

Unclassified

English - Or. English

19 December 2025

**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS  
COMPETITION COMMITTEE**

**Cancels & replaces the same document of 21 November 2025**

**Working Party No. 2 on Competition and Regulation**

**Market Studies and other Market Analysis Tools for Competition Authorities – Note by  
Korea**

3 December 2025

This document reproduces a written contribution from Korea submitted for Item 4 of the 80th meeting of Working Party 2 on 3 December 2025.

More documentation related to this discussion can be found at: [oe.cd/msmat](https://oe.cd/msmat).

Federica MAIORANO  
[Federica.Maiorano@oecd.org](mailto:Federica.Maiorano@oecd.org)

**JT03578818**

## *Korea*

### 1. Market Study Overview

1. The ultimate goal of competition policy is to ensure the efficient functioning of markets and to promote competition among business entities. To this end, it is essential to first understand how the market operates.
2. A market study serves as a preliminary step through which a competition authority examines how competition functions among business entities in a specific product or service market. When competition is found not to be working effectively, the authority analyzes the underlying causes and develops measures to promote competition.
3. Pursuant to Article 4 of the Monopoly Regulation and Fair Trade Act (MRFTA), the Korea Fair Trade Commission (KFTC) conducts one to five market studies each year to develop and implement policies that promote competition in markets where monopolistic or oligopolistic structures have become entrenched. Based on the findings of these studies, the KFTC provides opinions to relevant government agencies, including recommendations for institutional improvements.
4. Since 2008, the KFTC has conducted a total of 44 market studies. In recent years, these studies have focused on key sectors such as automobile parts, (2022), mobile handsets (2023), alcoholic beverages, and bakery products (2024).

**Table 1. Markets studies and key sector**

Year	Subject	Year	Subject
2008	Air transport, Internet portals	2017	Railway (non-transport services), Film, Mobile telecommunications
2009	Mon-life insurance, Film, Petroleum, Pharmaceuticals, Gas	2018	Air passenger transport, Apartment management, Guarantee services
2010	Alcoholic beverages	2019	Broadcasting media industry, Agricultural product distribution, Payment services
2011	Cosmetics	2020	Vocational education, Seafood distribution, Asphalt concrete bidding system
2012	Online education, Digital music, Multichannel pay broadcasting	2021	Guarantee industry
2013	Advertising, Insurance	2022	Automobile parts, Mobile Virtual Network Operator(MVNO), Internet of Things(IoT)
2014	Car rental, Gas industry	2023	Mobile phone, Gas, Bio-health
2015	Aluminum hydroxide, School uniforms	2024	Alcoholic beverages, Bakery, Climate tech, Municipal waste collection
2016	Beer, Tugboat services, Integrated energy	2025	Virtual asset trading, Defense industry, Corporate accounting and auditing

### 2. Market Study Procedure

5. The market study process consists of two main stages: (1) collecting and analyzing basic data to identify potential industries for study and select the target market, and (2) conducting the full-scale market study.

## 2.1. Selection of Industries for Market Study

6. Candidate industries for market study are selected through a comprehensive review of the following factors: (1) sectors that have potential competition concerns or malfunctioning market mechanisms, identified through market structure surveys or other analyses; (2) sectors where issues have been raised by the National Assembly, the media, the Korea Fair Trade Mediation Agency (KFTMA), the Korea Development Institute (KDI), or other relevant institutions; (3) sectors in which divisions within the KFTC have requested institutional improvement; (4) sectors proposed for market study by stakeholders, including business entities and business associations; and (5) sectors that are being actively discussed as major competition issues in advanced economies. In particular, industries with a record of frequent competition law violations or recurring consumer complaints and harm are prioritized, as they are more likely to exhibit inadequate competition.

7. Following an internal review of the selected candidate industries, the KFTC selects those sectors deemed to require an in-depth analysis.

8. The KFTC finalizes the selection of industries for market study by comprehensively considering the necessity and feasibility of institutional improvement, focusing primarily on sectors where (1) existing research on market conditions is insufficient, such as new technologies or emerging industries requiring proactive analysis; (2) monopolistic or oligopolistic structures have become entrenched; (3) legal violations recur due to institutional factors; or (4) consumer complaints persist as a result of restricted competition.

## 2.2. Conduct of Market Study

9. Market studies may be conducted either through external research contracts or by the KFTC's own analysis. In most cases, however, they are carried out in the form of commissioned research to ensure expertise and credibility. Depending on the nature of the issue, the studies may also be conducted jointly with relevant government agencies. For instance, the KFTC is currently conducting a market study on the virtual asset trading market in collaboration with the Financial Services Commission, as a joint research project.

