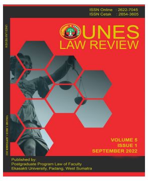

Unes Law Review

e-ISSN: 2622-7045 | p-ISSN: 2654-3605
Volume 7, Issue 4, Juni 2025
https://review-unes.com

Indonesia and South Korea Business Competition Laws in The Investment Sector

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Abstract: *Business activities carried out by business actors in the investment sector can have a competitive effect that can affect the economy, especially in Indonesia and South Korea. The concept of economy in Indonesia by advancing the idea of democracy with various policies and regulations issued by the government, such as policies in the field of business competition. The Indonesian government issued Law No. 5 of 1999 prohibiting unfair business practices and competition to promote the people's welfare, create fair competition and facilitate investors in doing business. That thing is based on the principle of justice in business. However, on the side, On the other hand, South Korea has the Regulation and Fair Trade Act that provides fair business and investment opportunities. This study uses a normative juridical research method using secondary data, which will then be analyzed using qualitative methods with deductive conclusions. This study concludes that the comparison of business competition law between Indonesia and South Korea implements a legal system of justice and investment opportunities with no restrictions. Both countries, with their legal and government systems, have specific policies and rules, so there are differences: Indonesia with civil law, and South Korea with civil law Inquisitorial. In regulating business competition and investment, Indonesia prioritizes foreign investors' rules and investment periods, while South Korea focuses more on income for the country's prosperity*

Keyword: *Business Competition Law; Investment; Comparative Law; South Korea; Indonesia;*

INTRODUCTION

Every country in the world needs capital or investment to increase the economic growth of its government. Both developed and developing countries, but the flow of money that enters through acquisition requires a supportive environment or climate, regulations, government policies, and stable political conditions. Moreover, state security is urgently needed. Investation also responds by significant to actual size but is not sensitive to current cash, even for usual companies considered to have limitations in liquidity. Results have two implication main that is fundamentally possible and more important for expenditure investigation than suggested by results and affect the current cash positive obtained in research possible, possibly reflecting in control constraint finance (Cummins *et al*., 2006)

So that investment can run well and lure foreign investors into investing their shares and capital in every country. Especially developing countries carry out various promotions abroad for investors so that all forms of policies to support economic growth are carried out, including Indonesia's upgrades in increasing economic growth. The interest of foreign investors. Unique on regio growth, Foreigner direct investment (FDI) is crowding out investment domestic by FDI like in Latin America (Agosin & Machado, 2005). They recommend that policy make more FDI effective in increasing domestic investigation in the country. With this, though, the

DOI: https://doi.org/10.31933/unesrev.v7i4.2442

effect of FDI on investment in country no consistently profitable, and policy simplification to FDI is not optimal because it needs more considerable attention on policy encouraging economy component domestic of the total investment.

It has implemented economic development by the Indonesian government, which this based on an essential skeleton for reaching something well-being by mandate in opening Constitution 1945 Constitution of the Republic of Indonesia. According to Where is Ambarwati (2021), the description economy also supports this. The higher the BI Rate, the higher the growth of the economy. Of Ithe, inflation takes effect negatively affects the economy with coefficient regression (Ambarwati *et al*., 2021).

Where destination from the founding of the State of Indonesia realizes to the well-being of nation, field, field economy, of course, must be oriented to make it happen to be the of people. A destination that should be democracy in the field, the economy gives the same unity for every perpetrator effort to participate actively in the active production process and marketing of goods and services. Climate efforts are effective and efficient, pushing them to see socio-economic growth work faa fair financial Article 33 of the 1945 Constitution becomes base for the Indonesian economy. It contained principle and brotherhood. In the development of the Law Indonesian Economy, Article 33 of the 1945 Constitution is affirmed imperative in regulation legislation about an economy where prosperity and prosperous take precedence over no well-be the individual

