

IMPLICATIONS OF LION GROUP'S NON-COMPLIANCE IN REPORTING CHANGES IN AIRFARE POLICIES TO MONOPOLISTIC PRACTICES AND UNFAIR BUSINESS COMPETITION IN THE AVIATION INDUSTRY

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Abstract

The aviation industry in Indonesia plays an important role in supporting community mobility and the national economy. However, non-compliance with regulations, especially in reporting changes in ticket fare policies, has the potential to create monopolistic practices and unfair business competition. One of the cases that emerged was Lion Group's non-compliance which had an impact on the structure of the domestic aviation market. This study aims to analyze the implications of Lion Group's non-compliance with fare regulations on business competition in the aviation industry. The approach used is juridical-normative with data collection techniques through literature studies. The data analyzed includes laws and regulations, legal decisions, and related literature.

The results of the study show that Lion Group's non-compliance creates barriers for competitors, reduces consumer choice, and increases the risk of unhealthy market dominance. This violates the principles of Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unhealthy Business Competition.

The implications of this study show the urgency of strengthening regulation and supervision by the Business Competition Supervisory Commission (KPPU) to prevent similar violations. Transparency in tariff policies and commitment to regulation are needed to create healthy and fair competition in the aviation industry.

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INTRODUCTION

In the global context, the aviation industry has a strategic role as an economic driver, a connector between continents, and a supporter of international trade. However, the issue of unfair business competition is often in the spotlight, especially in monopolistic and cartel practices that can harm consumers and other business actors. Non-compliance with applicable regulations, including reporting policy changes, often worsens this situation. According to Lubis, (2020), the application of indirect evidence in cartel cases shows the complexity of legal supervision in this sector, especially amidst increasingly competitive global dynamics.

Specifically, the case of Lion Group as one of the main players in the Indonesian aviation industry is a real example of how violations of policy change reporting rules can affect market structure. This non-compliance not only impacts business competition but also has a negative impact on consumers. As expressed by Sumarni, (2020), repositioning law enforcement requires new strategies, including the role of justice collaborators, to ensure that the main perpetrators of competition violations can be identified and prosecuted effectively.

The urgency of this research lies in its broad impact on the economy and consumer confidence. In the context of national law, efforts to create legal certainty for all business actors are challenges that must be answered. Mantili, (2016) highlighted that the problematic

enforcement of competition law is often related to unclear regulations and weak implementation in the field. This shows the importance of firm regulations to prevent abuse of market power by dominant companies such as Lion Group.

Literature review shows that monopolistic practices and unfair business competition have become recurring issues in legal and economic literature. Siregar, (2018) emphasizes the legal position of the Business Competition Supervisory Commission (KPPU) as an institution that has the authority to supervise and enforce business competition law. However, weaknesses in the implementation of KPPU's duties often become loopholes that are exploited by large business actors. Saputro, (2012) adds that the obligation to notify the acquisition of company shares is one aspect that requires greater attention in the context of enforcing business competition law.

As an update, this study offers an in-depth analysis of the relationship between Lion Group's non-compliance in reporting policies and its impact on monopolistic practices in the airline industry. This study will also explore how efficiency theory can be applied in the rule of reason approach, as expressed by Nadapdap, (2019), to evaluate the impact of the policy on the market as a whole.

This study aims to identify the implications of Lion Group's non-compliance in the legal and economic context, and provide policy recommendations to prevent similar practices in the future. Using a multi-disciplinary approach, this study will provide a comprehensive picture of the challenges and opportunities in creating a fair and competitive aviation market in Indonesia. Soepadmo, (2020) states that competition law must be able to balance economic needs and consumer protection, a principle that is the basis of this study.

In compiling this research, several important references will be the basis of the analysis. Antoni, (2019) highlighting how the shadow of the cartel is often the main obstacle in creating a healthy market. Meanwhile, Soemardi, (2008) providing a view on the regulation of mergers and acquisitions as one of the mechanisms that can be used to control market dominance. Sudiarto, (2021) also providing a relevant introduction to the basic concept of competition law in Indonesia, which will be the main reference in the theoretical discussion.