10. The market study process consists of three stages: data collection, analysis and assessment, and report preparation.

### 2.2.1. Data Collection

11. Once the selection of the market study target is completed, data are collected through various methods such as document review, on-site investigation, and surveys.

12. In the case of a document review, the KFTC, pursuant to Article 4 of the MRFTA, may request business entities, business associations, and heads of relevant administrative agencies to submit data necessary for analyzing the management information of major firms or the actual conditions of transactions. Such data are used to assess the market structure, competitive environment, international cases, and issues identified in the relevant industry.

13. In addition, if deemed necessary during the document review, the KFTC, pursuant to Article 87 of the MRFTA, may specify the scope, duration, and subject matter of the review and convert it into a comprehensive written survey. In cases of non-compliance, an administrative fine may be imposed.

14. Meanwhile, when it is difficult to collect sufficient data through a document review alone, an on-site investigation may be conducted with the consent of the business entities

concerned. However, in most cases, data collection is completed at the document review stage.

15. Furthermore, surveys may also be conducted targeting business entities, consumers, and experts.

### ***2.2.2. Analysis and Assessment***

16. Based on the data collected, the KFTC analyzes and evaluates the market conditions, market structure, status of government regulations, unfair trade practices, and foreign regulatory cases in the relevant industry. Drawing on a competition impact assessment, it then develops measures for institutional improvement.

17. First, the KFTC specifies the concept and scope of the industry, and analyzes its market size, supply and demand conditions, and transaction structure, including production and distribution systems. It also examines and analyzes the profitability of the industry using indicators such as operating profit margins and net profit margins.

18. To identify the characteristics of the industry, the KFTC further analyzes whether entry barriers or economies of scale exist, whether it is a regulated industry affected by government intervention, and what specific features are present in its price-setting structure.

19. Second, to assess the competitive conditions in the industry, the KFTC analyzes the market structure by examining market share and concentration ratios ( $CR_k$ , HHI), the status of market entry and exit, and the degree of vertical integration in production and distribution stages.

20. It then reviews market conduct, focusing on the degree of price liberalization, intensity of price competition, and the level of product and service development and innovation. Consumer surveys are also conducted to analyze consumer behavior, including factors or obstacles when choosing or switching products. Furthermore, the analysis includes market performance, such as the profitability ratios of the market and its business entities.

21. Third, the KFTC identifies the current status of government regulations on the industry, including entry regulations, price controls, and restrictions on business activities, as well as the past records of regulatory reform. It also examines the market conditions of related industries abroad as well as competition law enforcement cases and regulatory reform cases handled by foreign competition authorities.

22. Fourth, the KFTC studies the characteristics of the industry, market and consumer behavior, competitive conditions, and the current status of government regulations as described above. It then analyzes the effects and problems of government regulations within the industry on competition and consumer welfare, and develops measures to address those problems.

### ***2.2.3. Preparation and Use of Market Study Report***

23. Based on the results of the commissioned market study, the KFTC collects opinions on the draft final report from relevant stakeholders and experts, including business entities and associations, government agencies, consumer organizations, and academia. In particular, when the measures derived from the market study involve recommendations to administrative agencies, this consultation process allows the KFTC to validate the findings and assess the potential effects of the recommendations. After incorporating the opinions received, the report is revised and finalized, and the final market study report is then published.

24. Regarding the competition promotion measures presented in the report, the KFTC recommends that the relevant ministries improve regulations or investigate or correct the conduct of business entities. If any suspected violation of the law is identified, the matter is notified to the investigative divisions as a lead for initiating a formal investigation.

### 3. Major Market Study Case①: Alcoholic Beverage Industry

#### 3.1. Background

25. The alcoholic beverage industry has long been subject to government regulations across all stages—from procurement of raw materials to manufacturing, distribution, and sales—primarily to secure tax revenue and protect public health. However, prolonged restrictions on competition have led to a lack of product diversity within the industry, increasing calls for regulatory reform to enhance competitiveness.

26. Accordingly, the KFTC conducted market studies on the beer market (2016) and the soju and spirits markets (2024). Based on these studies, the Commission has been developing and discussing with relevant ministries measures to improve competition-restrictive regulations and expand consumer choice.