Opportunities businesses created During three decades, have yet to make the whole Public capable and could participate in development in various sector economies. The Analysis data was conducted with a random effect model in 34 provinces in Indonesia for five years (five015-2019) to know the contribution of infrastructure economy and society to society economy in Indonesia represented by Product Gross Regional Domestic per capita. The results are that Street and education are significant to the growth economy. In contrast, Electricity, clean water, and health no take effect significantly (Buana et al., 2019). Development effort During the period that, put together side colored by various form policy less government _ appropriate so that market becomes distorted. On the side other, the development of effort is an embodiment of the condition of unhealthy competition effort; no healthy, which is not business competition law, exists in all countries in the world with various terms. In Indonesian business, competition law with Law No. 5 of 1999 concerning the prohibition of monopolistic practice and unfair business competition, while in Korea with the monopoly regulation and fair trade act, South Korea. The Challenge enforcement law in the e-commerce competition in Indonesia is related to the existence of the potency happening practice monopoly and competition effort no healthy on e-commerce sector such as digital monopoly, digital predatory, lock in and others. Challenge other is regarding with not yet adopted principle of extraterritoriality in Constitution Number 5 of 1999 concerning Prohibition Practice Monopoly And Business Competition No Healthy (Hayati, 2021).

Mostly, economic activities are carried out by entrepreneurs. There is support from the government to guarantee investment so that the economy becomes better because humans essentially need to carry out economic activities to maintain their lives and families, one of which is running a business and investing to make a profit. Based on studies for five years from 2014-2015 to 2018-2019 could is known that There are various determinants of FDI, such as market size, economic growth, infrastructure, political risk, corruption, labor market, raw materials, technological readiness, innovation, financial system, taxation, cost of capital, ease of doing business and government policies. The Analysis shows that Indonesia's environment is investor friendly and has the potential to grow (Fernandez & Joseph, 2020).

In making investments, domestic companies or foreign investors from outside Indonesia and South Korea often open investment opportunities for domestic and foreign investors. When making decisions, investigating, or giving input giving the retrieval process decision, some institutions depend on the planning country and are locally developed with goods. In contrast, others are often restricted by initiative policy, priority, and available funds. Therefore, the retrieval decision existing investment _ have advantages and deficiency, and there is an alternative process for funding and allocation of source power (Yusufzyanova & Zhang, 2011). In Indonesia, the rules governing investment is contained in Law No. 25 of 2007 concerning investment which does not differentiate between domestic and foreign investors. As well as the government of South Korea (Republic of Korea) enacted Law No. 5559 concerning investment for foreign investors by guaranteeing special treatment for foreign investors who come to their country.

By issuing a law on business competition, Indonesia automatically encourages the creation of equal business opportunities for all investors so that there is a guarantee needed for investors in running their businesses as well a,s South Korea. Furthermore, competition policy is the main instrument to improve the efficient use of natural resources and coalface.

Business competition policies for the two countries, Indonesia and South Korea, also regulate market concentration so as not to interfere with competition and increase the flexibility of a country to survive in changing world economic conditions. These diverse functions are two primary components of a comprehensive competition policy. The first component relates to government policies that support the creation of fair business competition in the market. (https://kppu.go.id)

There are regulations governing fair business competition, especially those related to investment. Still, these regulations often need to be obeyed because each country's rules are different both Indonesia and South Korea, so they often find violations in the investment sector. Especially foreign investors, but as a legal comparison in implementing the rules that apply to foreign investors, the two countries, Indonesia and South Korea, are different. For example, by prioritizing domestic employees, Indonesia limits the time for foreign investors with several provisions, especially in using services and employees. On the other hand, in South Korea, investment quality is more prioritized, with significant income to the State state in taxes.