With a holistic approach, this research is expected to provide real contributions in understanding and resolving business competition issues in Indonesia, especially in the aviation industry. The urgency and relevance of this topic are not only limited to the legal aspect, but also to its impact on consumers and the national economy as a whole.

RESEARCH METHODS

This study uses a qualitative descriptive research type. This approach was chosen to understand in depth the implications of Lion Group's non-compliance in reporting changes in airline ticket policies on monopolistic practices and unfair business competition. Descriptive research aims to describe phenomena systematically, factually, and accurately regarding the facts and relationships between the phenomena studied.

The approach used is a juridical-normative approach. This approach focuses on the analysis of relevant laws and regulations, especially Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. In addition, this approach also involves a review of legal decisions, literature, and other official documents related to the case being studied.

The population in this study includes all regulations, legal decisions, and documents related to monopolistic practices and business competition in Indonesia. The sample was selected purposively, namely documents and cases that have direct relevance to Lion Group's non-compliance, such as Cassation Decision Number 1811 K/Pdt.Sus-KPPU/2022 and related KPPU reports.

The data in this study were collected through library research methods. This technique includes collecting secondary data in the form of: Primary legal sources, such as Law Number 5 of 1999 and related court decisions. Secondary legal sources, including relevant books,

journals, and scientific articles. Tertiary legal sources, such as legal dictionaries, encyclopedias, and the internet to support the analysis.

Data analysis was conducted qualitatively with the following steps: Data Reduction, Sorting data relevant to the focus of the research. Data Presentation, Organizing data in a structured narrative form. Conclusion Drawing, Analyzing data to draw conclusions based on the theories and regulations used. This approach is expected to provide a clear picture of the implications of Lion Group's non-compliance with monopolistic practices and unfair business competition in the Indonesian aviation industry and provide appropriate recommendations.

RESULTS AND DISCUSSION

Analysis and Discussion

Position Case

The Cassation Decision of Case Number 1811K/Pdt.Sus-KPPU/2022 involves Lion Group, one of the dominant players in Indonesia's domestic aviation industry, which is suspected of violating the principles of fair business competition as stipulated in Law Number 5 of 1999 concerning the Prohibition of Monopolistic Practices and Unfair Business Competition. The alleged violations include the abuse of Lion Group's dominant position, especially in the implementation of airline ticket pricing policies that are considered non-transparent and have a negative impact on both consumers and competitors in the domestic aviation market. As a business actor with a significant market share in *the low-cost carrier sector*, Lion Group is accused of exploiting this dominance to unilaterally set prices, create barriers to market entry for competitors, and harm consumers through unfair tariff policies. Previously, the Business Competition Supervisory Commission (KPPU) had decided that Lion Group violated Articles 19 and 25 of Law Number 5 of 1999 concerning abuse of dominant position and business strategies that hinder fair business competition. However, Lion Group was deemed not to comply with the decision and filed an appeal, which ultimately brought the case to the cassation level.

The Supreme Court, through its cassation decision, upheld the ICC's finding that Lion Group was proven to have abused its position in the market to set a non-transparent tariff policy and create barriers for competitors. This action was deemed to violate Article 19 of Law No. 5 of 1999, which prohibits behavior that prevents other business actors from entering the market and harms consumers, as well as Article 25, which prohibits unhealthy business strategies. Lion Group's non-compliance with the ICC's decision was also deemed to violate the principle of legal certainty as stipulated in Article 49 of the same law. The Supreme Court decided to impose sanctions on Lion Group in the form of fines and instructions to improve its ticket pricing policy to be more transparent and not harm consumers or competitors. In addition, the Supreme Court recommended that the KPPU increase supervision of other dominant business actors to prevent similar violations in the future.

This decision highlights the importance of maintaining the principle of healthy business competition, especially in strategic sectors such as aviation that have a major impact on the economy and public mobility. The Supreme Court also sent a strong signal that market dominance, although not prohibited, must be used fairly to encourage innovation and create benefits for consumers, not to create market barriers that harm competitors or cause price distortions. Lion Group's failure to comply with the previous decision shows that the deterrent effect in enforcing competition law in Indonesia still needs to be improved. This case is an important precedent for strengthening regulations related to the supervision of dominant business actors and emphasizes the need for transparency in its business policies.

