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KFTC CONDUCTS A FACT-FINDING SURVEY ON THE DATA SECTOR

On May 23, the Korea Fair Trade Commission ("KFTC") announced that it will begin conducting a "Fact-Finding Survey on the Data Sector", targeting major data-related companies.

I. BACKGROUND

In its announcement, the KFTC emphasized that data is a critical input for the development of foundation models in the generative artificial intelligence (AI) market and is widely used across various other sectors. As data emerges as a key competitive factor in the digital marketplace, the KFTC expressed concerns over potential monopolization of data by a few firms, exclusion of competitors through denial of data access, and potential harm to consumer interests resulting from excessive data collection and use.

II. SCOPE OF THE SURVEY

The recently announced survey is intended to assist the KFTC in gaining an understanding of current transaction practices and market conditions in the domestic data sector, assessing the presence of any unfair practices, and proactively identifying potential competition and consumer protection issues that may arise in the future. The survey will cover major domestic and international companies that collect, store, and utilize data across the following seven sectors:

- (i) Online advertising services,
- (ii) Social networking services,
- (iii) E-commerce,
- (iv) Online search services (including conversational AI services that can be used for general online search purposes),
- (v) Online messaging services,
- (vi) App markets, and
- (vii) Online video services (OTT).

The survey items are very detailed, with certain key questions requesting information regarding the following: (i) general business overview, (ii) data collection, storage, processing, analysis, and utilization methods and transaction structures by business operator, (iii)

transaction status across the seven aforementioned sectors, and (iv) any experience with unfair trade practices in the course of the respondent's business operations.

III. TAKEAWAYS

Based on the findings, the KFTC is expected to tailor its policy and enforcement directions to foster innovation and ensure fair competition in data-based digital industries, and will publish a policy report titled 'Data and Competition Issues' by the end of 2025 following additional expert review and in-depth analysis. Relevant businesses are advised to pay close attention to the progress of this survey.

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