer Protection, Korea.

Some of the important cases reviewed by the KFTC are explained in the boxes.

These two cases were investigated, involving close cooperation with other competition authorities around the world. Such cooperation was made possible by KFTC’s close relationship with the jurisdictions concerned, as well as its active international activities that have raised KFTC’s profile in the area of competition policy.

Concluding Observations and Future Scenario

Although the Korean government has attempted for more than a decade to regulate both anticompetitive structures and activities, such efforts to enforce the MRFTA and related legislation have not in practice been substantial or efficient.

The KFTC was established 30 years ago. With such a relatively long history, competition policies and regulations have evolved in accordance with the development of Korean economy. The experience and insight that the KFTC has accumulated through its enforcement of antitrust laws may give guidance to the newly established competition agencies of developing or transitional countries. However, KFTC has many challenges ahead. Most importantly, the significance of competition policy and its enforcement in a market economy is not sufficiently recognised by stakeholders in Korea. As such, it is critical that KFTC becomes a watchdog and a supporter of the market economy by concentrating its legal expertise on enforcing the MRFTA.

Although, KFTC has achieved some remarkable success in cartel enforcement and competition advocacy, its track record in merger control leaves much to be desired. It needs to break out of the traditional market definition mold and focus more on competitive effects analysis.

In order to achieve its aspiration to be recognised as a global force in antitrust – for which it has already made significant progress – the KFTC should take measures to

- encourage private suits,
- strengthen its economic analysis unit,
- fundamentally overhaul chaebol (large Korean conglomerates) regulation,
- establish a “Chinese Wall” between its investigative and adjudicative offices and personnel, and
- reinforce its efforts to guarantee proper procedural rights to defendants.

Effective enforcement and implementation of competition law is more difficult than the enactment of competition law. This means that a government without political will and constant efforts to innovate will not succeed with competition law and policy. This momentum to boost competition in market continued after several amendments of the *MRFTA*. The amendments enhanced procedural transparency and certainty of the leniency programme and raised the ceiling for the informant reward programme.

KFTC’s main goal is to establish a ‘fair market economy’ that benefits the SMEs, large conglomerates and consumers together. Further, KFTC also plans to heighten monitoring of cartels and unfair trade practices, remedy three major types of UTPs, heighten monitoring of the IT, pharmaceutical and other sectors where cartel behaviour is closely connected to the daily lives of consumers, upgrade merger notification filings review, and adopt consumer compensation system.