To strengthen law enforcement in the future, the ICC needs to increase its capacity, both in terms of oversight mechanisms and technical capabilities to handle cases involving intellectual property rights (IPR)-based technology such as the ticket reservation system used by Lion Group. In addition, there needs to be additional regulations that provide more detailed guidelines on pricing and the use of technology in the context of business competition. Cross-agency collaboration between the ICC and regulators in other sectors, such as aviation, is also

important to ensure compliance with competition law. This decision is an important milestone in strengthening the principles of transparency and fairness in the Indonesian market and providing protection for consumers and business actors who compete fairly.

Market Structure and Market in Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022

Intended Market

In the Alleged Violation Report, it is stated that the market in question must be determined based on Article 1 number 10 of the Antimonopoly Law which states: "A market related to a certain marketing reach or area by a business actor for the same or similar goods and/or services or substitutes for the goods and/or services." Referring to this provision, the market in question must include 2 (two) things in it, namely:

- a. Product market, which is determined by assessing the same, similar, or substitute goods and/or services;
- b. Regional markets, which are determined by assessing the reach or marketing area of a good and/or service.

The market is a fundamental concept in the analysis of competition law which is the basis for determining the scope of competition between business actors. In the Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022, the market is defined as low-cost domestic flight services in Indonesia, which is an arena of competition between Lion Group and other business actors, such as Garuda Indonesia, Citilink, and AirAsia Indonesia. The product dimension of the market includes important domestic flight services and has limited substitution, thus providing a strategic position to dominate business actors. The geographical dimension covers the entire territory of Indonesia, including primary and secondary routes, where Lion Group has significant control over the number of routes, flight frequencies, and access to more remote areas.

In an oligopolistic market structure, Lion Group is considered to have abused its dominant position by setting non-transparent airline ticket prices, preventing competitors from entering the market, and creating losses for consumers. This abuse violates Articles 19 and 25 of Law No. 5 of 1999, which prohibit behavior that is detrimental to competitors and limits market access. Identification of the relevant market is an important element in assessing the impact of Lion Group's actions on healthy business competition, both for competitors and consumers. This decision emphasizes the importance of strengthening supervision by the KPPU and transparency of tariff policies to ensure a balance between market dominance and healthy competition in the domestic aviation sector.

Product Market Determination

The determination of the product in the a quo case, in the context of whether the product that is the object of the market in question is a substitute or not, has been approached by the Commission Assembly as explained in PerICC No. 4/2022, namely by looking at the functional aspects, characteristics and prices of the product. Based on the testimony of Expert Prof. Dr. Ningrum Natasya Sirait who stated that the product market is defined as a competing product of a certain product followed by other products that are able to replace the product, where other products can replace a product when the existence of other products narrows the space for price increases for the product.¹⁹⁰ In addition, Prof. Dr. Ine Minara S. Ruky, SE, ME, gave her statement as an expert, that the essence of the market analysis process is to analyze the ability of the substitution concept from the demand side and the supply side.

The determination of the product market in the Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022 focuses on the identification of **low-cost domestic airline services (low-cost carriers)** as the relevant product market. This determination was made by referring to the characteristics of airline services as air transportation services that have no direct substitute from other modes of transportation such as trains, buses, or ships, due to significant differences in travel time and efficiency. Domestic airline services have special

characteristics, including a competitive cost structure and reliance on ticketing technology protected by intellectual property rights (IPR). In this case, Lion Group is considered to dominate the market for these products through the operations of airlines such as Lion Air, Wings Air, and Batik Air, which offer domestic flight services with extensive route coverage and attractive pricing strategies for the low-cost passenger segment. This dominance is reinforced by Lion Group's position as the player with the largest fleet in Indonesia, as well as access to strategic routes, both primary and secondary.

