

ABSTRAK

Business in the tourism industry in Indonesia provides an opportunity for the country to earn foreign exchange. Chinese tourists are the tourists who come to visit Bali the most. However, the high number of visits is not as high with the revenue that should be received. This is due to the practice of zero tour fee tour packages trading. It's conducted by the Chinese Travel Agency. This practice is carried out by Chinese Travel Agents with souvenirs shop that belongs to Chinese citizens who are bound by an integral agreement. This trade practice is included as the vertical integration agreement which is prohibited based on the provisions of Article 14 of Anti Trust Law Number 5 of 1999. This practice is also not in line with the principles stipulated in Tourism Law Number 10 of 2009.

Key Word : *tourism industry, zero tour fee, vertical integration*