As a competition authority in the country, the Business Competition Supervisory Commission (KPPU) was born in this context and naturally participated in creating an investment climate. At least the investments do not potentially cause unfair competitive behavior, so regulations are needed to prevent this as early as possible, even compared to investments in other countries. Especially in South Korea, they avoid investments that can lead to monopolistic practices and unfair business competition. (kppu.go.id/blog/2011/04/kppu-dan-investasi-for-prosperity)

METHODE

This study uses a **normative juridical** approach by examining secondary data sources, including legislation, academic literature, and policy documents related to competition and investment laws in Indonesia and South Korea. The primary legal sources analyzed include Law Number 5 of 1999 (Indonesia) and the *Regulation and Fair Trade Act* (South Korea), as well as investment regulations from both countries. Secondary data was obtained from journals, reports from anti-monopoly institutions (KPPU and KFTC), and the views of legal experts. Data collection was carried out through *library research* using regulatory inventory techniques, doctrinal studies, and comparative analysis of the legal systems of the two countries. Data analysis was qualitative in nature through stages of description of the legal framework, interpretation of policy objectives, and comparison of the philosophical-technical aspects of regulation. This research compares the principles of fairness, oversight mechanisms, and the impact of regulations on the investment climate, with a limitation on secondary data until 2023 and a specific focus on competition law. Conclusions are drawn deductively, testing general theories in the cases of Indonesia (civil law system) and South Korea (inquisitorial system), while maintaining academic integrity through accurate citations and objectivity of analysis.

RESULT AND DISCUSSION

1. Regulation Of Business Competition In Indonesia And South Korea

Each country has different regulations to apply to their respective countries, especially in countries such as Indonesia and South Korea. Both have similarities in the democratic and legal systems and government systems, so countries have established cooperation in the business competition between them. Each with tuition, namely the Business Competition Supervisory Commission (KPPU) and the Korea Fair Trade Commission since 2018, Korea and Indonesia are key commercial partners for each other, and Indonesia has long been a destination for Korean FDI. Korea has also increased its efforts to assist the Indonesian economy's development by expanding governmental collaboration and offering enormous development assistance to Indonesia (Dae-Chang, 2013).Cooperation between the two countries in terms of strengthening their respective institutions and apprenticeships for employees, particularly to strengthen and enhance business competition law and encouraging investment in business competition law, especially in the areas of mergers and market control, and cartels. Both institutions provide recommendations to the governments of both countries to create fair business competition laws.

Such cooperation and regulations are formed to adjust the conditions of the people in the country, as well as in the field of investment in business competition law, especially regarding mergers involving outside investors, business cartels, unions, agreements, and encouraging partnerships of actors. The purpose of the cooperation of big and small businesses to the competition is also each country's policy of business competition law, which is best to adopt for economic strengthening.

In the business competition law in Indonesia, the regulation on investment is the region that acts on how investment is carried out without turning off the competing business actors. So, the competition authority in the country is born in the investment context by itself. Participating in creating an investment climate, at least Investments that have the potential to cause behavior and behavioristic have been dissipated early age, even compared to business competition institutions in other countries. KPPU is advanced in establishing cooperation with KFTC to realize a prosperous life.

Table 1. Comparison of Business Competition Law Arrangements in the Investment Sector

No	Equation and Difference	Indonesia	South Korea
1	S both have rules regarding the constitution, but differences in application.	Law No. 5 of 1999 concerning the prohibition of Monopolistic Practices and Unfair Business Competition[1]	Investment Promotion Law No. 5559. South Korea's anti-monopoly trade act[2]
2	Continental European legal system, but the difference is that Indonesia applies.	Business Competition Supervisory Commission (KPPU)	Korea fair trade act commission (KFTC).[4]

[1]Law of the Republic of Indonesia No. 5 of 1999 concerning Prohibition of Monopolistic Practices and Unfair Business Competition

[2]Monopoly Regulation and Fair Trade Act, Law No. 3320 of 1980 as last the ended by Law no.7315 of 2004

[4]Fair Trade Commission, Korean Fair Trade Commission (online), https://www.ftc.go.kr/eng/index.do, accessed27 September 2022

		Law No.25 of 2008 concerning Investment[3]	
3	have rules regarding investment but differ in terms of implementation and capital policies in investment		Investment Law No. 5559 on investment.[5]
4	Indonesia and South Korea relax outside investors in investing in each country for economic prosperity, but		
	South Korea does not question many workers to investors, unlike Indonesia.		
6	South Korea imposes criminal sanctions for investors who falsify documents, in connected action with maximum imprisonment of 5 years or 50 million won, for Indon; for a fine of 3 ye s imprisonment and a fine of 50 billion.		