Determining the relevant product market is key to assessing Lion Group's actions in the context of healthy business competition. In the low-cost domestic aviation product market, Lion Group uses its position to influence the dynamics of competition, including in setting non-transparent ticket prices and restricting competitors' access to technology. This violates **Article 19 and Article 25 of Law No. 5 of 1999**, which prohibits abuse of dominant position and business strategies that harm competitors and consumers. By defining low-cost domestic aviation services as a specific product market, the Supreme Court provides a strong legal basis for evaluating whether Lion Group's business policies have created obstacles for competitors and harmed consumers. This conclusion shows the importance of supervision of dominant business actors in strategic markets and the need for transparency in tariff policies in order to create healthy competition.

Geographic Market Determination

In the Alleged Violation Report, the Investigation Team defines a geographic market as an area or region where a business actor is able to raise the price of a product without attracting new business actors or without losing significant consumers who switch to other business actors outside the region. The determination of the geographic market in the case quo is the region throughout Indonesia. Based on the testimony of Expert Vid Adrison, SE, MA, Ph.D., stated that if a product is only sold in one particular place or covers that region, then the product cannot be included in the relevant market.¹

The determination of the geographical market in the Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022 is a crucial element in determining the scope of the area in which Lion Group competes and dominates the domestic flight service market in Indonesia. The geographical market in this case is determined based on the scope of flight services provided by Lion Group, which includes main routes such as Jakarta-Surabaya, Jakarta-Medan, and Jakarta-Denpasar, to secondary routes serving remote areas. This geographical dimension is relevant because Lion Group not only dominates main routes with high demand, but also dominates secondary routes where the presence of competing airlines is very limited. This creates a situation where consumers in this region have limited choices, often relying only on Lion Group services. This geographical dominance is reinforced by the strategy of controlling infrastructure, such as IPR-based ticket reservation technology, which provides additional control over consumer and competitor access in certain areas.

This broad geographic coverage allows Lion Group to leverage its position in setting non-transparent ticket prices, which directly impacts consumers and competitors. In the context of competition law, the determination of this geographic market refers to **Articles 19 and 25 of Law No. 5 of 1999**, which prohibit the abuse of a dominant position to create market barriers or discriminatory strategies against competitors. The Supreme Court, in this decision, used a geographic market analysis to evaluate whether Lion Group had used its geographic coverage as a tool to strengthen its dominance and harm consumers in various regions in Indonesia. The determination of a clear geographic market provides an important basis for the Supreme Court and KPPU in ensuring that Lion Group's regional dominance does not violate the principle of market fairness. Thus, the geographic market becomes a key dimension

¹ *Ibid* ., p. 599.

that helps identify the impact of Lion Group's business policies on the structure of domestic business competition.

Market Structure

The KPPU Investigation Team in the Alleged Violation Report determined that the market structure of the a quo case was an oligopoly market, which then after further investigation, the Commission Panel in KPPU Decision No. 15/KPPU-I/2022 finally determined that the market structure in the a quo case was a tight oligopoly with high market concentration, had homogeneous products and there were several barriers to market entry. In addition to determining the relevant market, assessing the market structure is also important to prove whether or not there has been a violation of the Antimonopoly Law. As previously explained, based on economic theory, there are 4 (four) types of market structures, namely perfect competition markets, monopoly markets, monopolies, and oligopolies. Regarding the oligopoly market structure, it is also known that the types of oligopoly markets can be further grouped into 3 (three) types based on the market concentration of the four companies with the highest market share, including:

1. Tight oligopoly, namely a market condition where 4 (four) leading companies or business groups have a market share of 60-100%.
2. Oligopoly is a moderate oligopoly, namely a market condition where 4 (four) leading companies or groups of companies have a market share of 40-60%.
3. Loose oligopoly, namely a market condition where 4 (four) leading companies or business groups have a market share of less than 40%.

a. Looking at the number of sellers which is then associated with market share control

In the **Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022**, the number of sellers and market share control are important elements in assessing the market structure and determining whether Lion Group has abused its dominant position in the domestic aviation industry. In this case, the domestic aviation market has oligopolistic characteristics, with only a few major players such as Lion Group, Garuda Indonesia, Citilink, and AirAsia Indonesia dominating the market. However, Lion Group has a much larger market share than other competitors, especially in **the low-cost carrier (LCC) segment**. Through Lion Air, Wings Air, and Batik Air, Lion Group controls a large number of primary and secondary domestic routes, giving them significant control over the number of flights and fares in the market. This inequality in the number of sellers and distribution of market share creates a situation where Lion Group not only dominates the market but also has the ability to unilaterally influence prices and market access, which poses a risk to healthy competition.