#### 3.2. Key Findings of the 2024 Market Study on Soju and Spirits Industries

27. The KFTC analyzed the regulatory framework governing the distribution of spirits and soju, as well as restrictions related to mail orders that limit the market entry of small-scale liquor producers and cause inconvenience for consumers when purchasing alcoholic beverages.

28. In the case of spirits, the National Tax Service (NTS), taking into account the grain policy, establishes annual production and raw material procurement plans in consultation with the relevant business association. Under this plan, nine spirits manufacturers produce according to the NTS's supply schedule. The produced spirits are distributed to liquor manufacturers and other purchasers exclusively through the Korea Ethanol Supplies Company, which serves as a monopolistic wholesale distributor. While direct transactions between spirits manufacturers and liquor producers are permitted, they require prior approval from the Commissioner of the NTS, and as of 2023, such transactions accounted for only about 2 percent of the total volume.

29. The soju distribution market is also highly regulated, with a strict supply chain structure involving manufacturers, wholesalers, retailers, and consumers. Manufacturers or wholesalers are not allowed to sell directly to consumers without going through intermediary stages, and the licensing system at each distribution level strictly controls the types of alcoholic beverages and the eligible trading counterparts. In addition, soju sold to restaurants can be supplied only by general liquor wholesalers, leaving restaurants and other purchasers with limited options in choosing their trading partners. Since the territorial scope (T/O) of general liquor wholesalers is also restricted by region, new market entry is virtually impossible, further limiting the autonomy of purchasers such as restaurants in selecting their suppliers.

30. Meanwhile, mail orders of alcoholic beverages are fully permitted only for traditional liquor, while for other types of alcoholic beverages, they are allowed only in limited cases, such as when delivered with food, through smart-order systems, or when purchased at duty-free shops for pickup. Mail orders can enhance consumer welfare by improving purchasing convenience and reducing consumer costs through lower distribution

margins, and they may also contribute positively to the growth of related industries. However, there are also concerns about tax evasion resulting from illegal undocumented liquor distribution, as well as potential negative effects on public health and underage drinking. In most major foreign countries, mail orders of alcoholic beverages are permitted regardless of the type of liquor, with regulations generally limited to sales hours or purchase quantity per person.

### 3.3. Utilization of Market Study Results

31. Based on the results of its market study on the alcoholic beverage industry, the KFTC has been working with relevant ministries to improve regulatory frameworks.

32. In particular, for the beer market, the 2016 market study led to regulatory reforms aimed at easing production facility and distribution restrictions for small- and medium-sized beer producers. Specifically, the production facility regulation that limited the production capacity of small breweries was relaxed from 75 kl to 120 kl; small breweries were allowed to sell their products in retail stores such as convenience stores and large supermarkets; and the range of distributors accessible to small and medium-sized breweries was expanded.

33. Furthermore, in 2024, the KFTC conducted an empirical analysis using actual retail sales data to measure the impact of these regulatory reforms on the home beer market. The analysis found that over the past five years, the number of domestic beer manufacturers more than doubled, the market share of craft beer increased more than tenfold, and the number of domestic beer brands quadrupled, all contributing to enhanced market competition and significantly expanded consumer choice. The net welfare gain resulting from consumers' ability to choose from a wider range of craft beers was estimated to be equivalent to a price reduction of approximately USD 0.63 per 500ml can of beer in 2023. This study is significant in that it empirically demonstrates that reasonable improvements to competition-restrictive regulations identified through market studies can have a substantial impact on market structure and consumer welfare.

34. Meanwhile, based on the results of the 2024 market study on the soju and spirits industries, the KFTC has selected the expansion of direct transactions for spirits and the extension of the territorial scope for general liquor wholesalers as key regulatory reform tasks, and is actively consulting with relevant ministries. The discussions have been progressing in a positive direction, and the reforms are expected to promote competition in the spirits and liquor distribution markets.

## 4. 4. Major Market Study Case②: E-commerce Market Analysis

35. Most of the market studies described above are conducted to promote competition in the relevant markets by understanding the structure and competitive conditions of the industries concerned and improving government regulations. Accordingly, the competition promotion measures proposed in the reports generally lead to recommendations for regulatory reform to the relevant ministries.

36. However, not all market studies conducted by the KFTC are intended solely for regulatory reform. Some, such as the case introduced below, are carried out to examine market conditions and identify competition-restrictive factors in new technology and emerging industry sectors.