Given the similarities and differences in regulations regarding investment between Indonesia and South Korea, countries provide information about their respective rules, fines, permits, and investment procedures, which will reduce the impact of losses for investors from both countries who wish to invest their shares in both countries. For this reason, South Korea has gone through KFTC to provide useful info for helpful investors in making investments so that business actors outside South Korea can continue to advance. This information includes business competition law in the country where the business actor is actively investing.

2. Investment in Indonesia and South Korea

Investment is an investment that a business carries over a certain period to investigate the investment; an indicator of a country's economic g. Indonesia and Korea apply laws for investment in business law through institutions given the authority to supervise the enforcement of business competition, thew, the two countries' rules, and legal sanctions. As a result, both countries can benefit from trade in the short term and productivity gains in the long run (Verico & Riefky, 2022).

Indonesia triangulates fair business competition in several articles, namely Article 2 of Law No. 5 of 1999, explaining the principles and objectives of how economic democracy can provide business stability and the public interest. It is clear that business actors, in this case, investors, are not allowed to do market control, monopolistic practices, and division of territory for violating the law.

Healthy competition, especially in the investment sector, is something that Indonesia wants. The role of fitness competition in law policies encourages economy and conduct; the business climate is expected to run well, and economic democracy requires equal opportunities for every citizen. It is the state to produce and market goods and services and a healthy, effective, efficient business climate for a nation's economy. (Alum Simbolong, 2021). Besides _ collaboration between the two countries es, Indonesia can learn to avoid the Middle-Income Trap from the South that is experienced with manufacturing development. This paper shows that the two countries can benefit from trade in the short term and productivity gains in the long term to avoid the Middle-Income trap the South experienced with manufacturing development. Two countries can benefit from trade in the short term and productivity gains in the long run (Verico & Riefky, 2022).

[3]Law No.25 of 2008 concerning Investment
[5]South Korea Investment Promotion Act No. 5559 formulas were promulgated on temSeptember8.

Creating healthy business competition fosters a level playing field, especially in the investment sector and the business climate. First, there is equality, namely, Equal Opportunity, which means equal business opportunities for business actors without discrimination. Equal accessibility, where there are no business actors from entering the market; egalitarian treatment, where the government treats every business actor, both foreign investors and domestic investors, when they make a mistake, they are treated equally. The Ordinary Least Square (OLS) regression model was used to assess secondary data collected after the 2008 global financial crisis and recorded for a quarter to 2019. The findings reveal that government spending favors small and medium enterprises but not o micro-enterprises. Meanwhile, the investment sector has proven to have a good and quite large impacsignificantMeffectThe policy implications of the Indonesian government tends to focus on its expenditure function as the most essential ought micro-enterprises, which are numerous and more related to the actual socio-economic life of the community. As a result, even though they are sensitive to crises, the existence of micro-enterprises is a very beneficial class (Prasetyo, 2020).

CONCLUSION

The application of business competition law in Indonesia and South Korea has c the duties of the mandate of the laws of each country, in this case, the relevant, not institutions, namely the Business Competition Supervisory Commission (KPPU), and Korea Fair Trade Commission (KFTC), but each of the country's regulations that are formed, of course, adapt to t, the conditions of the people in that country, as well as laws rules investment related to fair business competition, for that Indonesia is currently loosening up foreign investors entering to invest shares and capital, provided that the money exceeds 50 percent of per central of wealthy investors as well as workers, prioritizing for their pre-wrinkles, while Sou. However, at the same time, it prosperity prosperous sense that investment restricts shareholding.

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