Lion Group's dominance of this market share allows them to implement business policies that are detrimental to consumers and competitors, including non-transparent ticket pricing and strategic route control that limits access for other airlines. In the context of competition law, this significant market share control must be evaluated based on **Article 19 of Law No. 5 of 1999**, which prohibits abuse of a dominant position, including practices that create market barriers. The inequality in the number of sellers and distribution of market share also shows that the market is not competitive, with Lion Group as the actor dictating market dynamics. The Supreme Court in its decision emphasized that control of a large market share must be accompanied by an obligation not to abuse this dominance, either by setting unfair rates or limiting access for competitors. This analysis highlights the need for strict supervision of dominant business actors to ensure fairness in strategic market competition such as domestic flights in Indonesia.

b. Looking at the level of product homogeneity

In the **Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022**, the level of product homogeneity is an important element in evaluating the level of competition in the Indonesian domestic aviation market. Product homogeneity refers to the extent to which goods or services offered by various business actors are considered similar or mutually substituted by consumers. In the domestic aviation market, the products offered by airlines are basically air transportation services that aim to move passengers from one location to another. Although these products are in principle homogeneous, the level of differentiation can arise through factors such as ticket prices, service quality, flight schedules, and available routes. In the case of the Lion Group, this product differentiation emerged through their dominance on certain routes, especially secondary routes, as well as their ability to offer tickets at more competitive prices than competitors. However, this differentiation is not significant enough to eliminate the fact that the main product (air transportation services) is homogeneous.

Product homogeneity in the aviation market creates unique competitive conditions, where consumers tend to choose based on price and availability, rather than on unique product characteristics. In this oligopolistic market structure, Lion Group's dominance in controlling market share and setting non-transparent ticket prices gives them a significant advantage over competitors. The high level of product homogeneity exacerbates the risk of abuse of dominant position, because dominant airlines can easily take advantage of product homogeneity to determine market prices without worrying about losing significant customers. The Supreme Court, through this decision, emphasized that product homogeneity in the aviation market strengthens the importance of supervision of dominant business actors such as Lion Group, which have the potential to damage healthy business competition by exploiting their advantages in setting fares and controlling market access. This analysis shows that although product homogeneity is a characteristic of this market, strict supervision is needed to prevent violations of competition laws.

c. Looking at the barriers to entry and exit from the market

In the **Cassation Decision Number 1811K/Pdt.Sus-KPPU/2022**, barriers to entry and exit from the market are important elements in assessing the competitive structure in the Indonesian domestic aviation industry. Barriers to entry refer to the obstacles faced by new business actors to enter the market, while barriers to exit relate to the difficulties for business actors who want to enter the market. In the domestic aviation sector, barriers to entry are very high, especially due to the large capital requirements to purchase or lease aircraft fleets, comply with aviation regulations, and build supporting infrastructure such as ticket reservation systems. These obstacles are exacerbated by the dominance of business actors such as the Lion Group which has significant control over strategic routes, intellectual property rights (IPR)-based ticket reservation technology, and large fleet capacity. This condition makes it difficult for new competitors to compete, especially on routes that have been dominated by the Lion Group, both in terms of price and accessibility.

Market entry barriers in the airline industry are also significant, as they involve high costs such as contractual obligations for fleet leases, severance pay for employees, and settlement of other legal obligations. In the context of this case, high entry barriers create a significant advantage for Lion Group to dominate the market without significant threat from new entrants. This dominance gives Lion Group the ability to abuse its position in setting non-transparent ticket fare policies, which violates **Article 19 of Law No. 5 of 1999**. The Supreme Court in its decision emphasized that high entry barriers exacerbate the impact of Lion Group's market dominance, as it creates an environment where existing competitors cannot compete on an equal footing, while new entrants are prevented from entering. This analysis shows that significant entry and exit barriers require stricter supervision from the Business Competition

Supervisory Commission (KPPU) to ensure that market dominance is not used to hinder fair competition and harm consumers.