## 4.1. Background of the Market Study

37. The e-commerce market study was conducted in 2024 as part of the KFTC's annual work plan, with the aim of proactively identifying and comprehensively analyzing fair trade and consumer issues arising from structural changes in emerging technology markets.

38. The Korean e-commerce market encompasses a wide range of business models, including open markets, social commerce platforms, brand-owned direct-to-consumer sites operated by offline consumer goods manufacturers and distributors, and vertical commerce. Domestic platform companies have been actively investing in innovations such as 'fast delivery services' and 'hyper-personalized product recommendations', while foreign companies are also expanding their presence in the Korean market, making it one of the most dynamic e-commerce markets in the world.

39. Given this dynamism in a market closely linked to consumers' daily lives, the KFTC undertook a systematic market analysis to further enhance market dynamism and promote competition.

## 4.2. Methodology of the Market Study

40. The e-commerce market study was carried out in three main stages.

41. The first stage, the preliminary market research, involved identifying the scope, subjects, and items of analysis through literature reviews on the e-commerce market, working-level meetings with key stakeholders such as major e-commerce companies, third-party sellers and suppliers, and data analysis from market research institutions.

42. The second stage consisted of a comprehensive written survey targeting 40 major domestic and international e-commerce brands. Questionnaires were distributed to collect information on revenue models by business type, general business operation, logistics system development, and transaction practices between e-commerce companies and third-party sellers or suppliers. In addition, surveys of consumers and third-party sellers were conducted to assess multi-homing behavior and the ease of switching between brands.

43. The third stage, the data organization and analysis phase, involved analyzing the market structure and conditions, market characteristics, and potential competition and consumer issues based on the data collected in the previous stages. A draft policy report was then prepared and reviewed through consultations with external experts from industry and academia, as well as feedback from major e-commerce companies. The report was finalized and published thereafter.

## 4.3. Key Findings and Utilization of the Market Study

### *4.3.1. Market Concentration and Limited Competitive Pressure*

44. The e-commerce market has become concentrated around a few major players, such as Coupang and Naver. An analysis of the total number of purchasers and net payment amounts by platform shows that the gap in transaction volume between the top-tier and mid-to-lower-tier groups has been widening. While multi-homing—the simultaneous use of multiple platforms by both consumers and sellers—is active, consumer switching between platforms tends to be focused on a few dominant e-commerce companies.

45. However, competitive pressures that could mitigate this concentration appear to be limited. Subscription-based membership services and 'fast delivery' services supported by large-scale logistics infrastructure were found to act as barriers to entry, potentially restricting new entrants from entering the market. Although vertical commerce, cross-

border direct purchases, and live commerce are growing rapidly, their impact on alleviating market concentration remains limited.

#### ***4.3.2. Potential Anti-competitive Effects***

46. Based on the structural characteristics of the market, along with the results of the comprehensive written survey and surveys, the KFTC identified three potential anti-competitive effects that could arise in the e-commerce sector.

47. First, survey results indicated that some platforms have entered into Most-Favored-Nation (MFN) agreements with sellers. An MFN clause requires sellers on an intermediary platform to offer prices and terms equal to or more favorable than those provided on competing platforms. When an intermediary platform with significant market power adopts such MFN clauses, commission fee competition between platforms may decline, and the increased fees may be passed on to consumers through higher prices, potentially reducing consumer welfare.

48. Second, although multi-homing among sellers—the use of multiple platforms simultaneously—is common, the high dependence on a few major platforms may increase the likelihood of unfair practices in vertical trading relationships. The greater the dependence, the more difficult it becomes for sellers to switch from their main trading platform to an alternative one or terminate current transactions. When securing alternative trading partners is difficult, platforms may unilaterally set or modify unfavorable trading terms. Such risks require close monitoring.

49. Third, the KFTC noted an increased likelihood that platforms may exploit consumer behavioral biases by adjusting or designing algorithms and user interfaces in ways that distort competition. For example, a platform may manipulate the order of search results and the display of products to favor its own products over those of third-party sellers, without adequately informing consumers. In recent years, e-commerce business models have evolved to integrate related services such as logistics and payment, with their revenue structures closely interconnected. As such, the potential for competitive distortion arising from these practices requires close attention.

#### ***4.3.3. Utilization of the Market Study***

50. The KFTC plans to use the results of the market study as fundamental reference material for developing competition policies and enforcing competition laws in related sectors. The findings have already been applied in recent merger reviews in the e-commerce sector. In addition, the KFTC will continue to closely monitor areas in the e-commerce market where potential anti-competitive effects may arise.