Analysis of the Application of Relevant Market Regulations and Market Structures in Competition Law in Indonesia

1. Product Market Regulation

In understanding the product market, it should be noted that the product market does not only include similar competing products, but also other products that are able to replace or become a substitute option for products with the same category or function. Other products can also be called a substitute for a product if the existence of other products is able to narrow the space for price increases for the product in question. In the rules governing the determination of the product market, it is explained that the identification process can start from the demand side and then followed by identification from the supply side. Consumer choices must at least be represented by the main indicators known as the price, character, and usefulness of the product in question.

a. Price Indicator

There are several pricing factors that are considered in determining the relevant market:

- 1) That the price of the product must be like the usual price in the market and the price is competitive with similar products. If the price is too unreasonable and uncompetitive, it will complicate the analysis process and can result in estimates about the market being too general; competing with similar products. If the price is too unreasonable and uncompetitive, it will make the analysis process difficult and can lead to an understanding of the market that is too general;
- 2) The products analyzed do not have to have the same price, because there may be price differences between the products. So the focus of the analysis is not only on the nominal, but on how consumers react to price changes that occur from the product in question;
- 3) In a hypothetical situation, if the price increase is only on product A and does not change on substitute products, this means that the price increase on product A should not affect the overall price increase and should not have an impact on inflation;
- 4) Price increases should be considered as changes that occur over a long period of time or are not just temporary. Short-term price fluctuations should be excluded from the analysis to avoid inaccuracies in data processing and price change analysis;
- 5) The hypothesized price increase should be small but significant. With a small increase, buyers will only switch to products that are very similar to product A. If the price increase is large, buyers may switch to products that are very different from product A. The price increase must be large enough to influence buyers. If the price increase is too small, buyer behavior will not change because they need money and time to find alternatives before switching to another product.

b. Product Characteristics and Usability Factors

In addition to price indicators, non-price parameters are also recognized in PerKPPU No. 3/2009, namely product character and utility.

- 1) In the market, products do not always have to be exactly the same as each other. Sometimes it is difficult to find the exact same product as a substitute (*perfect substitute*). Thus, the definition of a product in the market is only based on products that are almost the same or similar (*close substitutes*).

- 2) In the market, not all products have to be the same in terms of quality. Currently, the level of product differentiation is very high in many ways such as technology, brand, or packaging. However, if consumers consider that two products have the same character and function, even though there are differences in brand or packaging, the two products can be considered as substitutes for each other. On the other hand, if consumers feel that two products do not have the same function and character needed, then even though there are similarities in brand or packaging, the two products are not considered as substitutes.

2. Geographic Market Settings

KPPU Chairman Regulation No. 4/2022 has provided a definition of a geographic market, namely an area where sellers or business actors can increase their prices without consumers switching to other business actors or without new business actors entering the area. This happens because the shipping costs are cheap so that consumers do not have the desire to buy from other places or in other words are unable to encourage the movement of consumption of the product. So, if a product is sold in a country with insignificant shipping costs, then the geographic market for the product is the entire territory of the country. However, if a business actor sells a product in a certain area and consumers do not have access to products from outside the area, then it can be concluded that the geographic market for the product is only that area.

Determining the geographic market is greatly influenced by the availability of the product being analyzed. Factors such as company policies, shipping costs, inter-regional rules, all of these determine how wide the coverage area of the product is analyzed. Online trading and paperless transactions can make barriers and boundaries between regions less clear. So in other words, the advancement of online trading can expand the geographic market area of a product. This is one of the things to consider in determining the geographic market of a product.

The determination of the relevant market in PerICC No. 3/2009 differs from the definition of market contained in the Antitrust Law. This definition is more similar to the rules used in *the Federal Trade Commission's Horizontal Merger Guidelines*, rather than those used in *the United Nations Conference on Trade and Development's Model Law on Competition*.

3. Market Structure Regulation

The market structure in the Business Competition Law is clearly defined in Article 1 Number 11 of the Antimonopoly Law, namely:

"Market conditions provide clues about aspects that have a significant influence on business behavior and market performance, including the number of sellers and buyers, barriers to entry and exit from the market, product diversity, distribution systems and control of market share."

From the definition, it can be seen that the definition given is related to the market situation that directly impacts the behavior of business actors in a market. ICC in determining the classification of market structure in cases of business competition refers to basic economic theory, which divides market structure into 4 (four) forms, including:

a) Perfect Competition Market

In a highly competitive market, the situation is that the number of companies is very large and the ability of each company in the market is considered very small, so that each company does not have the ability to influence the market. In other words, the company's output is relatively small compared to the market output. In addition to the company's output, another characteristic of a perfectly competitive market is that the products circulating in the market are homogeneous. This means that the products sold are products that can provide the same satisfaction to consumers without needing to know

who the product manufacturer is. So that all companies in this market are considered to have the ability to produce goods and services with the same quality and characteristics.

Another characteristic of this type of market is the freedom to enter and exit the market, seen from its unlimited mobility and the absence of costs that must be incurred to move labor from one place to another or even from one job to another. In addition, the information obtained by consumers and producers is comprehensive so that there is no different treatment of selling prices from one company to another for consumers, or producers. However, it must also be understood that this type of market is not found in the real world. However, there are several industries that are close to this form of perfect competition market, such as tempeh, tofu, white crackers, and photocopying services as well as several markets for agricultural products.

b) Monopoly Market

One of the distinguishing characteristics of a monopoly market is the character that only one producer will be found in this type of market, without direct or indirect competitors. The fact that there are no competitors is due to the fact that there are barriers to entry for other producers who want to enter the market. These barriers to entry can be caused by the company's ability to produce efficiently, the company's ability to control the source of production factors which can be natural resources and human resources. In addition, barriers to entry can also be seen from the legal side, for example, some companies that do have monopoly power and companies that are legally given monopoly rights such as BUMN. Rather than being an obstacle, another characteristic of the monopoly market form is the absence of similar substitute goods so that the goods produced by this monopoly company are the only type of goods. Even in terms of pricing, monopoly companies have power because they are the only sellers in the market. Another characteristic is that companies in this market do not need sales promotions such as advertising, because they are the only companies in the industry.

c) Monopoly Competition Market

A monopoly competitive market is a type of market that approaches the characteristics of a perfect competition market. However, what distinguishes it is that in this type of market, each company in this market not only accepts the prevailing price in the market but has the ability to determine the price for each product produced by the company. Companies are able to determine their own prices because companies do not produce homogeneous products, but rather produce goods that have customs characteristics with products from other companies. In addition, in this type of market, the number of companies in it is quite large so that the share of one company is smaller than the total. The products sold are also products that have different characteristics from other similar products or are known as differentiated products. However, the level of differentiation in a monopoly competitive market is still relatively low, which causes the level of substitution in the market to be quite high. In addition, it is still the same as the perfect competition structure, where companies can freely enter and exit the market.

d) Oligopoly Market

In this type of market, there are only a few sellers. This reflects that the market share of each company is quite significant. In addition, in this market, companies in the market are interdependent, which means that one's decision is largely determined by the behavior of other companies in the market.

CONCLUSION

This study shows that Lion Group's non-compliance in reporting changes in airline ticket policies has significant implications for monopolistic practices and unfair business competition in the aviation industry. By not transparently reporting fares, Lion Group creates barriers for competitors and harms consumers, thus violating the principle of fair business competition as stipulated in Law Number 5 of 1999.

The analysis also highlights the importance of tighter supervision by the Business Competition Supervisory Commission (KPPU) and stricter regulations to prevent similar violations in the future. Transparency and compliance with regulations are key to creating a healthy and fair business climate, which will ultimately benefit consumers and the sustainability of the aviation industry in Indonesia.

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